


# Property Owners Policy



# Contents

Please click the titles below to navigate to the section 

Data protection statement	3
Important notes	4
Our complaints procedure	5
The Financial Services Compensation Scheme (FSCS)	5
Claims contact details and additional benefits	6
Your Property Owners policy	9
Definitions	10
Section A – Material damage	15
Section B – Business interruption	19
Covers applicable to Sections A and B	24
Clauses applicable to Sections A and B	27
Adaptation Clauses (Green issues and climate change)	36
Contingent cover clauses	36
Contract work clauses applicable to Sections A and B	40
Interested parties clauses	41
Legal contingencies clause	42
Residential buildings clauses	44
Conditions applicable to Sections A and B	45
Exclusions applicable to Sections A and B	48
Section C – Property owners', public and products liability	49
Sub-section C1 – Property owners' and public liability	50
Sub-section C2 – Products liability	51
Section D – Employers' liability	58
Section E – Legal expenses	61
Section F – Terrorism	77
Sub-section F1 – Certified terrorism	78
Sub-section F2 – Uncertified terrorism	79
General exclusions	80
General conditions	82
Claims conditions	85

## How to make a claim



**Call us on**  
**0800 302 9055**  
24 hours a day, 365 days a year



**Visit us online**  
**[www.zurich.co.uk/business/claims](http://www.zurich.co.uk/business/claims)**

# Data protection statement

## Not applicable to Section E – Legal expenses

Zurich takes the privacy and security of your personal information seriously. We collect, use and share your personal information so that we can provide policies and services that meet your insurance needs, in accordance with applicable data protection laws.

The type of personal information we will collect includes: basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

We and our selected third parties will only collect and use personal information (i) where the processing is necessary in connection with providing a quotation and/or contract of insurance; (ii) to meet our legal or regulatory obligations; (iii) where you have provided the appropriate consent; (iv) for our 'legitimate interests'.

It is in our legitimate interests to collect personal information as it provides us with the information that we need to provide our services more effectively including providing information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest.

A full copy of our data protection statement can be viewed via [www.zurich.co.uk/dataprotection](http://www.zurich.co.uk/dataprotection)

## How you can contact us

If you have any questions or queries about how we use your data, or require a paper copy of the statement, you can contact us via [gbz.general.data.protection@uk.zurich.com](mailto:gbz.general.data.protection@uk.zurich.com) or alternatively contact our Data Protection Officer at Zurich Insurance, Unity Place, 1 Carfax Close, Swindon, SN1 1AP.

# Important notes

Not applicable to Section E – Legal expenses

## **Fraud prevention and detection**

In order to prevent and detect fraud we may at any time:

- check your personal data against counter fraud systems
- use your information to search against various publicly available and third party resources
- use industry fraud tools including undertaking credit searches and to review your claims history
- share information about you with other organisations including but not limited to the police, the Insurance Fraud Bureau (IFB), other insurers and other interested parties.

If you provide false or inaccurate information and fraud is identified, the matter will be investigated and appropriate action taken. This may result in your case being referred to the Insurance Fraud Enforcement Department (IFED) or other police forces and fraud prevention agencies. You may face fines or criminal prosecution. In addition, Zurich may register your name on the Insurance Fraud Register, an industry-wide fraud database.

## **Claims history**

We may pass information relating to claims or potential claims to the Claims and Underwriting Exchange Register (CUE), where the data is controlled by the Motor Insurers' Bureau, and other relevant databases.

We and other insurers may search these databases when you apply for insurance, when claims or potential claims are notified to us or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

## **Employers' Liability Tracing Office (ELTO)**

We are members of the Employers' Liability Tracing Office (ELTO), an independent industry body who maintains a centralised database that helps those who have suffered injury or disease in the workplace to identify the relevant Employers' Liability insurer quickly and efficiently.

It is important, for the services of ELTO to be fully effective, that you inform us of your ERN (Employer Reference Number also known as the Employer PAYE reference) and all subsidiary company names and their ERNs if applicable.

As members of ELTO we will forward details of your policy if it contains Employers' Liability cover to ELTO together with details of any ERNs you have supplied to us.

# Our complaints procedure

Not applicable to Section E – Legal expenses

## **Our commitment to customer service**

We are committed to providing a high level of customer service. If you feel we have not delivered this, we would welcome the opportunity to put things right for you.

## **Who to contact in the first instance**

Many concerns can be resolved straight away. Therefore in the first instance, please get in touch with your usual contact at Zurich or your broker or insurance intermediary, as they will generally be able to provide you with a prompt response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

## **Many complaints can be resolved within a few days of receipt**

If we can resolve your complaint to your satisfaction within the first few days of receipt, we will do so. Otherwise, we will keep you updated with progress and will provide you with our decision as quickly as possible.

## **Next steps if you are still unhappy**

If you are not happy with the outcome of your complaint, you may be able to ask the Financial Ombudsman Service to review your case.

We will let you know if we believe the ombudsman service can consider your complaint when we provide you with our decision. The service they provide is free and impartial, but you would need to contact them within 6 months of the date of our decision.

More information about the ombudsman and the type of complaints they can review is available via their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

You can also contact them as follows:

**Post:** Financial Ombudsman Service, Exchange Tower, London, E14 9SR

**Telephone:** 08000 234567 (free on mobile phones and landlines)

**Email:** [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

If the Financial Ombudsman Service is unable to consider your complaint, you may wish to obtain advice from the Citizens Advice Bureau or seek legal advice.

# The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting the FSCS directly on 0800 678 1100.

# Claims contact details and additional benefits

## Making a Claim

Not applicable to Sections E – Legal expenses. For claims under those sections please refer to that section of cover for contact details.

Unless **you** have been given different claims contact details by **your** broker or insurance intermediary then please contact **us** as follows:



To make a claim online visit: [www.zurich.co.uk/business/claims](http://www.zurich.co.uk/business/claims)



Call us on: **0800 302 9055**

**We** can process a claim by **you** simply calling with the following details:

- **your** name and company details
- the policy number.

## What to expect

Once **you** have provided all the information which **we** have requested, **we** will:

- advise **you** about the next steps
- take any immediate measures as described in **your** policy
- proactively keep **you** or **your** broker or insurance intermediary informed about the progress of the claim
- proactively manage third parties (anyone claiming against **you**, as a Zurich Insurance Company Ltd policyholder can also contact **us** on this number)
- work towards settling the claim as quickly as possible.

In order to speed up the process, both **you**, **your** broker or insurance intermediary and third parties can report claims to this number 24 hours a day, 7 days a week.

Please refer to the applicable claims conditions for further information.

## Rehabilitation Claims Services (available to Employers' Liability customers only)

**Our** Rehabilitation team offer an innovative approach to acute injury management, proactively treating injuries to prevent chronicity and long-term absence, helping your employees return to work sooner. Treatments offered can include physiotherapy, hand therapy, psychological therapy, diagnostic imaging and surgical solutions.

**Our** service is suitable for most injuries arising from workplace incidents and offers immediate access to professional medical expertise. **Our** rehabilitation service can help **you** reduce the costs of injuries and accidents at work by ensuring employees access appropriate and timely treatment.

Rehabilitation can help manage a claim and mitigate **your** losses as a faster recovery enables quicker settlement, less exaggeration of symptoms and reduction in the average number of days lost.



To make a claim online visit: <https://liabilityclaims.zurich.co.uk/link/portal/mmc>



Call us on: **0800 028 8261**



Email us on: [mmc@uk.zurich.com](mailto:mmc@uk.zurich.com)

## Zurich Risk Advisor

Zurich Risk Advisor is a free to use risk management app that makes risk assessments easier to understand, provides **you** with insight and recommends best practices including self-risk assessments.

Experience the benefits of Zurich Risk Advisor by downloading the app from the Apple store or the Google Play Store. Visit **our** website for more details: [www.zurich.com/products-and-services/tools-for-business/zurich-risk-advisor](http://www.zurich.com/products-and-services/tools-for-business/zurich-risk-advisor)



## Risk Management Advice Line

### Call 0800 302 9052

To help **you** proactively identify and manage issues before they occur, **our** risk management advice line operates during normal business hours, providing free practical guidance on risk issues such as property, security, food hygiene, business continuity, environmental and health and safety management.

Please note that this helpline includes services provided by Zurich Management Services Limited and may include services provided by third parties.

## Flood Risk Management

To help **you** identify whether **your** premises is at risk from flooding, the following websites may be of use:

Environment Agency – GOV.UK [www.gov.uk/browse/environment-countryside/flooding-extreme-weather](http://www.gov.uk/browse/environment-countryside/flooding-extreme-weather)

Check the long term flood risk for an area in England at [www.gov.uk/check-long-term-flood-risk](http://www.gov.uk/check-long-term-flood-risk)

Check the risk of flooding in Northern Ireland at [www.nidirect.gov.uk/articles/flooding](http://www.nidirect.gov.uk/articles/flooding)

Check **your** flood risk by postcode in Wales at [www.naturalresources.wales](http://www.naturalresources.wales)

Find flood hazard and flood risk information for Scotland at [www.sepa.org.uk](http://www.sepa.org.uk)

**You** can access our Flood Emergency Plan Guide and download a template to complete a Flood Emergency Response Plan at: [www.zurich.com/en/knowledge/topics/flood-and-water-damage/preparing-your-business-for-floods](http://www.zurich.com/en/knowledge/topics/flood-and-water-damage/preparing-your-business-for-floods)

If **you** require any further assistance, please contact **our** Risk Management Advice Line shown above.

The following services are provided by ARAG Legal Expenses Insurance Company Limited.

## ARAG Helplines, Employment Manual and ARAG Businesslaw

You can contact our UK-based call centre 24 hours a day, seven days a week during the period of insurance. However, we may need to arrange to call you back depending on the enquiry. To help us check and improve our service standards, we may record all calls. When phoning, please quote your policy number and the name of the insurance provider who sold the policy

## Meaning of words

The following words have these meanings wherever they appear in **bold**, in relation to the ARAG services below:

### Business

The business declared to **us** and covered by the commercial policy to which this section attaches.

### Insured person

- a) **You** and the directors, partners, managers, employees and any other individuals declared to **us** by **you**.
- b) A person contracted to work for **you** who works for **you** on the same basis as **your** employees, and performs that work under **your** supervision and direction.

### Period of insurance

The period for which **we** have agreed to cover the insured person and for which **we** have accepted the premium.

### We, us, our, ARAG

ARAG Legal Expenses Insurance Company Limited.

### You, your

The **business** that has taken out the commercial policy to which this section attaches.

## Legal advice – Call 0344 893 0859

Advice can be provided on any commercial legal problem affecting **your business** under the laws of the United Kingdom of Great Britain and Northern Ireland, any European Union country, the Isle of Man, the Channel Islands, Switzerland and Norway.

Wherever possible the Legal Advice helpline aims to provide immediate advice from a qualified legal adviser. However, if this is not possible they will arrange to call **you** back at a time to suit **you**.

Advice on the laws of England and Wales can be provided 24 hours a day, 365 days a year. Beyond this jurisdiction, or for very specialist legal matters, **we** will refer **you** to one of **our** specialist advisers.

Specialist advice is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are received outside of these times, **we** will arrange to call **you** back.

## Tax advice – Call 0344 893 0859

Advice can be provided on any tax matters affecting the **business**, under UK law.

**This service is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, we will arrange to call you back.**

## Counselling service – Call 0344 893 9012

**We** will provide the **insured person** (and any members of their immediate family who permanently live with them) with a confidential counselling service over the phone if they are aged 18 or over (or aged between 16 and 18 and in full-time employment). This includes, where appropriate, onward referral to relevant voluntary and/or professional services. Any costs arising from the use of these referral services will not be paid by **us** or Zurich Insurance Company Ltd.

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

## Employment Manual – Visit [www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual)

The ARAG Employment Manual offers comprehensive, up to date guidance on employment law. To view it, please visit [www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual)

If **you**'d like notifications of when updates are made to the Employment Manual, please email **us** at [employmentmanual@arag.co.uk](mailto:employmentmanual@arag.co.uk)

## ARAG Businesslaw – Visit [www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk)

### What is ARAG Businesslaw?

ARAG Businesslaw contains a range of regularly updated business and legal guides, document builders, interactive checklists and videos that can help **you** with the day-to-day running of **your business**, including comprehensive, current guidance on employment law, as well as helping **you** to manage its exposure to legal risk.

ARAG Businesslaw's document builders can help **you** quickly create documents such as:

- HR policies
- T&C documentation
- Privacy statements
- Copyright and trademark licences
- Data protection policy
- Employee contracts
- Debt recovery letters.

In addition, ARAG Businesslaw contains hundreds of regularly updated expert guides and videos on topics such as branding, crowdfunding, financial and tax planning, and marketing strategy to help build and grow **your** business.

How do I get started?

1. Visit [www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk)
2. Enter **DASBZUR100** into the 'voucher code' text box and press Validate Voucher
3. Fill out **your** name and email address, create a password, and specify what type of business **you** have
4. Validate **your** email address by pressing the link in the confirmation email that **you** receive.

In using these services **you** acknowledge that all rights and obligations relating to the provision of these services rest with **ARAG** and that **you** will have no recourse to Zurich Insurance Company Ltd in this regard.

## Data protection

To comply with data protection regulations **we** are committed to processing personal information fairly and transparently. A full copy of **our** privacy notice can be found on **our** website – [www.arag.co.uk/privacy](http://www.arag.co.uk/privacy). If **you** require a written copy of **our** privacy notice please email [dataprotection@arag.co.uk](mailto:dataprotection@arag.co.uk).

Zurich Insurance Company Ltd, Zurich Management Services Limited and **ARAG** will not accept responsibility if any of the helplines are unavailable for reasons Zurich Insurance Company Ltd, Zurich Management Services Limited and **ARAG** cannot control.



# Your Property Owners policy

This policy is a contract between **you** and Zurich Insurance Company Ltd in respect of the entire policy except Section E – Legal expenses which is a contract between **you** and ARAG.

This policy, the statement of facts, any schedule, endorsements and certificate should be read as if they are one document.

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

Where more than one party is insured under this policy or any section, whether on a joint, composite or any other basis and irrespective of whether separate contracts are deemed to have been issued to each party, and save for any loss limit, limit, sub-limit, aggregate limit, sum insured, limit of indemnity or limit of liability which is expressly stated to apply to any particular insured, then **we** will not pay more than the applicable loss limit, limit, sub-limit, aggregate limit, sum insured, limit of indemnity or limit of liability irrespective of the number of parties claiming and/or contracts deemed to have been issued. Any payment or payments by **us** to any one or more insured parties will reduce to the extent of that payment **our** liability to all parties insured and once a loss limit, limit, sub-limit, aggregate limit, sum insured, limit of indemnity or limit of liability has been paid, no additional payments or claims will be paid.

When **you** take out, renew and make changes to the cover provided by this policy, **you** must take reasonable care to ensure that **you** accurately answer any questions which **we** ask of **you** and that any information **you** give **us** is accurate. If **you** are taking out this policy for purposes which are wholly or mainly related to **your** trade, business or profession, **you** must also let **us** know about all facts which are material to **our** decision to provide **you** with insurance. Failure to meet these obligations could result in this policy being invalidated, a claim not being paid, or an additional premium being charged.

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

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

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

## Law applicable to this contract (not applicable to Section E – Legal expenses)

In the UK the law allows both **you** and **us** to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address as stated in **your** policy documentation. If there is any dispute as to which law applies it will be English law. The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy, statement of facts, schedule, endorsements and certificate carefully and if they do not meet **your** needs contact **us** or **your** broker or insurance intermediary.

# Definitions

Certain words in this policy have special meanings. These words and their meanings are detailed in this section and apply wherever **we** have printed them in bold throughout.

These definitions apply to the entire policy excluding Section E – Legal expenses. However, certain words have special meanings that only apply to a particular section of this policy. These are stated at the beginning of the relevant section as special definitions and will apply in that section wherever the defined words are shown in bold italics.

## Adverse right

Any estate, right or interest arising from a **defect in title** that is adverse to or in derogation of **your** title to any **premises** and which was in existence at the **commencement of cover**.

## Bodily injury

Death, bodily injury, illness or disease including medically recognised psychiatric illness.

## Buildings

The buildings of the **premises** specified in the schedule or certificate including:

- a) landlord's fixtures and fittings
- b) glass for which the landlord is responsible
- c) outbuildings, extensions, annexes, gangways, canopies, tunnels, fixed signs, temporary buildings, conveniences, lamp posts and street furniture
- d) walls, gates and fences
- e) drains, sewers, piping, ducting, cables, wires, aerials, satellite dishes and associated control gear and accessories on the **premises** and extending to the public mains but only to the extent of **your** responsibility
- f) yards, car parks, roads, bridges, pavements, walkways, forecourts and similar surfaces all constructed of solid materials
- g) tenants' improvements for which **you** are responsible and property comprising fixtures and fittings (but excluding movable contents) formerly the property of tenants but relinquished to **you** at the time of surrender of the lease
- h) **Landlord's contents** for an amount not exceeding the limit stated in the schedule.

## Business

The business stated in the schedule and including:

- a) maintenance of property and **premises** owned or occupied by **you**
- b) the provision and management of canteen, social, sports and welfare organisations for the benefit of **employees**
- c) first aid, security, fire and ambulance service
- d) private work carried out within the **territorial limits** by an **employee** for any director or senior executive of the **business**
- e) **your** attendance at or participation in exhibitions, trade fairs and conferences within the **territorial limits**
- f) provision of charitable activities
- g) the repair or servicing of vehicles owned, leased or hired or on loan to **you**.

## Business interruption

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

## Business partner

Any person in **business** with **you** under the terms of a partnership agreement whether express or implied under legislation.

## Chancel repair liability

Any chancel repair liability which the **premises** is subject to at the **commencement of cover**.

## Commencement of cover

The date on which an individual **premises** was first insured for cover against **legal contingencies** under this policy.

## Commercial premises

**Buildings** let for commercial occupation or use including mixed use premises where parts are intended for or in use as residential occupation.

### Communicable disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

### Computers

Computer hardware and its peripheral devices used for electronic processing, communication and storage of data.

### Court order

An order injunction or judgment from a Court or Lands Tribunal:

- a) upholding an **adverse right** in full or in part
- b) upholding a **restrictive covenant** in full or in part
- c) preventing **you** or any persons authorised by **you** from using an **easement**
- d) upholding a claim to enforce a **chancel repair liability** in full or in part.

### Damage

Loss or destruction of or damage to the **property insured**.

### Data processing system

Any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

### Defect in title

One or both of the following:

- a) part or all of **your** leasehold interest in the **premises** is registered at the Land Registry with Good Leasehold Title at the **commencement of cover**
- b) the **premises** are subject to matters which are noted on the Land Registry title at the **commencement of cover** details of which are unknown to **you** and cannot be obtained by **you** prior to that date.

### De jure or de facto

In law or as a matter of fact.

### Defined peril

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, subterranean fire, storm, tempest, flood, escape of water from any tank apparatus or pipe, sprinkler leakage, impact by any vehicle or by goods falling therefrom or animal.

### Denial of service attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. including but not limited to the:

- a) generation of excess traffic into network addresses
- b) exploitation of system or network weaknesses
- c) generation of excess or non-genuine traffic between and amongst networks.

### Easement

Any:

- a) means of pedestrian or vehicular access to and from any **premises**
- b) services connected to any **premises** including rights of access for their inspection, maintenance, renewal and repair for which **you** are unable to produce documentary evidence of a legal grant but which has been enjoyed by and used in connection with any **established use** of the **premises** for a continuous period of at least 12 months including the 12 months immediately before the **commencement of cover** and continuously thereafter provided **you** can produce a **statutory declaration** in support of such use.

### Employee

Any natural person under a contract of service or apprenticeship with **you** which will be deemed to include:

- a) any labour master or labour only subcontractor or persons supplied by any of them
- b) self-employed persons
- c) persons under work experience schemes
- d) any person hired or borrowed by **you** from another employer
- e) working partners or proprietors
- f) drivers or operators of hired-in plant
- g) any officer or member of the organisations who constitute the **business**
- h) non-executive directors
- i) voluntary workers
- j) persons working under the Community Offenders Act 1978 or similar legislation
- k) employees whilst engaged in industry Trade Association committees duties
- l) outworkers or home workers

whilst under **your** control and supervision and working for **you** in connection with the **business**.

### Enforcement action

Successful enforcement action by the relevant local planning or building control authority pursuant to a **notice**.

### Established use

The continued use of any **premises** for any use (including any building or structure constructed or converted on it for at least the 12 months immediately before the **commencement of cover**) for which such **premises** have been continuously used for at least 12 months immediately before the **commencement of cover** and have been so used continuously thereafter.

### Estimated rent receivable

The amount stated in the schedule representing not less than the **rent receivable** which it is anticipated will be earned by the **business** during the financial year most nearly concurrent with the period of insurance or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds 12 months.

### Excess

The amount stated in this policy, the schedule, certificate or any endorsement for which **you** will be responsible and which will be deducted from any payment under this policy after all other terms and conditions have been applied.

### Hacking

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

### Incident

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

### Indemnity period

The period beginning with the occurrence of the **incident** and ending when the results of the **business** are no longer affected by the **incident** or on expiry of the **maximum indemnity period** whichever occurs first.

### Knowledge

**Your** actual knowledge and not constructive knowledge or **notice** which may be imparted by matter appearing in **public records**.

### Landlord's contents

- a) Furniture, furnishings, potted plants, potted trees and shrubs, video, audio, building management systems and security equipment and other similar property belonging to **you** or for which **you** are responsible all while contained in or on the **buildings** or within the common areas of the **buildings** for which **you** are responsible
- b) the contents of fuel tanks, statues, gardening equipment and garden furniture at the **premises**.

### Legal contingencies

Any claimant after the **commencement of cover** and during the period of insurance:

- a) establishing or attempting to establish:
  - i) an **adverse right**
  - ii) that an **established use** of a **premises** constitutes a breach of a **restrictive covenant**
  - iii) a legal right as owner of the servient land to prevent **you** (and all persons authorised by **you**) from using an **easement** in connection with an **established use** of a **premises**
- b) attempting to enforce **chancel repair liability**
- c) issuing a **notice** in respect of the **works**.

### Maximum indemnity period

The time period stated in the schedule or in this policy whichever is the lesser. This is a consecutive time period and commences from the date of the **incident**.

### Notice

An enforcement, planning contravention, breach of condition notice or injunction issued after the **commencement of cover** in respect of the **works** for breaches of either planning or building control regulations at the **premises**.

### Nuclear installation

Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for:

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation
- c) the storage, processing or disposal of nuclear fuel or bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel.

### Nuclear reactor

Any plant including any machinery, equipment or appliance whether affixed to land or not, designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

### Premises

The premises stated in the schedule or certificate.

### Professional accountants' charges

The reasonable charges payable by **you** to **your** professional accountant for producing details that **we** require for any claim but not costs **you** incur for preparing any claim.

### Property insured

The property insured at the **premises** stated in the schedule.

### Public records

Records established by the Crown or any local authority as at the **commencement of cover** pursuant to the Land Registration Act 1925, the Land Charges Act 1972 and the Local Land Charges Act 1975 all as amended as at the **commencement of cover**.

### Reinstatement

- a) The rebuilding or replacement of property suffering **damage** which provided that **our** liability is not increased may be carried out:
    - i) in any manner suitable to **your** requirements
    - ii) upon another site
  - b) the repair or restoration of property suffering **damage**
- in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

### Rent receivable

The amount of the rent, turnover rent, service charges, insurance premiums and any other income or revenue received or receivable from the letting of the **premises** and services rendered thereat.

### Resident

Any person who is the owner, lessee or occupier of any private dwelling or flat and any member of their family permanently living with them at the **buildings**.

### Residential premises

**Buildings** of houses, bungalows or flats designed or converted for solely residential occupation including common areas.

### Restrictive covenant

Any freehold restrictive covenant which the **premises** is subject to at the **commencement of cover**.

### Standard rent receivable

The **rent receivable** during that period in the 12 months immediately before the date of the **incident** which corresponds with the **indemnity period**. Adjustments will be made as may be necessary to provide for:

- a) the trend of the **business**; and
- b) variations in or other circumstances affecting the **business**

either before or after the **incident** or which would have affected the **business** had the **incident** not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the **incident** would have been obtained during the relative period after the **incident**.

### Statutory declaration

A statutory declaration or statement of truth from an owner of the **premises** confirming that an **easement** has been used openly and without permission, dispute or objection in connection with the **established use** of the **premises** for at least the 12 months immediately before the **commencement of cover** and continuously thereafter until the date of any third party claim disputing the **your** right to use the **easement** or **your** exercise of the Individual Policy Option.

### Territorial limits

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

### Terrorism

- a) Any act or preparation in respect of action or threat of action designed to influence the government **de jure or de facto** of any nation or any political division of any nation, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government **de jure or de facto** and which:
  - i) involves violence against one or more persons
  - ii) involves damage to property
  - iii) endangers life other than that of the person committing the action
  - iv) creates a risk to health or safety of the public or a section of the public
  - v) is designed to interfere with or to disrupt an electronic system
- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

### Transaction

Any mortgage or conveyance transfer or lease for value of the **premises** or any part thereof after the **commencement of cover** and during the period of insurance.

### Unoccupied, unoccupancy

Any **building** or part of **building** or flat which is empty, disused, unfurnished or no longer in active use by **you** or any of **your** tenants.

### 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 including but not limited to Trojan horses, worms and logic bombs.

### We, us, or, our

Zurich Insurance Company Ltd.

### Works

- a) Any alterations (other than conversions), additions or extensions carried out and completed at least 12 months before the **commencement of cover** to the **buildings** on any **premises**
- b) the construction or conversion of any building on any **premises** completed at least 4 years before the **commencement of cover**.

### You or your

The person, people or the company stated in the schedule as the insured.



# Section A – Material damage

## Special definitions

### **Assault**

- a) Violent or criminal assault
- b) attack by animals.

### **Bodily injury**

Accidental injury excluding illness, disease or any naturally occurring condition or degenerative process or any gradually operating cause.

### **Business hours**

Any time when **you**, **your** business partner, directors or employees with responsibility for **money** are in **your premises** for the purpose of the running of the **business**.

### **Declared value**

**Your** assessment of the cost of reinstatement of the property insured at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for:

- a) the additional cost of reinstatement to comply with European Union and public authority requirements including undamaged property
- b) professional fees
- c) debris removal costs.

### **Loss of eye**

Loss of eye will include permanent and total loss of sight which will be deemed to have occurred:

- a) in both eyes when the condition is shown to our satisfaction to be permanent and without expectation of recovery and the **person insured's** name has been added to the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist
- b) in one eye when the degree of sight remaining after correction is 3/60 or less on the Snellen Scale and **we** are satisfied that the condition is permanent and without expectation of recovery.

### **Loss of limb**

- a) In the case of a lower limb loss by permanent physical severance at or above the ankle or permanent total loss of use of an entire leg or foot
- b) in the case of an upper limb loss by permanent physical severance of the entire 4 fingers through or above the metacarpal phalangeal joints or permanent total loss of use of an entire arm or hand.

### **Money**

Current coinage, current bank and currency notes, postal orders, cheques, banker's drafts, bills of exchange, unused units in postage stamp franking machines, postage stamps, revenue stamps, National Savings certificates, National Insurance stamps, stamped or franked National Insurance cards, Holiday-with-Pay stamps, Dental Practice Board Payment forms, Premium Savings bonds, luncheon vouchers, trading stamps, credit card sales vouchers, consumer redemption vouchers and gift tokens accepted by **you** and VAT purchases invoices all pertaining to the **business** and belonging to **you** or for which **you** are responsible.

### **Non-negotiable money**

Money in the form of crossed cheques, postal orders, crossed bankers' drafts, credit card sales vouchers, Premium Savings bonds, National Savings certificates, unused units in postage stamp franking machines, stamped or franked National Insurance cards and VAT purchase invoices all pertaining to the **business** and belonging to **you** or for which **you** are responsible.

### **Permanent total disablement**

- a) In respect of a **person insured** who is gainfully employed by **you** and is below state retirement age and above 16 years of age: disablement caused excluding **loss of limb, loss of eye, total loss of hearing** or **total loss of speech** which will in all probability totally prevent the **person insured** from engaging in their **usual occupation** for the remainder of their life
- b) in respect of an **person insured** who is not gainfully employed by **you** or is above the state retirement age or below 16 years of age: disablement caused excluding **loss of limb, loss of eye, total loss of hearing** or **total loss of speech** which will in all probability entirely prevent the **person insured** from engaging in any and every occupation for the remainder of their life.

### **Person insured**

**You, business partner** or any **employee**.

### **Total loss of hearing**

Total and permanent loss of hearing.

### **Total loss of speech**

Total and permanent loss of speech.

### **Usual occupation**

The occupation of the **person insured** as stated in **your** records at the date of sustaining **bodily injury**.

### **Weekly earnings**

The gross average weekly earnings of the person insured from you during the 52 weeks immediately before the date of sustaining **bodily injury**.

### **Cover**

In the event of the **property insured** being lost, destroyed or damaged by any of the insured covers applicable to this section during the period of insurance **we** will pay **you** the value of the property at the time of its **damage** or the amount of the **damage** or at **our** option reinstate or replace such property or any part of it.

Provided always that **our** liability under this section will not exceed:

- a) in the whole the total sum insured or in respect of any item in respect of each separate **premises** its sum insured or any other limit of indemnity stated in the schedule at the time of the **damage**
- b) the sum insured or limit remaining after deduction for any other **damage** occurring during the same period of insurance unless **we** have agreed to reinstate any such sum insured or limit.

The **excess** applicable to this section is stated in the schedule and may be amended by endorsement.

**We** will settle **your** claim in accordance with the Claims conditions.

## Supplementary conditions applicable to Section A

The following Supplementary conditions change the basis of cover from that described above and are applicable only if indicated in the schedule to be in force.

### 1. Index linking

Where so indicated in the schedule the sum insured will be adjusted during the period of insurance in accordance with fluctuations in suitable indices of cost.

In the event of loss the sum insured will continue to be adjusted in accordance with fluctuations in the indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

The premium will remain unchanged during the period of insurance but at each renewal the premium will be calculated on the revised sum insured.

### 2. Inflation protection – Day 1

- a) Subject to the following Special conditions the basis upon which the amount payable in respect of any item on **buildings** is to be calculated will be **reinstatement**.
- b) **You** having given the **declared value** shown on the schedule in brackets below the sum insured of each of the said items and the premium has been calculated accordingly.

#### Special conditions

1. At the inception of each period of insurance **you** will notify **us** of the **declared value** of the **property insured** by each of **buildings**. In the absence of such declaration the last amount declared by **you** will be taken as the **declared value** for the ensuing period of insurance.
2. **Our** liability for the repair or restoration of property damaged in part only will not exceed the amount which would have been payable had such property been wholly destroyed.
3. No payment beyond the amount which would have been payable in the absence of this Supplementary condition will be made:
  - a) unless **reinstatement** commences and proceeds without unreasonable delay
  - b) until the cost of **reinstatement** has actually been incurred
  - c) if the **property insured** at the time of **damage** is insured by any other insurance effected by or on **your** behalf which is not upon the same basis of **reinstatement**.
4. All the terms and conditions of this policy will apply:
  - a) in respect of any claim payable under the provisions of this Supplementary condition except in so far as they are varied hereby
  - b) where claims are payable as if this Supplementary condition had not been incorporated except that the sums insured will be limited to the percentage of the **declared values** as stated in the schedule.

## Optional cover applicable to Section A

### 1. Money

**This additional cover is optional and only operative if stated in the schedule.**

In the event of physical loss of or damage to **money** from a cause not otherwise excluded arising during the period of insurance **we** will settle **your** claim in accordance with the Claims conditions.

The most **we** will pay is the limit stated in the schedule.

**We** will also pay for:

a) **Damage** to property

This section includes accidental damage as a direct result of theft or attempted theft of **money** to:

- i) personal effects and **money** of any **person insured** up to a maximum of £500 any one **person insured**.
- ii) any franking machine, safe, strongroom or security case, bag, money belt or waistcoat, cash carrying case or similar cash carrying device designed for the safe carriage of money up to the reinstatement cost.

b) **Personal injury**

If during the period of insurance any person insured sustains **bodily injury** by **assault** arising from theft or attempted theft of **money** under Section A as a result of which death or disablement occurs independently and exclusively of any other cause within 24 months of sustaining the **bodily injury** **we** will pay **you** the sum stated in the table of benefits.

#### Table of Benefits

1. Death, **loss of limb** or **loss of eye** £10,000
2. **permanent total disablement** £10,000
3. temporary total disablement from engaging in the **person insured's usual occupation** up to **weekly earnings** for a normal maximum period of 104 weeks from date of disablement £150 per week.

Provided that:

- i) no benefit will be payable until the whole amount has been ascertained and agreed
- ii) if **we** are satisfied that the disability is permanent benefit 2. will become payable when benefit 3. is exhausted
- iii) **we** will not pay under more than one of 1. or 2. above.

Excluding:

- 1) loss of **money** due to clerical or accounting errors
- 2) loss of **money** due to fraud or dishonesty by any **employee** where the loss is not discovered within 14 days of the occurrence
- 3) personal effects more specifically insured
- 4) loss of **money** belonging to the Post Office Corporation
- 5) loss of **money** from an unattended vehicle.

# Section B – Business interruption

This section is only operative if stated in the schedule.

## Special definition

### **Named diseases**

Illness sustained by any person resulting from:

- a) food or drink poisoning
- b) one of the following specified human infectious or human contagious diseases:

Acute encephalitis	Meningitis	Tetanus
Acute poliomyelitis	Meningococcal infection	Tuberculosis
Bubonic plague	Mumps	Typhoid fever
Cholera	Ophthalmia neonatorum	Typhus fever
Diphtheria	Paratyphoid fever	Viral haemorrhagic
Dysentery	Rabies	Viral hepatitis
Leprosy	Relapsing fever	Whooping cough
Leptospirosis	Rubella	Yellow fever
Malaria	Scarlet fever	
Measles	Smallpox	

an outbreak of which the competent local authority has stipulated will be notified to them.

## Cover

In the event of any **building** or other property used by **you** at the **premises** for the purpose of the **business** being lost, destroyed or damaged by any of the insured covers applicable to this section during the period of insurance and in consequence the **business** carried on by **you** at the **premises** be interrupted or interfered with then **we** will pay to **you**:

- a) in respect of loss of **rent receivable**: the amount by which the **rent receivable** during the **indemnity period** falls short of the **standard rent receivable** in consequence of the **incident**
- b) in respect of accelerated reinstatement expenditure: the further reasonable additional expenditure necessarily incurred during the **indemnity period** and with **our** prior consent in consequence of the **incident** solely to avoid or minimise any loss of **rent receivable** not recoverable by **you** under this or any other insurance during the period of 12 months immediately after the expiry of the **maximum indemnity period**

less any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of the **rent receivable** as may cease or be reduced in consequence of the **incident**.

Provided that in respect of b):

- i) there has been no undue delay in reinstatement caused by or contributed to by **your** actions
- ii) **we** will not be liable for any costs in respect of any loss where the **maximum indemnity period** is less than 36 months
- iii) **our** liability will not exceed £25,000.

Notwithstanding proviso b):

- 1) **our** liability will in no case exceed in respect of **rent receivable** 200% of the **estimated rent receivable**, in respect of each other item 100% of the sum insured stated herein, nor in the whole the sum of 200% of the **estimated rent receivable** and 100% of the sums insured by other items or such other amounts as may be substituted therefor by endorsement signed by or **us** or on **our** behalf
- 2) in the absence of written notice from **you** or **us** to the contrary **our** liability will not stand reduced by the amount of any loss **you** undertaking to pay the appropriate additional premium for such automatic reinstatement of cover.

**We** will settle **your** claim in accordance with the Claims conditions.

## Special provisions

1. At the time of the happening of the **damage** there is in force an insurance covering the **your** interest in the property at the **premises** against such **damage** and that:
  - a) payment has been made or liability admitted therefor
  - b) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.
2. **Our** liability under this section will not exceed:
  - a) in the whole the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the schedule at the time of the **damage**
  - b) the sum insured or limit remaining after deduction for any other interruption or interference consequent upon **damage** occurring during the same period of insurance unless **we** have agreed to reinstate any such sum insured or limit.
3. To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section will be exclusive of such tax.
4. For the purpose of these definitions any adjustment implemented in current cost accounting will be disregarded.

## Additional cover extensions

Any loss as insured under this section resulting from interruption of or interference with the **business** at the **premises** in consequence of the contingencies described in the following extensions will be deemed to be an **incident**.

### 1. Action of competent authorities

Action by the police or other competent local, civil or military authority following a danger or disturbance within a one mile radius of the **premises** whereby access thereto is prevented.

The **maximum indemnity period** is 3 months.

The most **we** will pay in any one period of insurance is £25,000.

Excluding any loss resulting from interruption of the **business** during the first 12 hours of the **indemnity period**.

### 2. Anchor tenant

Accidental loss or **damage** to property in any part of the **premises** by any cover insured under this section such **damage** directly resulting in the termination of any agreements for leases or other loss of tenancy or delay in completion of the letting of other parts of the **premises** and solely in consequence thereof an identifiable reduction in the **business**.

The **maximum indemnity period** is 3 months.

The most **we** will pay in any one period of insurance is £25,000.

### 3. Deeds and documents

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

The most **we** will pay in respect of any one **incident** is £500.



#### 4. Legionellosis

Any outbreak of legionellosis at the **premises** as defined below causing restrictions on the use thereof on the order or advice of the competent local authority.

Provided that:

- a) for the purpose of this extension '**premises**' will mean only those **premises** which are stated in the schedule to be insured and which are directly affected by the **incident**
- b) for the purpose of this extension '**indemnity period**' will mean the period during which the results of the **business** are affected in consequence of the occurrence or discovery beginning with the date from which the restrictions on the **premises** are applied and ending not later than the **maximum indemnity period** thereafter
- c) **we** will not be liable for any costs incurred in cleaning, repair, replacement or checking of property other than costs and expenses not exceeding £25,000 in any one period of insurance necessarily incurred with **our** consent in cleaning and decontamination of the air-conditioning or water supply equipment at the **premises** the use of which has been restricted on the order or advice of the competent local authority
- d) **we** will have no liability under this extension if **you** at the time of the outbreak in breach of **your** statutory obligations in respect of the control of Legionellosis.

The **maximum indemnity period** is 3 months.

The most **we** will pay in any one period of insurance is £25,000.

#### 5. Loss of attraction

Accidental loss or **damage** to property within a one mile radius of the **premises** by a cover insured under this section which directly results in:

- a) a fall in the number of customers attracted to the **premises**; and
- b) there is an identifiable reduction in the **business** at the **premises** solely in consequence of the **incident**.

The **maximum indemnity period** is 3 months.

The most **we** will pay in any one period of insurance is £25,000.

Excluding any loss:

- i) during the first 12 hours of the **indemnity period**
- ii) following obstruction by storm, flood or snow.

#### 6. Managing agents

Accidental loss or **damage** to property at the premises of any managing agents employed or engaged to collect **rent receivable** caused by any cover insured hereby as a direct consequence of which such **rent receivable** cannot be collected.

Provided that:

- a) such **rent receivable** is not paid to the **you** as a direct result of the **incident**
- b) the **rent receivable** is not outstanding for 120 days in excess of its due date
- c) all reasonable steps to recover the **rent receivable** are taken
- d) such **rent receivable** is not recoverable under any other policy or from any other party.

The most **we** will pay in respect of any one **incident** is £1,000,000.

## 7. Named diseases, murder, suicide or rape

Loss resulting from interruption of or interference with the **business** at the **premises** resulting from:

- a) i) any occurrence of a **named disease** at the **premises** or attributable to food or drink supplied from the **premises**  
ii) any discovery of an organism at the **premises** likely to result in the occurrence of a **named disease**
- b) the discovery of vermin or pests at the **premises**
- c) any accident causing defects in the drains or other sanitary arrangements at the **premises**
- d) any occurrence of murder or suicide at the **premises**

which causes restrictions on the use of the **premises** on the order or advice of the competent local authority.

### Special provisions

1. For the purposes of this extension '**indemnity period**' means the period during which the results of the business are affected in consequence of the occurrence, discovery or accident beginning with the date from which the restrictions on the **premises** are applied or in the case of d) above with the date of the occurrence and ending not later than the **maximum indemnity period** thereafter.
2. For the purposes of this extension '**maximum indemnity period**' means 3 months.
3. The most **we** will pay in any one period of insurance is £25,000.
4. In the event that this section includes an extension which deems loss or damage at locations other than the premises to be an **incident** such locations will not be deemed **premises** for the purposes of this extension.

### Special conditions

1. **We** will only be liable for the loss arising at those **premises** which are directly affected by the occurrence, discovery or accident.
2. **You** will comply with all issues identified as Contraventions arising from a Food Premises Inspection Report within the timescales stated in such report.
3. **You** will notify **us** immediately of any prohibition notice, emergency prohibition notice or emergency prohibition order served against **you** or the manager of the **premises** in relation to a breach of the Food Safety Act 1990, General Food Regulations 2004 or Food Hygiene Regulations 2006 including any modifications thereto or re-enactment thereof.

Excluding:

- i) loss arising from restrictions on the use of the premises in consequence of an emergency notice or emergency prohibition order being served against you or the manager of the premises in relation to a breach of the Food Safety Act 1990, General Food Regulations 2004 or Food Hygiene Regulations 2006 including any modifications thereto or re-enactment thereof
- ii) any costs incurred in the cleaning, repair, replacement, recall or checking of property.

## 8. Prevention of access

Accidental loss or **damage** caused by any cover insured during the period of insurance to property within a one mile radius of the **premises** which prevents access to the **premises**.

The **maximum indemnity period** is 3 months.

The most **we** will pay in any one period of insurance is £25,000.

Excluding loss, destruction or damage to property of any supply undertaking from which **you** obtain electricity, gas, water or telecommunications services which prevents the supply of such services to the **premises**.

## 9. Public utilities

Accidental loss or **damage** to property at any:

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

from which **you** obtain electricity, gas, water or telecommunications services all within the **territorial limits** caused by an applicable insured cover during the period of insurance.

The **maximum indemnity period** is 12 months.

The most **we** will pay in respect of any one **incident** is £250,000.

## 10. Unlawful occupation

Access to or use of the **premises** being hindered or prevented due to the premises or property in the vicinity of the **premises** or any rights of way being:

- a) occupied by terrorists or persons thought to be terrorists
- b) unlawfully occupied by third parties except in the course of a dispute between any employer and **employee** or group of workers
- c) thought to contain or actually containing a harmful device provided always that the Police are immediately informed.

The most **we** will pay in respect of any one **incident** is £10,000.

Excluding any:

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

## Book debts

In the event of **damage** by any cover insured occurring during the period of insurance to **your** books of account or other **business** books or records while:

- a) at the **premises**
- b) temporarily removed from the **premises** within the **territorial limits** or the Republic of Ireland including while in transit and as a direct result of the **damage you** are unable to trace outstanding debit balances due to **you we** will pay **you**:
  - i) the difference between outstanding debit balances and the total of the amounts received or traced
  - ii) additional expenses incurred by **you** with **our** consent in tracing and establishing outstanding debit balances
  - iii) professional accountant's charges

but not exceeding the limit remaining after deduction for any other loss under this section occurring during the same period of insurance unless **we** have agreed to reinstate the limit.

The most **we** will pay is the limit stated in the schedule.

## Covers applicable to Sections A and B

Unless otherwise stated in this policy, schedule, certificate or by endorsement the insured covers numbers 1 to 10 inclusive are applicable to the whole of Sections A and B.

### 1. Fire

#### 1.1 Fire

- a) Fire but excluding **damage** or **business interruption** caused by:
- i) explosion resulting from fire
  - ii) earthquake or subterranean fire
- b) Lightning
- c) Explosion
- i) of boilers
  - ii) of gas
- used for domestic purposes only; and
- iii) in respect of Section B: of any other boilers or economisers on the **premises**
- but excluding **damage** or **business interruption** caused by earthquake or subterranean fire.

#### 1.2 Explosion

Explosion.

#### 1.3 Subterranean fire

Subterranean fire.

#### 1.4 Earthquake

Earthquake.

### 2. Theft

Theft or attempted theft or robbery or attempted robbery committed on the **premises** including any directly resulting from:

- a) **damage** to the **buildings** falling to be borne by **you**
- b) **damage** to glass which:
- i) is accompanied by and directly forms part of other **damage** to which this insured cover applies
  - ii) is accepted by a police authority as prima facie evidence of attempted theft within the meaning of this cover
- but only if and so far as the glass is not more specifically insured

but excluding:

- i) any **damage** contributed to or caused by any person lawfully on the **premises** in excess of £10,000 any one occurrence
- ii) in respect of Section A in respect of each and every loss the Material damage **excess** stated in the schedule.

### 3. Riot and malicious persons

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

- a) **damage** or **business interruption**:
- i) arising from confiscation, requisition or destruction by order of the government or any public authority
  - ii) arising from cessation of work
- b) as regards **damage** other than by fire or explosion directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
- i) **damage** by theft or attempted theft
  - ii) in respect of Section A in respect of each and every loss the Material damage **excess** stated in the schedule
- c) loss, destruction, damage, cost or expense arising from deliberate erasure, loss, distortion or corruption of information on computer systems or other records programs or software
- d) **damage** or **business interruption** caused by a **resident** to the portion of the **buildings** in which they reside in excess of £10,000 during any one period of insurance.

## 4. Storm and flood

Storm and flood excluding:

- a) **damage** or **business interruption** attributable solely to change in the water table level other than for an amount not exceeding £25,000 during any one period of insurance
- b) **damage** or **business interruption** caused by frost, subsidence, ground heave or landslip
- c) **damage** or **business interruption** in respect of movable property in the open, fences and gates
- d) in respect of Section A in respect of each and every loss the Material damage **excess** stated in the schedule.

## 5. Escape of water

### 5.1 Escape of water

Escape of water from any tank apparatus or pipe excluding:

- a) **damage** or **business interruption** caused by water discharged or leaking from any automatic sprinkler Installation
- b) in respect of Section A in respect of each and every loss the Material damage **excess** stated in the schedule.

### 5.2 Sprinkler leakage

Accidental escape of water from any automatic sprinkler installation in the **premises** excluding:

- a) **damage** or **business interruption** caused by explosion, earthquake, subterranean fire or heat caused by fire
- b) in respect of Section A in respect of each and every loss the Material damage **excess** stated in the schedule.

## 6. Impact

### 6.1 Impact

Impact by any mechanically propelled vehicle or by goods falling therefrom or animal but excluding:

- a) **damage** or **business interruption** in respect of property in transit
- b) in respect of Section A the Material damage **excess** stated in the schedule in respect of each and every loss caused by **damage** by mechanically propelled vehicles or animals belonging to **you** or under **your** control or any occupier of the **premises** or **your** respective employees while in the course of their employment.

### 6.2 Aircraft

Aircraft or other aerial devices or articles dropped therefrom.

## 7. Aerials

**Damage** or **business interruption** caused by falling aerials, aerial fittings or masts.

Excluding **damage** or **business interruption** arising from the erection, dismantling, repairing or maintenance of aerials, aerial fittings or masts.

## 8. Leakage of fuel, beer or beverages

Escape of fuel oil, beer or beverages from any tank apparatus or pipe excluding in respect of Section A in respect of each and every loss the Material damage **excess** stated in the schedule.

## 9. Subsidence

Subsidence or ground heave of any part of the site on which the property stands or landslip excluding:

- a)
  - i) **damage** to land insured hereby unless also affecting a **building** insured hereby
  - ii) **business interruption** in respect of land insured hereby unless a building at the same **premises** used by **you** for the purpose of the **business** is also damaged thereby
  - iii) **damage** or **business interruption** in respect of outbuildings or garages to Residential **buildings** unless the main building is also damaged thereby
- b) **damage** or **business interruption** caused by or consisting of:
  - i) the normal settlement or bedding down of new structures
  - ii) the settlement or movement of made-up ground
  - iii) coastal or river erosion
  - iv) defective design or workmanship or the use of defective materials
  - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe

- c) i) **damage**
- ii) loss resulting from **damage** which originated prior to the inception of this cover
- d) **damage** or **business interruption** resulting from:
  - i) demolition, construction, structural alteration or repair of any property
  - ii) groundworks or excavation at the same **premises**
- e) in respect of Section A in respect of each and every loss the Material damage **excess** for subsidence stated in the schedule.

#### 10. All other damage

All other accidental damage excluding:

- a) **damage** or **business interruption** resulting from any:
  - i) of insured covers 1 to 9
  - ii) of the causes expressly excluded from insured covers 1 to 9
 whether insured or not
- b) **damage** or **business interruption** caused by or consisting of:
  - i) inherent vice, latent defect, gradual deterioration, wear and tear, its own faulty or defective design or materials
  - ii) faulty or defective workmanship, operational error or omission on **your** part or any of **your employees** but this will not exclude subsequent **damage** or **business interruption** which itself results from a cause which is not otherwise excluded
- c) **damage** or **business interruption** caused by or consisting of:
  - i) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
  - ii) change in temperature, colour, texture or finish **damage** or **business interruption** consisting of:
  - iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
  - iv) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates
  - v) **business interruption** caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services except where such act is solely for the purpose of safeguarding human life
 but this will not exclude:
  - 1) such **damage** or **business interruption** which itself results from any accidental loss, destruction or damage not otherwise excluded
  - 2) subsequent **damage** or **business interruption** which itself results from a cause which is not otherwise excluded
- d) **damage** or **business interruption** caused by or consisting of acts of fraud or dishonesty but this will not exclude such **damage** or **business interruption** if resulting from a cause which is not otherwise excluded
- e) **damage** caused by or consisting of or **business interruption** arising directly or indirectly from disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- f) in respect of Section B **business interruption** or **damage** arising directly or indirectly from erasure, loss, distortion or corruption of information on computer systems or other records, programs or software
- g) i) in respect of Section A **damage** to a building or structure caused by its own collapse or cracking
- ii) in respect of Section B loss resulting from **damage** to a building or structure used by **you** at the **premises** caused by its own collapse or cracking
- h) in respect of Section A in respect of each and every loss the Material damage **excess** stated in the schedule.



## Clauses applicable to Sections A and B

### General clauses

The following clauses apply to Section A:

#### G1 Abortive costs

**We** will pay reasonable costs and expenses incurred by **you** with **our** prior written consent in abortive repairs, investigations and tests for work not required following **damage** for which liability is admitted under this policy.

#### G2 Archaeological discoveries

**We** will pay reasonable costs necessarily incurred in consequence of **damage** as insured hereby as a direct result of **you** complying with **your** statutory obligations following the discovery of archaeological finds during site excavation.

Provided that:

- a) **our** liability will not exceed £25,000
- b) **you** do not have any pre-existing knowledge of the presence of archaeological remains prior to commencement of works.

#### G3 Architects' surveyors' legal and consulting engineers' fees

- a) The insurance on **buildings** and **landlord's contents** includes an amount in respect of architects', surveyors', legal and consulting engineers' fees.
- b) The insurance on fees applies only to those necessarily and reasonably incurred in the reinstatement or repair of **property insured** consequent upon its **damage** but not for preparing any claim it being understood that the amount payable under the item will not exceed in total its sum insured.

#### G4 Business rates

**We** will pay the costs for which **you** become legally responsible in respect of business rates (National Non-Domestic Rates) in consequence of **damage** as insured hereby.

Provided that:

- a) but for such **damage** the business rates would not have been payable by **you**
- b) **our** liability will not exceed £25,000 any one occurrence and £100,000 in any one period of insurance
- c) **our** liability will only apply to costs incurred during the **indemnity period**. For the purpose of this clause **maximum indemnity period** will mean 36 months.

#### G5 Clearing of drains

**We** will pay reasonable costs and expenses necessarily incurred in clearing, cleaning and repairing drains, gutters, sewers and the like at the **premises** and in the immediate vicinity thereof for which **you** are responsible in consequence of **damage** insured hereby.

**Our** liability under this clause and this policy in respect of any one item will in no case exceed the sum insured thereby.

#### G6 Concern for welfare costs

**We** will pay for **damage** caused by the police or persons acting under their control in gaining access to the **buildings** as a result of their concern for the welfare of an occupier of the **premises**.

Excluding liability for costs incurred following damage caused by the police in the course of criminal investigations.

## G7 Designation

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

## G8 Dilapidation

In the event that a lessee vacates a property without prior notification to **you** or **your** agents solely due to the liquidation or bankruptcy of the lessee or the business of the lessee being placed into administration or receivership **we** will pay the reasonable costs incurred in clearing and removing any property of the lessee in or around the **premises**.

Provided that:

- a) **our** liability will not exceed £25,000 any one occurrence
- b) allowance is made for any subsequent recovery from the lessee.

## G9 Emergency services

**We** will pay the costs and expenses incurred by **you** following **damage** resulting from the actions of the emergency services including deliberate acts where such deliberate acts are for the purpose of safeguarding human life or minimising **damage** as insured hereby.

## G10 European Union and Public Authorities including undamaged property

Subject to the following special conditions the insurance in respect of **buildings** and **landlord's contents** extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of:

- a) European Union legislation
- b) building or other regulations under or framed in pursuance of any Act of Parliament or bye-law of any public authority

(hereinafter referred to as the '**stipulations**') in respect of:

- i) the lost, destroyed or damaged property thereby insured
- ii) undamaged portions thereof
- iii) any water supply equipment at the **premises** supplying the sprinkler installation in undamaged portions of the **premises**.

### Special conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be commenced within 12 months after the **damage** or within such further time as **we** may allow during the said 12 months and may be carried out upon another site if the **stipulations** so necessitate subject to **our** liability under this clause not being thereby increased.
2. If **our** liability under any item of this policy apart from this clause is reduced by the application of any of the terms and conditions of this policy then **our** liability under this clause in respect of any such item will be reduced in like proportion.
3. The total amount recoverable under any item of this policy in respect of this clause will not exceed:
  - a) in respect of the lost, destroyed or damaged property its sum insured
  - b) in respect of undamaged portions of property other than foundations 20% of the total amount for which **we** would have been liable had the **property insured** by the item at the **premises** where the **damage** has occurred been wholly destroyed.
4. The total amount recoverable under any item of this policy will not exceed its sum insured.
5. All the terms and conditions of this policy except in so far as they are varied hereby will apply as if they had been incorporated herein.

Excluding:

- 1) the cost incurred in complying with the **stipulations**:
  - A) in respect of **damage** occurring prior to the inception of this General clause
  - B) in respect of loss, destruction, damage, cost or expense not insured by this policy
  - C) under which notice has been served upon **you** prior to the happening of the **damage**
  - D) for which there is an existing requirement which has to be implemented within a given period
  - E) in respect of property entirely undamaged by any applicable insured cover against
- 2) the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the **stipulations** not arisen
- 3) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the **stipulations**.

#### G11 Eviction of squatters

**We** will pay reasonable costs and expenses necessarily incurred with **our** prior consent to remove or evict squatters from the **buildings**.

Provided that:

- a) **our** liability will not exceed £50,000 any one occurrence
- b) such loss is not otherwise insured.

Excluding liability for:

- i) fines, penalties, compensation or damages arising in the course of removal or eviction
- ii) occupation of squatters occurring prior to the inception of this cover.

#### G12 Exhibition equipment

**We** will pay for **damage** to exhibition and display models and similar promotional equipment not otherwise insured while at any **premises** used by **you** in the **territorial limits**.

Provided that:

- a) such **damage** is caused by an applicable insured cover
- b) **our** liability will not exceed £2,500 any one occurrence.

#### G13 Fire extinguishment expenses

**We** will pay the reasonable costs incurred by **you** in respect of:

- a) refilling fire extinguishing appliances
- b) recharging gas flooding systems
- c) replacing used sprinkler heads
- d) refilling sprinkler tanks where costs are metered
- e) resetting fire and intruder alarms and closed circuit television systems
- f) public fire brigade charges for which **you** may be assessed

all in consequence of **damage** as insured hereby.

#### G14 Fly tipping

**We** will pay reasonable costs necessarily incurred in clearing and removing any property in consequence of its being illegally deposited in, on or around the **premises**.

The most **we** will pay is £10,000 any one occurrence or in all in any one period of insurance. This extension is subject to a £1,000 **excess**.

#### G15 Involuntary betterment

In the event that new property of the like, kind and quality is not obtainable following **damage** to property which is as similar as possible to that which has sustained **damage** and which is capable of performing the same function will be deemed to be new property of the like, kind and quality and will not be considered to be betterment to **you**.

In the event of replacement with new property **we** will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between:

- a) new equipment installed to replace equipment which has sustained **damage**
- b) undamaged existing equipment at the same or an independent location.

Provided that such substitution of materials is with **our** prior written consent.

#### G16 Landscaped gardens

**We** will pay reasonable costs and expenses necessarily incurred with **our** prior consent in repairing any **damage** caused by the emergency services to **buildings** including landscaped gardens at the **premises** for which **you** are legally responsible provided that the emergency services have attended **your premises** in response to **damage** caused by an operative insured event.

The most **we** will pay for any one occurrence is £25,000.

Excluding for landscaped gardens at the **premises**:

- a) the cost of movement of soil with the exception of soil necessary for surface preparation
- b) the failure of trees, shrubs or turf to become established following planting or replanting
- c) the failure of seed to germinate.

#### G17 Loss minimisation and prevention expenditure

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

**Our** liability any one occurrence will not exceed £25,000.

#### G18 Loss of market value

It is agreed that:

- a) if **you** elect not to repair or rebuild the **buildings we** will pay to **you** the reduction in the market value of the **buildings** immediately following the **damage** but not exceeding:
  - i) the amount which would have been payable had the **buildings** been repaired or rebuilt
  - ii) its sum insured
- b) if as a result of **damage** insured **you** are required to rebuild or reinstate the **buildings** in a manner different from that immediately before the **damage** solely to comply with the stipulations (as defined in the clause G10 above) and as a result there is a reduction in market value thereof **we** agree to pay:
  - i) the cost of repairing or reinstating the **buildings**; and
  - ii) a cash settlement representing the reduction in market value; and
  - iii) any capital sums payable to any lessees under the terms of the lease or otherwise in consequence of such stipulations

so that the total payment made is no greater than £100,000 in excess of the amount that would have been payable had the **buildings** been repaired or reinstated in an identical manner to their condition immediately before the **damage** or the sum insured whichever is the lesser.

#### G19 Metered supplies

**We** will pay the costs for which the **you** are responsible in respect of loss of metered water, gas, oil or electricity supplies resulting in consequence of **damage** as insured hereby provided always that the amount payable in respect of any one **premises** is limited to such charges demanded by the supply authority.

**Our** liability any one occurrence will not exceed £10,000.

#### G20 Obsolete building materials

**We** will pay the reasonable additional cost incurred in repair of **damage** to materials which given consideration to the knowledge at the time of installation, construction or fitting were deemed fit for purpose but at the date of loss are no longer deemed so with alternative materials currently considered appropriate for purpose.

#### G21 Personal possessions

**We** will pay for **damage** caused by an insured cover to the personal possessions other than motor vehicles of **your** directors, partners, customers or visitors.

Provided that:

- a) they are not otherwise insured
- b) **we** will not be liable for more than £500 any one occurrence.

#### G22 Public relations expenses

**We** will pay reasonable costs incurred by **you** if as a result of **damage** to any **building** insured hereby caused by an insured cover **you** need to employ suitable public relations personnel to deal with press and public announcements or other necessary activities but not exceeding £2,500 any one occurrence.

#### G23 Reinstatement

Subject to the following Special conditions the basis upon which the amount payable in respect of **buildings** and **landlord's contents** is to be calculated will be reinstatement.

##### Special conditions

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

#### G24 Reinstatement to match

**We** will pay the cost of replacement or modification of undamaged parts of the **buildings** that form part of a suite, common design or function where the **damage** is restricted to a clearly identifiable area or to a specific part.

Provided that **our** liability will in no case exceed £100,000 any one occurrence or the amount that would have been payable had the suite, common design or function been wholly destroyed whichever is the lesser.

## G25 Removal of debris

**We** will pay costs and expenses necessarily incurred by **you** with **our** consent in:

- a) removing debris including costs of removal of debris relating to a tenant's contents provided such costs are not recoverable from another source
- b) dismantling and/or demolishing and/or shoring or propping up
- c) boarding up of windows and doors
- d) weatherproofing

of the portion or portions of the **property insured** by the said items destroyed or damaged by any applicable insured covers.

**Our** liability under this clause and this policy in respect of any item will in no case exceed its sum insured.

Excluding any costs or expenses:

- i) incurred in removing debris except from the site of such property destroyed or damaged and from the surface of the area immediately adjacent to such site
- ii) arising from pollution or contamination of property not insured by this policy.

## G26 Replacement of keys and resetting of digital locks

**We** will pay reasonable costs and expenses necessarily incurred by **you** for the replacement of locks or resetting of digital locks following the loss of keys to the **premises** from the private residence or person of **you** or an authorised representative.

Provided that **our** liability will not exceed £5,000 any one occurrence.

## G27 Trace and access

It is agreed that in the event of **damage** resulting from the insured covers 5 and 8 if insured hereby this section includes reasonable costs and expenses necessarily incurred in:

- a) locating the source of such **damage**
- b) the subsequent making good of **damage** caused as a consequence thereof.

Provided that **our** liability will not exceed £25,000 any one occurrence.

## G28 Tree felling or lopping

**We** will pay reasonable costs and expenses necessarily incurred in felling, lopping and removing trees for which **you** are legally responsible and which are an immediate threat to the safety of life or property.

Provided always that **we** will not be liable:

- a) for legal or local authority costs involved in removing trees
- b) for costs incurred solely to comply with a Preservation Order
- c) for the costs incurred in respect of routine maintenance.

**Our** liability will not exceed £1,000 any one occurrence and £2,500 in any one period of insurance.

## G29 Tree removal

**We** will pay reasonable costs and expenses necessarily incurred in removing fallen trees and branches from the **premises** resulting from any of the covers insured hereby.

Provided **our** liability will not exceed £1,000 any one occurrence and £2,500 in any one period of insurance.



### G30 Unauthorised use of electricity, gas, oil or water

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

Provided that **our** liability will not exceed £25,000 any one occurrence.

### G31 Unauthorised use of telecommunications

**We** will pay the cost of telecommunications for which **you** are legally responsible arising from its unauthorised use by persons taking possession, keeping possession or occupying the **premises** without **your** authority provided always that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered.

Provided that **our** liability will not exceed £25,000 any one occurrence.

### G32 Upgrading sprinkler installations

**We** will pay the additional costs incurred following **damage** to the automatic sprinkler installation at the **premises** by any cover insured hereby in the event that on repair or reinstatement thereof **we** require the installation to conform to the Loss Prevention Council Rules for Automatic Sprinkler Installations current at that time.

It is agreed that the total amount recoverable under any item of this section will not exceed its sum insured.

The following clauses apply to Section B:

### G33 Alternative trading

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

This clause will not apply where **you** are able to prove that the alternative **premises** used for this purpose would otherwise have been let to another party. Such proofs to consist of signed lease or licence agreements or similar.

### G34 Buildings awaiting sale

If at the time of the **incident** **you** have contracted to sell **your** interest in any **premises** and the sale is cancelled or delayed solely in consequence of the **incident** the amount payable may at **your** option be either:

- a) during the period prior to the date upon which but for the **incident** the **premises** would have been sold the loss of rent being the actual amount of the reduction in the **rent receivable** by **you** during the **indemnity period** solely in consequence of the **incident**
- b) during the period commencing with the date upon which but for the **incident** the **premises** would have been sold and ending with the actual date of sale or with the expiry of the **indemnity period** if earlier the loss in respect of interest being:
  - i) the actual interest incurred on capital borrowed solely to offset in whole or in part the loss of use of the sale proceeds for the purpose of financing the **business**
  - ii) the investment interest lost to **you** on any balance of the sale proceeds after deduction of any capital borrowed as provided for under paragraph i) above

less any amount receivable in respect of rent.

This clause also covers with **our** consent additional expenditure being the reasonable expenditure necessarily incurred during the **indemnity period** in consequence of the **incident** solely to avoid or minimise the loss payable under a) and b) above.

#### G35 Cost of re-letting

**We** will pay reasonable costs and expenses necessarily incurred with **our** consent during the **indemnity period** in re-letting the **premises** including legal fees in connection with the re-letting solely in consequence of the **incident**.

#### G36 Loss of investment income on late payment

Where following an **incident we** are making a payment in respect of **rent receivable** and the payment to **you** by **us** is made later than the date upon which **you** would normally expect to receive such rent from the lessee **we** will pay a further sum representing the interest which **you** would have earned by placing the money in **your** normal deposit account on the earlier date.

#### G37 New business

For the purpose of any claim arising from an **incident** occurring before the completion of the first year's trading of the **business** at the **premises** the term 'Standard Rent Receivable' will bear the following meaning and not as stated in the Definitions section of this policy:

Standard Rent Receivable – The proportional equivalent for a period equal to the **indemnity period** of the **rent receivable** realised during the period between the commencement of the **business** and the date of the **incident**.

Adjustments will be made as may be necessary to provide for:

- a) the trend of the **business**; and
- b) variations in or other circumstances affecting the **business**

whether before or after the **incident** or which would have affected the **business** had the **incident** not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the **incident** would have been obtained during the relative period after the **incident**.

#### G38 Payments on account

Payments on account may be made during the **indemnity period** if required **you** subject to any necessary adjustments at the end of the **indemnity period**.

#### G39 Renewal

**You** will prior to each renewal provide **us** with the **estimated rent receivable** for the financial year most nearly concurrent with the ensuing year of insurance.

#### G40 Rent free periods

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

The following clauses apply to Sections A and B:

#### G41 Seventy two hour clause

It is agreed that all losses arising separately out of one event of insured cover 1.4 and 4 if insured hereby occurring within each and every separate period of 72 hours during the currency of this section will be deemed to be one occurrence in determining the application of any **excess** amount applicable hereunder.

#### G42 Automatic reinstatement of loss

In the absence of written notice by **us** or **you** to the contrary within 30 days of notification to **us** of the **damage** the insurance hereby will not be reduced by the amount of any loss in consideration of which **you** will pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the period of insurance provided that **you** will where applicable take immediate steps to effect such additions to or variations in the protection of the **property insured** as **we** may require.

#### G43 Professional accountants

Any particulars or details contained in **your** books of account or other business books or documents which may be required by the **us** under the Claims condition 1 of this policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for **you** and **your** reports will be prima facie evidence of the particulars and details to which such reports relate.

**We** will pay to **you** the reasonable charges payable by **you** to **your** professional accountants for producing such particulars or any other proofs, information or evidence as may be required by **us** under the terms of Claims condition 1 of this policy and reporting that such particulars or details are in accordance with **your** books of account or other **business** books or documents provided always that the sum of the amount payable under this clause and the amount otherwise payable under this policy will in no case exceed the sum insured or **our** limit of liability as stated.

#### G44 Munitions of war

General Exclusion 5 e) i) will not apply to **damage** or **business interruption** occasioned by the detonation of munitions of war or parts thereof within 1000 metres of the **premises** provided always that the presence of such munitions does not result from a state of war current at the time of detonation.

**Our** liability under this clause in respect of any one occurrence and in total in any one period of insurance will not exceed £1,000,000.

## Adaptation Clauses (Green issues and climate change)

The following clauses apply to Sections A and B:

### A1 Energy performance and sustainable buildings

The insurance under **buildings** includes:

- a) the additional cost of reinstatement incurred with **our** prior written consent to comply with the recommendations made under any current Energy Performance Certificate in respect of the lost, destroyed or damaged **property insured**
- b) the additional cost of reinstatement incurred with **our** prior written consent to reinstate the lost, destroyed or damaged property to a standard above the minimum required under the prevailing European Union or building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority where such standard would otherwise result in a recommendation for improvement to be made in a subsequent Energy Performance Certificate assessment
- c) the reasonable additional cost of reinstatement incurred with **our** prior written consent arising from the use of alternative materials or sources of materials in accordance with the principles of the BRE Environmental and Sustainability Standard.

Provided that:

- i) **we** will not be liable for any undamaged portions of the **property insured**
- ii) **we** will not be liable for the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of the works funded by the application of this clause
- iii) **we** will not be liable for the cost incurred in complying with prevailing European Union or building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority under which notice has been served upon **you** prior to the happening of the **damage**
- iv) if **our** liability under any item of this policy other than this clause is reduced by the application of any of the terms and conditions of this policy then **our** liability under this clause in respect of any such item will be reduced in like proportion
- v) **our** liability under this clause in respect of any one occurrence and in total in any one period of insurance will not exceed £50,000.

### A2 Debris recycling

In the event of **damage** to **buildings** by an applicable insured cover the insurance under this section includes additional expenses incurred with **our** prior written consent to sort, segregate and transport recyclable debris of the damaged **building** to recycling facilities.

Provided that:

- a) **our** liability under this clause in respect of any one occurrence is limited to 25% of the total amount paid or payable by **us** under G25 – Removal of debris in connection with the same occurrence
- b) **we** will not be liable for the first 10% of all costs otherwise payable under this clause.

## Contingent cover clauses

### C1 Non-aggregation clause

In respect of the following clauses C3, C5, C8, C9, C10, C11 and C12:

- a) should there be in force any other insurance providing cover against such claim then **our** liability will be limited to its rateable proportion of such claims and the limit of liability detailed herein will be reduced in like proportion
- b) should there be a single **incident** of **damage** for which **you** are entitled to claim indemnity under more than one Contingent cover clause **our** liability under each clause will not aggregate but will be restricted in total to that detailed under the applicable clause with the highest limit.

The following clauses apply to Section A:

## C2 Bailor's goods

**We** will pay for **damage** to goods in **your** custody and control and for which **you** are legally liable as bailor while situate within the **premises** in so far as such goods are not otherwise insured.

Provided that **we** will not be liable:

- a) in respect of loss by theft or any attempt thereof of gold, silver, precious stones, precious metals, bullion, furs, curiosities, works of art, rare books, audio visual goods, **computer** equipment, cameras, jewellery or money
- b) in respect of unaccountable losses
- c) unless a signed inventory is issued to the tenant or lessee as soon as a repossession takes place.

**Our** liability will not exceed £50,000 any one occurrence.

## C3 Diminution in value

Where following **damage** to **buildings** or to third party buildings in the vicinity of the **premises** there is a subsequent reduction in sale price achieved on such **premises** offered for sale on the open market prior to **damage** the insurance by this section insures the difference in prior and post **damage** value.

The amount payable will be substantiated by a practising member of the Royal Institution of Chartered Surveyors whose appointment will be agreed by **you** and **us** and due allowance will be taken of all other sums recovered in respect of **damage** under the insurance and from any other source.

Provided that **our** liability will not exceed £100,000 any one occurrence and in all in any one period of insurance.

## C4 Other premises

Any **landlord's contents** and landlords' fixtures and fittings insured hereby are covered while temporarily removed to any other premises **your** occupation in Great Britain and Northern Ireland.

Provided that:

- a) they are not otherwise insured
- b) **our** liability will not exceed £10,000 any one occurrence.

## C5 Privity of contract

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

### Special conditions:

1. The insurance by this clause will not contribute in respect of any more particular insurance effected by the new owner, tenants or sub-tenants.
2. **You** will take all reasonable and appropriate steps to obtain release from **your** liabilities under the covenants to insure such property on its disposal.
3. This clause will only be effective if **we** are the sole provider of **buildings** insurance in respect of **your** properties owned in connection with the **business** as defined in the schedule and where **you** have an obligation to arrange such insurance.

Provided **our** liability under this clause will not exceed £1,000,000.

## C6 Temporary removal

The **property insured** by Section A is also covered while temporarily removed for cleaning, renovation, repair or similar purposes elsewhere and in transit thereto and therefrom within the **territorial limits**.

Provided that:

- a) **our** liability any one occurrence will not exceed £1,000,000 or the sum insured by the relevant item whichever is the lesser
- b) this clause does not apply to property in so far as it is otherwise insured.

## C7 Value added tax

The insurance by each item on **buildings** includes Value Added Tax paid by **you** which is not subsequently recoverable.

Provided that:

- a)
  - i) **your** liability for such tax arises solely as a result of the reinstatement or repair of the **buildings** to which such items relate following **damage**
  - ii) **we** have paid or have agreed to pay for such **damage**
  - iii) if any payment made by **us** in respect of the reinstatement or repair of such **damage** is less than the actual cost of the reinstatement or repair any payment under this clause resulting from that **damage** will be reduced in like proportion
  - iv) where a **building** has not been registered for Value Added Tax the sum insured advised to **us** will include an appropriate allowance for Value Added Tax
- b) **our** 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
- c) 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
- d) **our** liability under this clause will not include amounts payable by **you** as penalties or interest for non-payment or late payment of tax.

### Notes:

- 1. **Our** liability may exceed the sum insured by an item or in the whole the total sum insured where such excess is solely in respect of Value Added Tax.
- 2. All the terms and conditions of this policy except in so far as they are varied hereby will apply as if they had been incorporated herein.

The following clauses apply to Sections A and B:

## C8 Automatic cover from exchange

If at the time of its **damage** **you** have contracted to purchase any building and the purchase has not been but is thereafter completed the location of such building will be deemed to be a **premises** under Sections A and B until completion but only in circumstances where either:

- a) **your** interest in any such building is not covered by any other insurance
- b) **your** interest is covered by any other insurance but only to the extent that any other insurance on such building is more restrictive in cover or limits and where **we** will be liable for any difference between any other insurance and this policy.

Provided that:

- i) **our** liability at any one situation will not exceed £1,000,000
- ii) **you** undertake to give particulars of such extension of cover as soon as reasonably practicable and to effect specific insurance thereon retrospective to the date of the commencement of **our** liability.

## C9 Capital additions

- a) Section A includes alterations, additions and improvements to **buildings** and **landlord's contents** insured hereby but not in respect of any appreciation in value
- b) Section B includes **rent receivable**:
  - i) of the aforesaid **buildings**
  - ii) of existing **buildings** which are newly let but where **rent receivable** has not been previously insured where such alterations, additions, improvements and lettings are made during the current period of insurance.

Provided that:

- i) at any one situation this cover will not exceed £1,000,000
- ii) **you** undertake to give particulars of such extension of cover as soon as reasonably possible and to effect specific insurance thereon retrospective to the date of the commencement of **our** liability
- iii) the provisions of this clause will be fully maintained notwithstanding any specific insurance effected under ii) above.

## C10 Failure of third party insurances

Section A includes **buildings** and Section B includes **rent receivable** at the **premises** for the amount of such **damage** to such **buildings** or such loss of **rent receivable** in accordance with the terms and conditions of this policy but only to the extent that the lessee or freeholder is unable to recover such an amount equivalent to that which could be payable under this policy if the lessee or freeholder were **you** as a result of:

- a) the lessee or freeholder having failed to arrange or maintain insurance to comply with the terms of the lease
- b) the lessee or freeholder having failed to insure for an adequate amount whether the amount insured had been approved by **you** or not but excluding any payments in respect of **damage** or loss of **rent receivable** that **you** recover or is able to recover from any other party.

Provided that:

- i) **our** liability will not exceed £1,000,000 any one **premises**
- ii) no amount will be recoverable:
  - 1) due to the operation of any **excess** or deductible under any more specific insurance
  - 2) where the lessee or freeholder's policy fails due to the breach of any condition or warranty contained within the lessee or freeholder's policy as a result of **your** action
  - 3) due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim
  - 4) unless **you** carry out at not less than annual intervals a check of all properties owned by **you** or leased by **you** and for which **you** are responsible to ensure that effective insurance is in force for such properties
- iii) for the purposes of this clause '**premises**' will mean all **your** properties anywhere in the United Kingdom which are leased to **you** or by **you** but not specifically insured or referred to elsewhere under this policy and where the lessee or freeholder is responsible for arranging insurance under the terms of a lease with **you**.

### Special conditions

1. **We** will not be liable in respect of **rent receivable** unless the **building** to which the **rent receivable** relates be so damaged as to be rendered unfit for occupation and then only for such proportion of the rent payable as may be equivalent to the period necessary for reinstating the **damage** sustained but not exceeding 36 months.
2. This clause will only take effect if **we** are the sole provider of buildings insurance in respect of **your** properties owned in connection with the **business** and where **you** have an obligation to arrange such insurance.



## C11 Inadvertent omission to insure

Section A includes **buildings** in Great Britain and Northern Ireland and Section B includes **rent receivable** in respect thereof whereby **you** have an obligation to insure whether the **buildings** are owned by **you** or on lease to **you** or in which **you** are interested as mortgagees but which have inadvertently been left uninsured.

Provided that:

- a) **our** liability in no case exceeds £1,000,000 any one occurrence
- b) **you** will give notice in writing to **us** immediately **you** become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became **your** responsibility
- c) **you** will carry out at not less than annual intervals a check of all properties owned by **you** or leased by **you** and for which **you** are responsible to ensure that effective insurance is in force for such properties
- d) this clause will only be effective if **we** are the sole provider of **buildings** insurance in respect of **your** properties owned in connection with the **business** and where **you** have an obligation to arrange such insurance.

## C12 New acquisitions

- a) Section A includes any newly acquired or constructed **buildings** and **landlord's contents** in the **territorial limits** in so far as the same are not otherwise insured
- b) Section B includes **rent receivable** of the aforesaid **buildings** where such acquisition or construction occurs during the current period of insurance.

Provided that:

- i) at any one situation this cover will not exceed £1,000,000
- ii) **you** undertake to give particulars of such extension of cover as soon as reasonably possible and to effect specific insurance thereon retrospective to the date of the commencement of **our** liability
- iii) the provisions of this clause will be fully maintained notwithstanding any specific insurance effected under ii) above.

## Contract work clauses applicable to Sections A and B

The following clauses apply to Sections A and B:

### CW1 Contract all risks

In respect of refurbishment work and extensions to existing structures only Sections A and Section B include **damage** and **business interruption** in respect of property or structures in the course of construction or erection and materials or supplies in connection with all such property in course of construction or erection.

Provided always that this clause will not apply:

- a) where the contract value exceeds £500,000
- b) where more specific insurance is in force.

### CW2 Contractors' interest

Where **you** are required to effect insurance on the **buildings** in the joint names of **you** and the contractor under the terms of a contract condition then the interest of the contractor in the **buildings** as a joint insured is hereby noted subject to any single contract valued in excess £250,000 being advised to **us** and an additional premium being paid as appropriate.

### CW3 Tradespeople

Tradespeople are allowed to work in the **buildings** for the purposes of effecting any repairs, minor additions and alterations or decorations without prejudice to this insurance.

## CW4 Buildings awaiting demolition

In respect of all properties:

- a) scheduled for demolition
- b) **unoccupied** and in such a poor state of repair

as to render the **premises** economically unviable to put back into use

cover will be restricted to the insured covers 1.1, 1.2 and 6.2 only and will be restricted to the costs and expenses necessarily incurred with **our** consent in removing debris of the portion or portions of the **premises** following their **damage**.

**We** will only be liable for such costs and expenses in excess of those which would have been payable had the **damage** not occurred.

Excluding any costs or expenses:

- i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- ii) arising from pollution or contamination of property not insured by this policy.

## Interested parties clauses

The following clauses apply to Section A:

### I1 Contracting purchaser's interest

If at the time of **damage** the **you** have contracted to sell **your** interest in any **building** hereby insured and the purchase has not been but is thereafter completed the purchaser on completion of the purchase if and so far as the property is not otherwise insured against such **damage** by **you** or on **your** behalf will be entitled to benefit under this section without prejudice to **our** or **your** rights and liabilities until completion.

### I2 Hire agreement

It is agreed that the interest of owners of hired in equipment are noted at **your** request. **You** will undertake to declare the names, nature and extent of such interests at the time of the **damage**.

The following clauses apply to Sections A and B:

### I3 Mortgagees and lessors

Any increase in the risk of **damage** or **business interruption** resulting from any act or neglect of any mortgagor, leaseholder, lessee or occupier of any **buildings** insured by this policy will not prejudice the interest of any mortgagee, freeholder or lessor provided always that such increase in risk is without **your** prior knowledge or authority and **we** are notified immediately **you** become aware of such increase in risk and **you** pay an appropriate additional premium if required.

### I4 Non-invalidity

The insurance under Sections A and B will not be invalidated by any act or omission or by any alteration whereby the risk of **damage** or **business interruption** is increased unknown to or beyond **your** control provided always that **you** immediately **you** become aware thereof gives notice to **us** and pay an appropriate additional premium if required.

### I5 Other interests

It is agreed that the interest of various lessees, freeholders, mortgagees or debenture holders in this insurance are noted at **your** request. **You** undertake to declare the names, nature and extent of such interests at the time of the **damage**.

In the event of a claim arising under Sections A or B **we** agree to waive any rights, remedies or relief to which **we** might become entitled by subrogation against any tenant or lessee in respect of **damage** or **business interruption** to that portion of the **premises** in the demise of that tenant or lessee or to those portions of the **premises** in which all the tenants have a common interest where the premium has been paid by the tenant or lessee but excluding **damage** or **business interruption** arising out of the tenant's or lessee's gross negligence or as a result of the tenant's or lessee's wilful act or recklessness.

## Legal contingencies clause

**We** will indemnify **you** in respect of the following losses sustained as a result of one or more of the **legal contingencies**:

- a) all sums for which **you** become legally liable to pay under a **court order** or **enforcement action** or with **our** prior written consent in any action or proceedings brought against **you** based upon an **adverse right**, **restrictive covenant**, **chancel repair liability**, issue of a **notice** or to prevent the **your** use of an **easement** including costs and expenses awarded against **you**
- b) all sums paid with **our** prior written consent to free any **premises** from an **adverse right**, **restrictive covenant** and/or **chancel repair liability** and/or to purchase an **easement**, or purchase or create an alternative comparable **easement**
- c) the difference at the date of a **court order** or **our** prior written consent that the **adverse right** or **restrictive covenant** is enforceable against **you** between:
  - i) the market value of the **premises** on the assumption that the **adverse right** or **restrictive covenant** is unenforceable; and
  - ii) the market value of the **premises** subject to the **adverse right** or **restrictive covenant** to the extent that it is held to be enforceable by a **court order** or with **our** prior written consent. Such value to be determined by a surveyor appointed by agreement between **us** and **you** or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors
- d) the difference at the date of a **court order** or **our** prior written consent that **you** should stop using an **easement** between:
  - i) the market value of the **premises** on the assumption that the **premises** has the benefit of the **easement**; and
  - ii) the market value of the **premises** without the benefit of the **easement** but taking into account any comparable alternative **easement** that has been purchased or created; and
  - iii) such value to be determined by a surveyor appointed by agreement between **us** and **you** or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors
- e) the difference between:
  - i) the market value of the **premises** on the assumption that the **chancel repair liability** is unenforceable; and
  - ii) the market value of the **premises** immediately following a payment by **you** towards the cost of repairs of a church chancel under **chancel repair liability** either following a **court order** or with **our** prior written consent such value to be determined by a surveyor appointed by agreement between the **us** and **you** or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors
- f) the difference in:
  - i) the market value of the **premises** calculated on the assumption that the **works** are not in breach of planning and/or building control regulations; and
  - ii) the market value of the **premises** calculated following **enforcement action** prohibiting the **works** or compliance with the **notice** with **our** prior written consent such adverse difference in market value to be calculated at the date of compliance with the **notice** and will be determined by a surveyor appointed by agreement between **us** and **you** or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors

- g) the cost of altering, demolishing or reinstating all or any part of the **premises** including any part of any building or other structure on it if required by a **court order** or **enforcement action** or carried out with **our** prior written consent
- h) costs and expenses incurred by **you** with **our** prior written consent in taking or defending any action at law or otherwise
- i) all other costs and expenses including out of court settlement costs incurred by **you** with **our** prior written consent.

Provided always that:

- 1) **we** will not pay for any loss caused by **you** or any persons authorised by **you** or acting on **your** behalf:
  - A) communicating about an **adverse right, chancel repair liability** or **restrictive covenant** with any person who **you** believes may be entitled to enforce it
  - B) making an application to a Court or the Lands Tribunal regarding an **adverse right, chancel repair liability, restrictive covenant** or **easement** without **our** prior written consent
  - C) communicating about the absence of **your** legal right to use an **easement** with any person who **you** believe is likely to be entitled to prevent it
  - D) failing to pay a reasonable proportion of the costs of maintaining or repairing an **easement**
  - E) obstructing an **easement**
  - F) undertaking works consisting of an alteration to the nature of the surface of an access way over land registered as Common Land or a Town or Village Green
  - G) inducing either wholly or partly by or through any wilful act or neglect any step action or proceedings by any third party likely to give rise to a claim under this **legal contingencies** clause
- 2) **we** will not pay for any loss arising from:
  - A) any rights which were being exercised by any other person on, over or under the **premises** at the **commencement of cover**
  - B) any **chancel repair liability** recorded or referred to on **your** title to the **premises** at the **commencement of cover**
  - C) any **chancel repair liability** recorded in the Record of Ascertainments which **you** had **knowledge** of at the **commencement of cover**
  - D) any **chancel repair liability** affecting any **premises** with an area exceeding 3 acres
  - E) leasehold covenants, terms and provisions
  - F) any third party claim in respect of any **restrictive covenant, adverse right** or **easement** concerning any building or structure or any alteration, addition or extension less than 12 months old at the date of the **commencement of cover** or any use of any **premises** of a continuous duration of less than the 12 months immediately prior to the **commencement of cover** and which has not continued thereafter until the date of any third party claim
  - G) any dispute or adverse claim concerning an **adverse right, breach of restrictive covenant, easement, works** or **chancel repair liability** of which **you** had **knowledge** prior to the **commencement of cover**
  - H) any **enforcement action** relating to a building which was a listed building at the **commencement of cover**
  - I) **works** in respect of which any application for planning permission or building regulations consent has been refused before the **commencement of cover**
  - J) any planning enforcement, contravention or breach of condition notice issued prior to the **commencement of cover**
  - K) **you** initiating any communication with the local planning or building control authority in respect of the unlawfulness or potential unlawfulness of the **works** either before or after the **commencement of cover**
  - L) mining and the extraction of minerals
  - M) a **defect in title** consisting of **your** Good Leasehold title to any **premises** if such lease was less than 15 years old at the **commencement of cover** unless such lease is granted out of a head lease which is more than 15 years old at the **commencement of cover**

- N) a **defect in title** consisting of any lease, financial charge or mortgage which was noted on **your** Land Registry title to **premises** at the **commencement of cover**
- O) any **premises** situated other than in England or Wales
- 3) **we** will not be liable if **you** disclose (or authorises anyone acting on **your** behalf to disclose) the cover provided by this **legal contingencies** clause to any third party other than **your** professional advisors
- 4) **our** liability will not exceed £100,000 in respect of any one loss and in all in any one period of insurance.

#### Special conditions

##### 1. Individual policy option

If during any period of insurance **you** discover the existence of any **adverse right, chancel repair liability, breach of restrictive covenant** or planning or building regulations including FENSA or **easement** indemnity in respect of which would be provided under this policy in the event of an adverse claim **we** hereby agree if requested by **you** during such period of insurance to issue an individual policy providing indemnity in respect of the said matter.

Provided always that:

- a) such request is made and the policy is required in connection with a **transaction**; and
- b) **you** have not made a claim under this policy in respect of such matter nor is aware of any circumstances that may lead to such a claim.

The individual policy will be issued on the following basis:

- i) without payment of additional premium
- ii) for a limit of indemnity equal to the estimated market value of the affected **premises** but no greater than £1,000,000 in respect of any one loss under this **legal contingencies** clause
- iii) indemnity to be provided in perpetuity except for **chancel repair liability** cover for which the period of insurance will be 30 years
- iv) for **your** benefit and any other person having a freehold, commonhold or leasehold interest in the **premises** (including **your** successors in title) and any mortgagee or charge of such interest
- v) otherwise in accordance with **our** standard policy form for that class of insurance.

##### 2. Mitigation of Loss

Before **we** make any payment under this clause (except the payment of any costs and expenses incurred by **you** with **our** prior written consent or sums which **you** becomes legally liable to pay) **you** agree at **our** expense to take or permit to be taken on **your** behalf and to cooperate with and assist **us** or any person appointed by **us** to take all reasonable steps to mitigate loss.

## Residential buildings clauses

The following clauses apply to Section A:

### R1 Alternative accommodation and loss of rent

In the event of any **damage** as insured hereby resulting in a **residential premises** or residential portion of a **commercial premises** insured hereby being uninhabitable or access being prevented to such property Section A includes for each dwelling either:

- a) **rent receivable** as defined in Section B
- b) the reasonable additional cost of comparable accommodation incurred by the lessee or owner for any resident including pets which normally live in the **building**
- c) a cash allowance not exceeding 25% of the amount payable under b) above

until the said property is habitable or accessible.

Provided that **our** liability in respect of the total payments for all dwellings within the **premises** will not exceed 25% of the sum insured applicable to the **residential premises** or residential portion of the **commercial premises** concerned during any one period of insurance.

## R2 Removal of nests

Section A includes the cost of removing wasps or bees' nests and vermin from **residential premises**.

The most **we** will pay for any one claim is £1,000.

Excluding the cost of removing nests or infestations already in the **buildings** before the inception of this insurance.

The following clause applies to Sections A and B:

## R3 Illegal cultivation of drugs

In the event of any loss, destruction, damage, cost or expense as insured hereby resulting from the illegal cultivation of drugs in a **residential premises** or a residential portion of a **commercial premises** by **your** tenant, lessee or licensee it is a condition precedent to **our** liability to make payment under this policy that **you** have:

- a) carried out comprehensive internal and external surveys of the **premises** at least every 3 months prior to the **damage** and maintained a written log of such inspections
- b) obtained written references for the tenant prior to the letting proceeding
- c) recorded details of the tenant's bank account details and verified same by collecting at least one payment via such means.

## Conditions applicable to Sections A and B

### 1. Security requirements

In respect of **buildings** occupied by **you** or for which the security is **your** direct responsibility or **your** agents or in respect of any empty or disused **buildings** it is a condition precedent to **our** liability to make payment under this policy that:

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

### 2. Unoccupied buildings

#### A Commercial premises

In respect of any **commercial premises** that is wholly or partly **unoccupied**:

- a) the **excess** applicable in respect of **damage** caused by insured covers 2, 3, 4 or 5 if operative will be £500 or the **excess** stated in the schedule, whichever is the greater
- b) it is a condition precedent to **our** liability to make payment under this policy for **damage** occurring 14 days or more from the date **you** became aware of the **unoccupancy** that at the happening of the **damage**:
  - i) **you** had previously notified **us** of the **unoccupancy**; and
  - ii) all gas and electrical services within the **unoccupied** area except electrical circuits required to maintain any fire or intruder alarm system have been isolated; and
  - iii) the water system to the **unoccupied** portion of the **building** is either isolated and completely drained or its central heating systems have been set at a minimum temperature of 5 degrees Celsius during the period 1st October to 1st April each year; and
  - iv) where sprinkler systems are installed and water supplies must be maintained heating is being maintained at a minimum temperature of 5 degrees Celsius; and
  - v) the letter box and other unprotected apertures to the **unoccupied** portion of the **building** have been permanently sealed; and
  - vi) all combustible contents and waste from within the **unoccupied** portion of the **building** and yard areas belonging to it have been removed; and
  - vii) the **unoccupied** portion of the **building** has been secured against unlawful entry by closing and locking its doors and windows and setting all its security and alarm systems; and



- viii) the **unoccupied** portion of the **building** is subject to a programme of comprehensive internal and external inspections undertaken by **your** authorised representative to ensure continuing compliance with the other terms of this condition. Inspections to commence within the initial 14 days following **you** becoming aware the property is **unoccupied** and to continue at intervals not exceeding 7 days thereafter. Inspection results are to be recorded and retained at a separate location during the period of **unoccupancy**; and
- ix) any new accumulations of combustible materials including but not limited to junk mail found during such inspections are immediately removed; and
- x) that **you** have notified **us** within 7 days in the event of **damage** or unauthorised entry to the **unoccupied** area becoming evident or known to **you** or **your** authorised representative.

This Condition 2 A will not however apply in respect of multi tenanted **buildings** exclusively designed for and in use for retail and office purposes where access to the various units is gained via a common entrance and where less than 20% of the **building** is **unoccupied**.

#### B Residential premises in respect of buildings with less than 6 dwellings

In respect of that part of a **residential premises** that has become **unoccupied** for 45 consecutive days (**'the unoccupied area'**):

- a) the **excess** applicable to **the unoccupied area** in respect of **damage** caused by insured covers 2, 3, 4 or 5 if operative will then be £500 or the **excess** stated in the schedule, whichever is the greater
- b) it is a condition precedent to **our** liability to make payment under this policy for **damage** in respect of **the unoccupied area** occurring 45 days or more from the date **you** became aware of the **unoccupancy** that at the happening of the **damage**:
  - i) **you** have previously notified **us** of the **unoccupancy** and the date on which **you** became aware of it; and
  - ii) all gas and electrical services within **the unoccupied area** except electrical circuits required to maintain any fire or intruder alarm system have been isolated; and
  - iii) the water system within **the unoccupied area** is either isolated and completely drained or its central heating systems have been set at a minimum temperature of 5 degrees Celsius during the period 1st October to 1st April each year; and
  - iv) where sprinkler systems are installed and water supplies must be maintained heating is being maintained at a minimum temperature of 5 degrees Celsius; and
  - v) **the unoccupied area's** letter box and other unprotected apertures have been permanently sealed; and
  - vi) all combustible contents and waste from within **the unoccupied area** of the building and yard areas belonging to it have been removed; and
  - vii) **the unoccupied area** has been secured against unlawful entry by closing and locking its doors and windows and setting all its security and alarm systems; and
  - viii) **the unoccupied area** is subject to a programme of comprehensive internal and external inspections undertaken by **your** authorised representative to ensure continuing compliance with the other terms of this condition. Inspection to commence within the initial 45 days following **you** becoming aware the property is **unoccupied** and to continue at intervals not exceeding 14 days thereafter. Inspection results to be recorded and retained at a separate location during the period of **unoccupancy**; and
  - ix) any new accumulations of combustible materials including but not limited to junk mail found during such inspections are immediately removed; and
  - x) **you** have notified **us** within 7 days in the event of **damage** or unauthorised entry to **the unoccupied area** becoming evident or known to **you** or **your** authorised representative.

This Condition 2 B will only apply in respect of **residential premises** comprising 5 or less dwellings.

#### C Residential premises in respect of buildings with 6 or more dwellings

In respect of that part of a **residential premises** that has become **unoccupied** for 45 consecutive days (**'the unoccupied area'**):

- a) the **excess** applicable to **the unoccupied area** in respect of **damage** caused by insured covers 2, 3, 4 or 5 if operative will then be £500 or the **excess** stated in the schedule whichever is the greater
- b) it is a condition precedent to **our** liability to make payment under this policy for **damage** in respect of **the unoccupied area** occurring 45 days or more from the date **you** became aware of the **unoccupancy** that at the happening of the **damage**:



- i) **you** have previously notified **us** of the **unoccupancy** and the date on which **you** became aware of it; and
- ii) all gas and electrical services within **the unoccupied area** except electrical circuits required to maintain any fire or intruder alarm system have been isolated; and
- iii) the water system within **the unoccupied area** is either isolated and completely drained or its central heating systems have been set at a minimum temperature of 5 degrees Celsius during the period 1st October to 1st April each year; and
- iv) where sprinkler systems are installed and water supplies must be maintained heating is being maintained at a minimum temperature of 5 degrees Celsius; and
- v) **the unoccupied area's** letter box and other unprotected apertures have been permanently sealed; and
- vi) all combustible contents and waste from within **the unoccupied area** of the **building** and yard areas belonging to it have been removed; and
- vii) **the unoccupied area** has been secured against unlawful entry by closing and locking its doors and windows and setting all its security and alarm systems; and
- viii) **the unoccupied area** is subject to a programme of comprehensive internal and external inspections undertaken by **your** authorised representative to ensure continuing compliance with the other terms of this condition. Inspection to commence within the initial 45 days following **you** becoming aware the property is **unoccupied** and to continue at intervals not exceeding 14 days thereafter. Inspection results to be recorded and retained at a separate location during the period of **unoccupancy**; and
- ix) any new accumulations of combustible materials including but not limited to junk mail found during such inspections are immediately removed; and
- x) **you** have notified **us** within 7 days in the event of **damage** or unauthorised entry to **the unoccupied area** becoming evident or known to **you** or **your** authorised representative.

This Condition 2 C will only apply to **residential premises** comprising 6 or more dwellings and where 20% or more of the whole is **unoccupied**.

**We** reserve the right to further amend the premium or other terms and conditions of this policy (including the requirement for additional risk improvement measures **we** consider essential) in respect of the affected premises at the time unoccupancy is notified to **us**.

**You** will be under no obligation to accept any revised terms **we** apply beyond those detailed in A, B and C above but in the event of refusal **we** may invoke the General condition titled Cancellation by us.

## Exclusions applicable to Sections A and B

The following exclusions apply to Sections A and B:

### 1. Business interruption

in respect of Section A **business interruption** of any kind or description except as provided for under clause R1 – Alternative accommodation and loss of rent

### 2. Contract works or property more specifically insured

loss, damage cost or expense in respect of:

- a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection other than as specifically allowed for under clause CW1 – Contract all risks
- b) property more specifically insured

### 3. Land

- a) in respect of Section A:

any loss or destruction of or damage to land

- b) in respect of Section B:

loss, cost or expense caused by loss or destruction of or damage to land

other than for an amount of any loss less than £100,000 in respect of land to a depth of up to one metre **you** own or for which **you** are responsible within the perimeter of the **premises**

### 4. Pollution or contamination

- a) in respect of Section A:

loss, destruction or damage caused by, consisting of or resulting from pollution or contamination but this will not exclude destruction of or **damage to property insured** not otherwise excluded caused by:

- i) pollution or contamination which itself results from any of the insured covers 1 to 9 inclusive
- ii) any of the insured covers 1 to 9 which itself results from pollution or contamination
- iii) where insured cover 10 – Material damage ‘all risks’ is operative sudden, identifiable, unintended and unexpected pollution or contamination

- b) in respect of Section B:

loss, cost or expense caused by, consisting of or resulting from pollution or contamination but this will not exclude loss resulting from **damage** to property used by **you** at the **premises** for the purpose of the **business** not otherwise excluded caused by:

- i) pollution or contamination which itself results from any of the insured covers 1 to 9 inclusive
- ii) any of the insured covers 1 to 9 inclusive which itself results from pollution or contamination
- iii) where insured cover 10 – Material damage ‘all risks’ is operative sudden, identifiable, unintended and unexpected pollution or contamination at the **premises**

subject to a limit of liability in respect of a) iii) and b) iii) in any one period of insurance of £25,000.

# Section C – Property owners’, public and products liability

This section is only operative if stated in the schedule.

## Special definitions

### Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos including any product containing any asbestos fibres or derivatives.

### Clean up costs

- a) Testing for or monitoring of **pollution or contamination**
- b) the costs of **remediation** required by any **enforcing authority** to a standard reasonably achievable by the methods available at the time that **remediation** commences.

### Costs and expenses

- a) Claimants’ costs and expenses which **you** become legally liable to pay
- b) costs incurred with **our** written consent in defending any claim for damages relating to any event which is covered under this section.

### Enforcing authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation within the **territorial limits**.

### Pollution or contamination

- a) Pollution or contamination of buildings or other structures or of water, land or the atmosphere
- b) **damage** or **bodily injury** caused by pollution or contamination.

### Products

Any commodities or goods or anything (including packaging, containers and labels) sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by **you** or on **your** behalf or any structure constructed, erected or installed or contract work executed by **you** or on **your** behalf for the purpose of the **business**.

### Remediation

Correcting or fixing the effects of **pollution or contamination** including primary, complementary and compensatory actions as specified in the Environmental Damage (Prevention and Remediation) Regulations 2009.

### Silica

Crystalline or non-crystalline silica in any form including but not limited to silica particles, silica compounds, silica dust, silica mixed or combined with dust or other particles, or synthetic silica including but not limited to precipitated silica, silica gel, pyrogenic or fumed silica or silica-flour.

### Territorial limits

#### Sub-section C1 – Property owners’ and public liability

- a) Anywhere within the **territorial limits**; and
- b) manual and non-manual work carried out during temporary visits anywhere in the world (other than the United States of America or Canada); and
- c) non-manual work carried out during temporary visits to the United States of America or Canada.

#### Sub-section C2 – Products liability

Anywhere in the world in respect of **products** supplied in or from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

## Sub-section C1 – Property owners' and public liability

### Cover

**We** will cover **you** for all sums which **you** may become legally liable to pay as damages in respect of:

- a) accidental **bodily injury** to any person other than an **employee**
- b) accidental damage to property
- c) accidental obstruction, accidental trespass, accidental nuisance, accidental interference with pedestrian, road, rail, air or waterborne traffic
- d) unlawful detention, imprisonment or arrest

occurring during the period of insurance within the **territorial limits** in connection with the **business**, or **your** ownership of the **buildings**. In addition to the limit of indemnity stated in the schedule **we** will pay **costs and expenses**.

The **excess** applicable to accidental damage to property is stated in the schedule.

**We** will settle **your** claim in accordance with the Claims conditions.

### Exclusions applicable to Sub-section C1

Sub-section C1 does not cover:

#### 1. Motor

liability arising from the ownership or possession or use by **you** or on **your** behalf of any mechanically propelled motor vehicle or mobile plant:

- a) which is licensed for road use
- b) for which compulsory motor insurance or security is required
- c) which is more specifically insured

provided that this exclusion will not apply in respect of:

- i) liability not more specifically insured under any other policy arising during the act of loading or unloading mechanically propelled vehicles or mobile plant or the bringing to or the taking away of a load from such vehicle or such plant
- ii) the use of any mechanically propelled vehicle or mobile plant solely as a tool of trade unless more specifically insured or unless compulsory motor insurance or security is required
- iii) the unauthorised movement on **your** premises or contract site of any mechanically propelled vehicle or mobile plant unless more specifically insured or unless compulsory motor insurance or security is required

#### 2. Products no longer in your control or custody

liability arising from **products** after they have ceased to be in **your** custody or control other than food or beverages for consumption on **your** premises or at any other premises where **you** are carrying on the **business**

#### 3. Property being worked on

damage to the part of any property upon which **you** or any servant or agent of **yours** is or has been working where the damage is the direct result of that work

#### 4. Property damage excess

in respect of damages payable for damage to property the **excess**. One **excess** will apply in respect of any one occurrence or all occurrences of a series arising from one original cause. The **excess** will not be deducted from payments **we** make to claimants and **you** will be responsible for repaying **us** the **excess** in respect of any such payments

#### 5. Property in your custody or control

damage to property belonging to **you** or borrowed, rented, leased or hired for use by **you** or otherwise in **your** custody or control but this exclusion will not apply to:

- a) the personal effects (including vehicles and their contents) of directors, **employees** and visitors
- b) buildings or their contents temporarily occupied by **you** for the purpose of carrying out work therein or thereon
- c) premises (or fixtures and fittings therein) hired, rented, leased or lent to **you** other than damage if liability is assumed by **you** under a tenancy or other agreement and would not have attached in the absence of such agreement

#### 6. Vessels and craft

liability arising from the ownership or possession or use by **you** or on **your** behalf of craft designed to travel through air or space, hovercraft or watercraft other than waterborne vessels used on inland waterways.

## Sub-section C2 – Products liability

### Cover

**We** will cover **you** for all sums which **you** may become legally liable to pay as damages in respect of:

- a) accidental **bodily injury** to any person other than an **employee** where such **bodily injury** arises out of and in the course of the employment
- b) accidental damage to material property

occurring during the period of insurance within the **territorial limits** in connection with the **business** caused by **products**. In addition to the limit of indemnity **we** will pay **costs and expenses**.

**We** will settle **your** claim in accordance with the Claims conditions.

### Exclusions applicable to Sub-section C2

Sub-section C2 does not cover:

#### 1. Aircraft products

liability arising from **products** which at the time of the contract of sale or supply are knowingly sold or supplied for use in craft designed to travel through air or space

#### 2. Exports to the United States of America or Canada

liability arising from **products** which at the time of the contract of sale or supply are knowingly exported to the United States of America or Canada

#### 3. Product

replacing, reinstating, rectifying or guaranteeing the performance of any **products**.

### Additional cover extensions applicable to the whole of Section C

The following extensions will apply provided that:

- a) **we** will not be liable unless **we** have the sole conduct and control of all claims covered by these extensions
- b) these extensions will not apply to any liability which is covered by any other policy
- c) nothing in the following extensions will increase **our** liability to pay an amount in excess of the limit of indemnity provided by this section as stated in the schedule.

#### 1. Automatic acquisitions cover

This section extends to any company or companies or partnerships acquired by or created by **you** during the period of insurance.

Provided that:

- a) the business of the new company is within **your** existing **business**
- b) the total wage roll of the new company does not exceed 10% of **your** existing wage roll
- c) **you** will submit full details of the new company to **us** within thirty days of the acquisition or creation
- d) **we** reserve the right to charge an additional premium and/or apply additional terms.

#### 2. Contingent motor liability (non-owned vehicles)

**We** will also cover **your** legal liability for accidental **bodily injury** to any person and/or accidental damage to property arising out of the use of any motor vehicle which is not the property of nor provided by **you** and being used for the purpose of the **business**.

Excluding:

- a) damage to vehicles or to goods carried in or on them
- b) accidental **bodily injury** to any person or accidental damage to property occurring while a vehicle is being driven by **you** or by any person who to **your** knowledge does not hold a licence to drive that vehicle unless that person has held and is not disqualified from holding or obtaining that licence
- c) liability arising outside the **territorial limits**.

### 3. Court attendance costs

**We** will pay **you** the daily rates stated below if any of the following are required to attend court as a witness at **our** request:

- a) **you**, any director or **business partner** £750
- b) any **employee** £250

### 4. Criminal defence costs

**We** will also cover **you** or any director, **business partner** or **employee** for legal costs and expenses (including the costs of appeal against conviction) incurred with **our** consent in defence of a criminal charge brought under the following:

- a) the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978
- b) the Corporate Manslaughter and Corporate Homicide Act 2007
- c) Part II of the Consumer Protection Act 1987
- d) the Food Safety Act 1990

and which relates to any event involving **bodily injury** or damage to property which is or may be the subject of indemnity under this section which has occurred during the period of insurance in the course of the **business**.

**We** will also pay solicitors fees incurred with **our** consent for representation at any Coroner's inquest or Fatal Inquiry in respect of any death the subject of indemnity under this section, including legal fees for assistance in preparing a written response as required by Rule 43 of the Coroners (amendment) Rules 2008.

**Our** liability under this extension will not exceed £5,000,000 in any one period of insurance.

Excluding liability:

- i) where **you** or any director, **business partner** or **employee** is insured by another policy
- ii) where the criminal charge is in respect of any deliberate or intentional criminal act of **yours** or of any director, **business partner** or **employee**
- iii) for any appeal costs unless the solicitors engaged consider that there are strong prospects of such appeal succeeding.

### 5. Data protection

**We** will pay **you** for legal costs and expenses incurred with **our** prior consent and all sums **you** are required to pay as damages to an individual arising from proceedings brought against **you** under:

- a) Sections 168 and 169 of the Data Protection Act 2018
- b) Article 82 of Regulation (EU) 2016/679 (General Data Protection Regulation).

**Our** liability under this extension will not exceed £1,000,000 in any one period of insurance.

Excluding liability for:

- i) fines, penalties, liquidated, punitive or exemplary damages
- ii) the costs of notifying any person regarding loss of personal data
- iii) the costs of replacing, reinstating, rectifying or erasing any personal data
- iv) any deliberate or intentional criminal act or omission giving rise to any claim under this extension committed by **you**.

### 6. Defective Premises Act 1972

**We** will also cover **you** in respect of **your** legal liability under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of accidental **bodily injury** and accidental damage to material property in connection with premises which have been disposed of by **you**.

Excluding the cost of correcting or fixing any defect or alleged defect in the premises.

## 7. Environmental clean up costs

**We** will also cover **you** in respect of all sums including statutory debts that **you** are legally responsible to pay in respect of **clean up costs** arising from environmental damage caused by **pollution or contamination** where liability arises under an environmental directive, statute or statutory instrument.

Provided that:

- a) liability arises from **pollution or contamination** 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; and
- b) all **pollution or contamination** which arises out of one incident will be deemed to have occurred at the same time that incident took place; and
- c) **our** liability under this extension will not exceed £1,000,000 for any one incident and in any one period of insurance and will be the maximum **we** will pay inclusive of all **costs and expenses**; and
- d) immediate loss prevention or salvage action is taken and the appropriate authorities are notified.

Excluding:

- i) **clean up costs** for damage to **your** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control
- ii) damage connected with previously contaminated property
- iii) damage caused by a succession of several events where the individual event would not warrant immediate action
- iv) the removal of any risk of an adverse effect on human health on **your** land, **premises**, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control
- v) costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time **remediation** commences
- vi) costs for prevention of imminent threat of environmental damage where the costs are incurred without there being **pollution or contamination** caused by a sudden, identifiable, unintended and unexpected incident
- vii) damage resulting from an alteration to subterranean stores of groundwater or to flow patterns
- viii) costs for the reinstatement or reintroduction of flora or fauna
- ix) damage caused deliberately or intentionally by **you** or where **you** have knowingly deviated from environmental protection rulings or where **you** have knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which **you** are responsible
- x) fines or penalties of any kind
- xi) damage caused by the ownership or operation on behalf of **you** of any mining operations or storage, treatment or disposal of waste or waste products other than caused by composting, purification or pre-treatment of waste water
- xii) damage which is covered by a more specific insurance policy
- xiii) damage caused by persons aware of the defectiveness or harmfulness of **products** they have placed on the market or works or other services they have performed
- xiv) damage caused by disease in animals belonging to or kept or sold by **you**.

## 8. Indemnity to directors and employees

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

- a) any **employee**
- b) any director or **business partner**
- c) any **employee** acting as a member of **your** first aid or medical arrangements but excluding medical practitioners in respect of liability for damages and legal costs resulting from treatment given
- d) any officer or member of **your** canteen, social, sports or welfare organisations

**we** will cover that person at **your** request against that claim and/or any costs, charges and expenses in respect of it.

Provided that:

- i) that person is not entitled to indemnity under any other insurance; and
- ii) that person will keep to and be subject to the terms and conditions of this policy as though they were **you**.



## 9. Indemnity to principal

In the event of any claim for which **you** would be entitled to receive indemnity under this section of the policy being brought or made against any **principal** **we** will indemnify the said **principal** against such claim and any costs, charges and expenses for such claim.

## 10. Joint liabilities

Where this policy is issued in the joint names of more than one party **we** will cover each party as though a separate policy had been issued to each of them.

Provided that the total amount **we** will pay to all such parties will not exceed the amount payable if they comprised only one party and in any event will not exceed the limit of indemnity stated in the schedule.

## 11. Legionella

Special exclusion 8 applicable to the whole of Section C will not apply to any discharge, release or escape of Legionella or other airborne pathogens from water tanks, water systems, air-conditioning plants, cooling towers and the like.

All **pollution or contamination** which arises out of or as a consequence of any discharge, release or escape of Legionella or other airborne pathogens from water tanks, water systems, air-conditioning plants, cooling towers and the like will be deemed to have occurred on the date that **you** first become aware of circumstances which have given or may give rise to such **pollution or contamination**.

**Our** liability under this extension will not exceed £1,000,000 in any one period of insurance.

### Special provision

For the purpose of this extension '**pollution or contamination**' means:

- a) all **pollution or contamination** of buildings or other structures or of water or land or the atmosphere; and
- b) all loss or damage or **personal injury** directly or indirectly caused by such **pollution or contamination**.

**You** will give **us** notice in writing immediately on becoming aware of circumstances which have given or may give rise to a claim under this extension.

Excluding any claim arising from **pollution or contamination** which arises out of or as a consequence of any discharge release or escape of Legionella or other airborne pathogens from water tanks, water systems, air-conditioning plants, cooling towers and the like if before the current period of insurance **you** had become aware of circumstances which have given or may give rise to such **pollution or contamination**.

## 12. Libel and slander

The cover provided by Sub-section C1 of this section extends to indemnify **you** in respect of the legal liability to pay compensation and claimants costs and expenses in respect of claims made against **you** during the period of insurance arising from any act of libel or slander committed or uttered in good faith by **you** during the period of insurance in the course of the **business**.

Provided that:

- a) the indemnity granted by this extension will apply solely to **your** in-house and trade publications
- b) **our** liability under this extension will not exceed £250,000 in any one period of insurance.

## 13. Personal liability

At **your** request cover will apply in respect of the personal liability of any:

- a) director, **business partner** or **employee**
- b) the family of that director, **business partner** or **employee** while accompanying that person during temporary visits anywhere in the world for the purpose of the **business**.

Provided that:

- i) this will not apply to liability more specifically insured under any other insurance
- ii) the persons listed above comply with the terms and conditions of this policy.

Excluding any liability:

- 1) arising from any contract or agreement which imposes a liability that **you** would not otherwise have been under
- 2) arising from the ownership or occupation of land or buildings
- 3) arising from the carrying out of any trade or profession
- 4) arising from the ownership, possession or use of:
  - A) firearms excluding sporting guns
  - B) mechanically propelled vehicles
  - C) craft designed to travel through air or space
  - D) hovercraft and watercraft
  - E) animals of dangerous species as stipulated by the Animals Act 1971
- 5) arising from damage to property owned by or held in trust by:
  - A) **you**
  - B) any director, **business partner** or **employee**
  - C) the family of any director or **employee** while accompanying these people during temporary visits anywhere in the world for the purpose of the **business**
- 6) for accidental **bodily injury** sustained by:
  - A) **you**
  - B) any director, **business partner** or **employee**
  - C) the family of any director, **business partner** or **employee** while accompanying those people during temporary visits anywhere in the world in the **business**.

#### 14. Personal representatives

In the event of **your** death the indemnity provided by this section will apply to any of **your** personal representatives in respect of liability incurred by **you**.

Provided that such personal representatives will as though they were **you** observe, fulfil and be subject to the terms and conditions of this policy.

#### 15. Public relations expenses

Following an event which is or is likely to be the subject of indemnity under this section and which may result in adverse media publicity for **you**, **we** will pay, with their prior consent, costs incurred by **you** in respect of the engagement of a public relations consultant to help mitigate reputational damage.

Provided that:

- a) **you** take reasonable measures to avoid or mitigate adverse publicity
- b) the maximum amount **we** will pay under this extension is £25,000 any one event and in any one period of insurance.

### Special exclusions applicable to the whole of Section C

This section does not cover:

#### 1. Asbestos

liability directly or indirectly caused by, contributed to by or arising **out** of any **asbestos**

#### 2. Contractual liability

legal liability assumed under contract or agreement unless:

- a) the liability would have existed in the absence of such contract or agreement; and
- b) **we** will retain the control of any claim

### 3. Cyber

liability of whatsoever nature directly or indirectly caused by, in connection with or contributed to by or arising from **your** use of or reliance upon or work carried out upon or sale or supply of any computer hardware or related information technology or communication system, any computer software, internet, intranet, website or similar facility, system or network and/or any electronic data or related information.

Provided always that:

- a) this exclusion shall not apply in respect of all sums which **you** shall become legally liable to pay as compensation for:
  - i) physical bodily injury or disease
  - ii) physical loss of or physical damage to material property
- b) **our** liability shall not exceed the limit of indemnity stated in the schedule for any one occurrence or all occurrences of a series arising out of one original cause and in the aggregate in any one period of insurance and will be the maximum **we** will pay inclusive of all costs and expenses. This limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

This special exclusion is not applicable to the indemnity provided by Additional cover extension 5 of this section

### 4. Exposure to ultraviolet radiation

any liability arising out of or in connection with exposure to ultraviolet radiation being the ultraviolet region wavelength 10 nanometres to 400 nanometres on the electromagnetic spectrum

### 5. Foreign operations

any associated or subsidiary company of **yours** or branch office or representative of **yours** with power of attorney domiciled outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man

### 6. Hazardous works

- a) any work of demolition except demolition carried out by **employees**:
  - i) of buildings or part of a building when such work forms part of a contract for reconstruction, alteration or repair by **you**
  - ii) of other structures not exceeding four metres in height and not forming part of any building
- b) the construction, alteration or repair of towers, steeples, chimney shafts, blast furnaces, viaducts, bridges, docks or tunnels
- c) any work carried out on railways
- d) pile driving, quarrying or the use of explosives

### 7. Liquidated or punitive damages or fines

any amount in respect of:

- a) liquidated damages, fines or penalties which attach solely because of a contract or agreement
- b) exemplary or punitive damages

### 8. Pollution or contamination

liability in respect of **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.

All **pollution or contamination** which arises out of one incident will be deemed to have occurred at the time that incident took place

### 9. Professional advice

liability arising out of professional advice given by **you** for a fee or in circumstances where a fee would normally be charged

### 10. Silica

liability directly or indirectly caused by, contributed to by or arising out of the inhalation of **silica**

### 11. Treatment

any liability arising out of treatment or the dispensing of medicines or drugs.

## Special provisions applicable to the whole of Section C

### 1. Discharge of liability

**We** may at any time pay any limit of indemnity after deduction of any sum or sums already paid or any lower amount for which any claim or claims can be settled and then relinquish the conduct and control and be under no further liability in respect of the claim except for the payment of **costs and expenses** incurred with **our** written consent prior to the date of such payment.

### 2. Limit of indemnity

The limit of indemnity stated in the schedule is **our** monetary limit (other than any limit otherwise stated) and applies to any claim or series of claims arising from any one cause except for claims caused by:

- a) **products**
- b) **pollution or contamination**

where in respect of each the limit of indemnity stated applies in the aggregate in any one period of insurance.

### 3. Limit of indemnity – terrorism

The limit of indemnity in respect of any claim against or by **you** or any series of claims against or by **you** arising directly or indirectly from a single act of **terrorism** will be £5,000,000 or the limit of indemnity stated in the schedule whichever is the lesser inclusive of all **costs and expenses**.

## Special conditions applicable to the whole of Section C

### 1. Underground services condition

It is a condition precedent to **our** liability that **you** will:

- a) prior to the commencement of any excavation, digging or earth moving work take all reasonable measures to identify the location of underground pipes, mains, cables and other services with their owner or the relevant authority responsible and retain a written record of such measures
- b) ensure the adoption of a method of work which minimises the risk of damage to pipes, cables, mains and other services.

### 2. Use of heat condition

It is a condition precedent to **our** liability that the following precautions are complied with on each occasion of the use or application of heat (as described below) by **you** or on **your** behalf taking place elsewhere than at **your** own premises.

- a) Application of heat by means of electric, oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers:
  - i) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material.
  - ii) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after cessation of work.
  - iii) During work:
    - 1) at least two adequate and appropriate portable fire extinguishers, in proper working order and with which users must be familiar, must be kept in the immediate area of the work, and, if safe for users to do so, must be used immediately if smoke or smouldering flames are detected
    - 2) other than in respect of application of heat by means of blow lamps, blow torches, hot air guns or hot air strippers, a person must be appointed by **you** to act as an observer to watch for signs of smoke or smouldering or flames.
  - iv) For one hour, starting after completion of each work period, fire safety checks of the working area must be made at intervals of not more than 20 minutes and immediate steps taken to extinguish any smouldering or flames discovered.
- b) In respect of use of asphalt, bitumen, tar, pitch or lead heaters, the heating must be carried out in the open in a vessel designed for the purpose and, if carried out on a roof, the vessel must be placed on a non-combustible heat insulating base.

# Section D – Employers' liability

This section is only operative if stated in the schedule.

## Special definition

### **Costs and expenses**

- a) Claimants' costs and expenses
- b) costs incurred with **our** written consent in defending any claim for damages which may be covered by this policy.

## Cover

**We** will cover **you** in respect of all sums which **you** may become legally liable to pay as damages in respect of **bodily injury** caused during the period of insurance to any **employee** arising out of and in the course of their employment by **you** in the **business** in relation to claims settled or defended with **our** consent.

In addition to any claim for damages **we** will pay **costs and expenses**.

**Our** liability will not exceed the limit of indemnity stated in the schedule including all **costs and expenses** (other than any limit otherwise stated) and any limit applies to any claim or series of claims arising from any one cause.

**We** will settle **your** claim in accordance with the Claims conditions.

## Additional cover extensions applicable to Section D – Employers' liability

The following extensions will apply provided that:

- a) **we** will not be liable unless **we** have the sole conduct and control of all claims covered by these extensions
- b) these extensions will not apply to any liability which is covered by any other policy
- c) nothing in the following extensions will increase **our** liability to pay an amount in excess of the limit of indemnity provided by this section as stated in the schedule.

### 1. Automatic acquisitions cover

This section extends to apply to any company or companies or partnerships acquired by or created by **you** during the period of insurance.

Provided that:

- a) the business of the additional company is within **your** existing **business**
- b) the total wage roll of the additional company does not exceed 10% of **your** existing wage roll
- c) **you** will submit full details of the additional company to **us** within thirty days of the acquisition or creation
- d) **we** reserve the right to charge an additional premium and/or apply additional terms.

### 2. Court attendance costs

**We** will pay **you** the daily rates stated below if any of the following are required to attend court as a witness at **our** request:

- |   |      |
|---|------|
| a) <b>you</b> , any director or <b>business partner</b> | £750 |
| b) any <b>employee</b>                                  | £250 |

### 3. Criminal defence costs

**We** will also cover **you** or any director, **business partner** or **employee** for legal costs and expenses (including the costs of appeal against conviction) incurred with **our** consent in defence of a criminal charge brought under the following:

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

and which relates to any event involving **bodily injury** which is or may be the subject of indemnity under this section which has occurred during the period of insurance in the course of the **business**.

**We** will also pay solicitors fees incurred with **our** consent for representation at any Coroner's inquest or Fatal Inquiry in respect of any death the subject of indemnity under this section, including legal fees for assistance in preparing a written response as required by Rule 43 of the Coroners (amendment) Rules 2008.

**Our** liability under this extension will not exceed £5,000,000 in any one period of insurance.

Excluding liability:

- i) where **you** or any director, **business partner** or **employee** is insured by another policy
- ii) where the criminal charge is in respect of any deliberate or intentional criminal act of **yours** or of any director, **business partner** or **employee**
- iii) for any appeal costs unless the solicitors engaged consider that there are strong prospects of such appeal succeeding.

### 4. Indemnity to directors and employees

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

- a) any **employee**
- b) any director or **business partner**
- c) any officer or member of **your** canteen, social, sports or welfare organisations.

Provided that:

- i) **you** would have been entitled to indemnity if the claim had been made against **you**; and
- ii) those people keep to the terms and conditions of this policy; and
- iii) **you** request **us** to do so.

### 5. Indemnity to principal

In the event of any claim for which **you** would be entitled to receive indemnity under this section of the policy being brought or made against any **principal** **we** will indemnify the said **principal** against such claim and any costs, charges and expenses for such claim.

### 6. Personal representatives

In the event of **your** death the indemnity provided by this section will apply to any of **your** personal representatives in respect of liability incurred by **you**.

Provided always that such personal representatives will as though they were **you** observe, fulfil and be subject to the terms and conditions of this policy.

### 7. Public relations expenses

Following an event which is or is likely to be the subject of indemnity under this section and which may result in adverse media publicity for **you**, **we** will pay with their prior consent costs incurred by **you** in respect of the engagement of a public relations consultant to help mitigate reputational damage.

Provided that:

- a) **you** take reasonable measures to avoid or mitigate adverse publicity
- b) the maximum amount **we** will pay under this extension is £25,000 any one event and in any one period of insurance.

## 8. Unsatisfied court judgments

If any **employee** or their personal representative obtains a judgment from a court within the **territorial limits** for damages for **bodily injury** against any company or individual operating from **premises** within the **territorial limits** and that judgment remains unpaid for more than six months after the date of the award **we** will pay at **your** request the amount of any unpaid damages and awarded costs to the **employee** or their personal representative.

Provided that:

- a) the **bodily injury**:
  - i) is caused during the period of insurance
  - ii) arises out of and in the course of employment in the **business**
- b) there is no appeal outstanding
- c) if a payment is made the **employee** or their personal representative will assign the judgment to **us**.

## 9. Work overseas

The insurance under this section applies to **bodily injury** caused:

- a) within the **territorial limits**
- b) anywhere in the world where **your** directors, **business partners** or **employees** are on temporary visits for work in relation to the **business** provided that they are normally resident in the **territorial limits** and their contract of service or apprenticeship was entered into in the **territorial limits**.

## Special exclusions

This section does not cover:

### 1. Motor

liability for which compulsory motor insurance or security is required under road traffic legislation

### 2. Work offshore

liability for **bodily injury** caused:

- a) on any offshore installation or support or accommodation vessel for any offshore installation
- b) in transit to, from or between any offshore installation or support or accommodation vessel for any offshore installation.

## Special provision

### 1. Limit of indemnity – terrorism

The limit of indemnity in respect of any claim against or by **you** or any series of claims against or by **you** arising directly or indirectly from a single act of **terrorism** will be £5,000,000 inclusive of all **costs and expenses**.

## Special condition

### 1. Compulsory insurance

**You** must repay **us** any amounts which **we** are required by compulsory insurance legislation to pay out under this section to the extent that **we** would not otherwise have been liable to make such payments on account of a breach of any of the terms or conditions of this section.



# Section E – Legal expenses

## Special definitions

### **Appointed representative**

The **preferred law firm**, law firm, tax consultancy, accountant or other suitably qualified person **we** appoint to act on the **insured person's** behalf.

### **ARAG Standard Terms of Appointment**

The terms and conditions (including the amount **we** will pay to an **appointed representative**) that apply to the relevant type of claim, which could include a conditional fee agreement (no win, no fee). Where a law firm is acting on **your** behalf the amount **we** will pay is currently £100 per hour. This amount may vary from time to time.

### **Business**

The business declared to **us** and covered by the commercial policy to which this section attaches.

### **Costs and expenses**

- a) All reasonable, proportionate and necessary costs chargeable by the **appointed representative** and agreed by **us** in accordance with the **ARAG Standard Terms of Appointment**.
- b) The costs incurred by opponents in civil cases if the **insured person** has been ordered to pay them, or the **insured person** pays them with **our** agreement.

### **Countries covered**

- a) For insured incidents Legal defence (excluding 5 Statutory notice appeals), and Personal injury  
The United Kingdom of Great Britain and Northern Ireland, the European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia and Herzegovina, Gibraltar, Iceland, Liechtenstein, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland and Turkey.
- b) For all other insured incidents  
The United Kingdom of Great Britain and Northern Ireland, the Isle of Man and the Channel Islands.

### **Date of occurrence**

- a) For civil cases (other than as specified under c) to e) below), the date of the event that leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events. (This is the date the event happened, which may be before the date **you** or an **insured person** first became aware of it).
- b) For criminal cases, the date the **insured person** began, or is alleged to have begun, to break the law.
- c) For insured incident Statutory licence appeal, the date when **you** first became aware of the proposal by the relevant licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel **your** licence, mandatory registration or British Standard Certificate of Registration.
- d) For insured incident Tax protection, the date when HM Revenue & Customs, or the relevant authority, first notifies **you** of its intention to carry out an enquiry. For VAT or employer compliance disputes, the date the dispute arises during the **period of insurance** following the issue of an assessment, written decision or notice of a civil penalty.
- e) For insured incident Legal defence 5 Statutory notice appeals, the date when the **insured person** is issued with the relevant notice and has the right to appeal.

### **Employer compliance dispute**

A dispute with HM Revenue & Customs concerning **your** compliance with Pay As You Earn, Social Security, Construction Industry or IR35 legislation and regulations.

### **Insured person**

- a) **You** and the directors, partners, managers, employees and any other individuals declared to **us** by **you**.
- b) A person contracted to work for **you** who works for **you** on the same basis as **your** employees, and performs that work under **your** supervision and direction.

### **Let property**

The property or properties which are owned by **you** or are **your** responsibility and let by **you** to a tenant under a tenancy agreement which is in writing, properly executed and containing an enforceable forfeiture clause.

### **Period of insurance**

The period for which **we** have agreed to cover the **insured person** and for which **we** have accepted the premium.

### **Preferred law firm**

A law firm, barrister or tax expert **we** choose to provide legal or other services.

These specialists are chosen as they have the proven expertise to deal with the **insured person's** claim and must comply with **our** agreed service standard levels, which **we** audit regularly. They are appointed according to the **ARAG Standard Terms of Appointment**.

### **Reasonable prospects**

- a) For civil cases, the prospects that the **insured person** will recover losses or damages or a reduction in tax or National Insurance liabilities (or obtain any other legal remedy that **we** have agreed to, including an enforcement of judgment) or make a successful defence, must be at least 51%. A **preferred law firm** or tax consultancy on **our** behalf, will assess whether there are **reasonable prospects**.
- b) For criminal cases there is no requirement for there to be prospects of a successful outcome.
- c) For civil and criminal appeals the prospects of a successful outcome must be at least 51%.

### **Tax enquiry**

A written notice of enquiry, issued by HM Revenue & Customs, to carry out an Income Tax or Corporation Tax compliance check which either:

- i) includes a request to examine any aspect of **your** books and records; or
- ii) advises of a check of **your** whole tax return.

### **VAT dispute**

A dispute with HM Revenue & Customs following the issue of an assessment, written decision or notice of a civil penalty relating to **your** VAT affairs.

### **We, us, our, ARAG**

ARAG Legal Expenses Insurance Company Limited.

### **You, your**

The **business** that has taken out this policy.

## **Reporting a claim**

### **Important information**

Please do not ask for help from a lawyer, accountant or anyone else before **we** have agreed that **you** should do so. If **you** do, **we** will not pay the costs involved even if **we** accept the claim.

### **Report your claim**

- Call us on **0344 893 0859**, available 24 hours a day, 7 days a week
- Have **your** policy number ready and **we'll** ask **you** about **your** claim

### **We will assess the claim**

- To check **your** claim is covered by this section
- And, if it is, **we** will send it to a lawyer who specialises in **your** type of claim

### **The lawyer will**

- Assess **your** case and tell **you** how likely it is **you** will win

### **If you are more likely than not to win, the lawyer will**

- Manage the case from start to finish

Please note this is an overview of the claims process for guidance purposes only. **Our** claims handlers can answer any questions **you** may have when they receive **your** claim, alternatively **you** can visit [claims.araginsurance.co.uk](https://claims.araginsurance.co.uk).

## Our agreement

This section, the policy schedule and any endorsement shall be read together as one document and describe the contract between **you** and **us**.

**We** agree to provide the insurance described in this section for **you** (or where specified, the **insured person**) in respect of any insured incident arising in connection with the **business**, in return for payment of the premium and subject to the terms, conditions, exclusions and limitations set out in this section, provided that:

- 1 **reasonable prospects** exist for the duration of the claim
- 2 the **date of occurrence** of the insured incident is during the **period of insurance**, or
- 3 during the currency of a previous equivalent legal expenses insurance policy, provided that:
  - the previous legal expenses insurance policy required **you** to report claims during its currency
  - **you** could not have notified a claim previously as **you** could not have reasonably been aware of the insured incident
  - cover has been continuously maintained in force
  - any claim that should have been covered under a previously operative legal expenses insurance policy will not be covered by **us**, and
  - the available limit of indemnity shall be limited to the lesser of the sums payable under this section or **your** previous policy
- 4 any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **countries covered**, and
- 5 the insured incident happens within the **countries covered**.

## What we will pay

**We** will pay an **appointed representative**, on **your** behalf, **costs and expenses** incurred following an insured incident, and any compensation awards that **we** have agreed to, provided that:

- 1 the most **we** will pay in respect of all claims resulting from one or more event arising at the same time or from the same originating cause, for **costs and expenses** and compensation awards claims, is the amount stated in the schedule
- 2 the most **we** will pay for the total of all compensation awards under insured incident Employment disputes and compensation awards 2 Compensation awards in any one **period of insurance** shall not exceed £1,000,000
- 3 the most **we** will pay in **costs and expenses** is no more than the amount **we** would have paid to a preferred law firm or tax consultancy. The amount **we** will pay a law firm (where acting on **your** behalf) is currently £100 per hour. This amount may vary from time to time
- 4 in respect of an appeal or the defence of an appeal, **you** must tell **us** as soon as possible and within the statutory time limits allowed that **you** want to appeal. Before **we** pay the **costs and expenses** for appeals, **we** must agree that **reasonable prospects** exist
- 5 for an enforcement of judgment to recover money and interest due to **you** after a successful claim under this section, **we** must agree that **reasonable prospects** exist
- 6 where an award of damages is the only legal remedy to a dispute and the cost of pursuing legal action is likely to be more than any award of damages, the most **we** will pay in **costs and expenses** is the value of the likely award, and
- 7 in respect of insured incident Legal defence 6 Jury service and court attendance the maximum **we** will pay is the **insured person's** net salary or wages for the time that the **insured person** is attending court or tribunal, less any amount **you**, the court or tribunal pays.

## What we will not pay

- 1 In the event of a claim, if **you** decide not to use the services of a **preferred law firm** or tax consultancy, **you** will be responsible for any costs that fall outside the **ARAG Standard Terms of Appointment** and these will not be paid by **us**.
- 2 If **you** are registered for VAT **we** will not pay the VAT element of any **costs and expenses**.
- 3 The first £500 of any contract dispute claim where the amount in dispute exceeds £5,000 (including VAT). If **you** are using a **preferred law firm**, **you** will be asked to pay this within 21 days of **your** claim having been assessed as having **reasonable prospects**. If **you** are using **your** own law firm, this will be within 21 days of their appointment (following confirmation **your** claim has **reasonable prospects**). If **you** do not pay this amount the cover for **your** claim could be withdrawn.

## Employment disputes and compensation awards

### 1 Employment disputes

#### What is covered

**Costs and expenses** to defend **your** legal rights:

- a) before the issue of legal proceedings in a court or tribunal:
  - i) following the dismissal of an employee; or
  - ii) where an employee or ex-employee has contacted ACAS ('Advisory, Conciliation and Arbitration Service') to commence the Early Conciliation procedure; or
- b) in unfair dismissal disputes under the ACAS Arbitration Scheme; or
- c) in legal proceedings in respect of any dispute relating to:
  - i) a contract of employment with **you**; or
  - ii) an alleged breach of the statutory rights of an employee, ex-employee or prospective employee under employment legislation.

#### What is not covered

A claim relating to the following:

- 1 unless equivalent legal expenses insurance was continuously in force before:
  - a) any dispute where the originating cause of action arises within the first 90 days of the start of this section of cover
  - b) any dispute with an employee who was subject to a written or oral warning (formal or informal) within 180 days immediately preceding the inception date of this section of cover if the **date of occurrence** was within the first 180 days of the start of this section of cover and the dispute relates directly to the same matter(s) which gave rise to that warning
  - c) any notice of redundancy or alleged redundancy or unfair selection for redundancy which occurs within the first 180 days of the start of this section of cover
- 2 employee internal disciplinary or grievance procedures
- 3 damages for personal injury
- 4 Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations
- 5 pursuing **your** legal rights.

### 2 Compensation awards

#### What is covered

In respect of a claim **we** have accepted under insured incident 1 Employment disputes **we** will pay:

- a) any basic and compensatory award; and/or
- b) an order for compensation or damages following a breach of **your** statutory duties under employment legislation.

Provided that:

- a) in cases relating to performance and/or conduct, **you** have throughout the employment dispute either:
  - i) followed the ACAS Code of Disciplinary and Grievance Procedures; or
  - ii) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
  - iii) sought and followed advice from **our** legal advice service (telephone **0344 893 0859**)
- b) for an order of compensation following **your** breach of statutory duty under employment legislation **you** have at all times sought and followed advice from **our** legal advice service since the date when **you** should have known about the employment dispute (telephone **0344 893 0859**)
- c) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, **you** have sought and followed advice from **our** legal advice service before starting any redundancy process or procedure with employees (telephone **0344 893 0859**)
- d) any sum of money in settlement of a dispute is awarded by a court, tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by default, or is payable under settlement approved in writing in advance by **us**.

*Please note that the total amount payable by **us** for all compensation awards and sums of money in settlement of a dispute, in aggregate and in any one **period of insurance** is £1,000,000.*

### What is not covered

A claim relating to the following:

- 1 Any compensation award relating to the following:
  - trade union activities, trade union membership or non-membership
  - pregnancy or maternity rights, paternity, parental or adoption rights
  - health and safety related dismissals brought under section 44 of the Employment Rights Act 1996
  - statutory rights in relation to trustees of occupational pension schemes.
- 2 Non-payment of money due under a contract.
- 3 Any award ordered because **you** have failed to provide relevant records to employees under National Minimum Wage legislation.
- 4 A compensation award or increase in a compensation award relating to failure to comply with a current or previous recommendation made by a tribunal.
- 5 A settlement agreed and payable following conciliation under the ACAS Early Conciliation procedure.

## 3 Employee civil legal defence

### What is covered

**Costs and expenses** to defend the **insured person's** (other than **your**) legal rights if:

- a) an event arising from their work leads to civil action being taken against them under legislation for unlawful discrimination; or
- b) civil action is being taken against them as trustee of a pension fund set up for the benefit of **your** employees.

*Please note that **we** will only provide cover for an **insured person** (other than **you**) at **your** request.*

## 4 Service occupancy

### What is covered

**Costs and expenses** to recover possession of premises owned by **you**, or for which **you** are responsible, from **your** employee or ex-employee.

### What is not covered

Any claim relating to defending **your** legal rights, other than defending a counter-claim that is an insured incident under this section.

### Legal defence

**Costs and expenses** to defend the **insured person's** legal rights: (provided that for each of the following sections of Legal defence cover 1-6 **you** request **us** to provide cover for the **insured person**.)

## 1 Criminal pre-proceedings cover

### What is covered

Prior to the issue of legal proceedings, when dealing with the Police, Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officer where it is alleged that the **insured person** has or may have committed a criminal offence.

Provided that:

for claims relating to the Health and Safety at Work etc Act 1974 the **countries covered** shall be any place where the Act applies.

*Please note that **we** will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the **business**. Please see the section titled *Our agreement at the start of this section*.*

### What is not covered

A claim relating to the following:

- 1 any criminal investigation or enquiry by, with or on behalf of HM Revenue & Customs
- 2 investigations due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

## 2 Criminal prosecution defence

### What is covered

Following an event which leads to the **insured person** being prosecuted in a court of criminal jurisdiction.

Provided that:

for claims relating to the Health and Safety at Work etc Act 1974 the **countries covered** shall be any place where the Act applies.

*Please note that **we** will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the **business**. Please see the section titled Our agreement at the start of this section.*

### What is not covered

A claim relating to the following:

- 1 prosecution due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

## 3 Data protection

### What is covered

If civil action is taken against the **insured person** for compensation under data protection legislation, when handling personal data in their capacity as a data controller and/or a data processor by:

- a) An individual. **We** will also pay any compensation award in respect of such a claim.
- b) A data controller and/or data processor, which arises out of, or relates to, a claim made by an individual for compensation against that data controller and/or data processor. Please note **we** will not pay any compensation award in respect of such a claim.

Provided that:

in respect of 3 a) any sum of money in settlement of a dispute is awarded by a court under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in advance by **us**.

*Please note that **we** will not cover the cost of fines imposed by the Information Commissioner, or any other regulatory and/or criminal body. (Please see special exclusion 3)*

### What is not covered

A claim relating to the following:

- 1 the loss, alteration, corruption or distortion of, or damage to stored personal data, or
  - 2 a reduction in the functionality, availability, or operation of stored personal data
- resulting from hacking (unauthorised access), malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code, computer virus or similar mechanism.

## 4 Wrongful arrest

### What is covered

If civil action is taken against the **insured person** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**.

## 5 Statutory notice appeals

### What is covered

In an appeal against the imposition or terms of any statutory notice issued under legislation affecting **your business**.

### What is not covered

A claim relating to the following:

- 1 an appeal against the imposition or terms of any statutory notice issued in connection with **your** licence, mandatory registration or British Standard Certificate of Registration
- 2 a statutory notice issued by an **insured person's** regulatory or governing body.



## 6 Jury service and court attendance

### What is covered

An **insured person's** absence from work:

- a) to perform jury service
- b) to attend any court, tribunal or at the request of the **appointed representative**.

The maximum **we** will pay is the **insured person's** net salary or wages for the time that they are absent from work less any amount **you**, the court or tribunal, have paid them.

**We** will reimburse **you** for net salary or wages that **you** have paid the **insured person** for that time, less any amount they have been paid by, or can recover from, the court or tribunal.

### What is not covered

A claim relating to the following:

- 1 any claim if **you** or the **insured person** are unable to prove the loss.

## Statutory licence appeal

### What is covered

**Costs and expenses** for:

An appeal to the relevant statutory or regulatory authority, court or tribunal following a decision by a licensing or regulatory authority to suspend, or alter the terms of, or refuse to renew, or cancel **your** licence, mandatory registration or British Standard Certificate of Registration.

### What is not covered

A claim relating to the following:

- 1 the original application or renewal application of a statutory licence, mandatory registration or British Standard Certificate of Registration
- 2 the ownership, driving or use of a motor vehicle.

## Contract disputes

### What is covered

**Costs and expenses** for:

A contractual dispute arising from an agreement or an alleged agreement which has been entered into by **you** or on **your** behalf for the purchase, hire, sale or provision of goods or of services.

Provided that:

- a) the amount in dispute exceeds £250 (incl VAT)
- b) if the amount in dispute exceeds £5,000 (incl VAT), **you** must pay the first £500 of any claim. If **you** are using a **preferred law firm**, **you** will be asked to pay this within 21 days of **your** claim having been assessed as having **reasonable prospects**. If **you** are using **your** own law firm, this will be within 21 days of their appointment (following confirmation **your** claim has **reasonable prospects**). If **you** do not pay this amount the cover for **your** claim could be withdrawn
- c) if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £250 (incl VAT)
- d) if the dispute relates to money owed to **you**, a claim under this section is made within 90 days of the money becoming due and payable.

### What is not covered

A claim relating to the following:

- 1 a dispute arising from an agreement entered into prior to the start of this section of cover if the **date of occurrence** is within the first 90 days of the start of this section of cover, unless equivalent legal expenses insurance was in force immediately before
- 2
  - a) a dispute relating to an insurance policy, other than when your insurer refuses **your** claim
  - b) the sale, purchase, terms of a lease, licence, or tenancy of land or buildings. However, **we** will cover a dispute with a professional adviser in connection with these matters (please refer to insured incident Lease disputes if shown as operative in **your** policy schedule)



- c) a loan, mortgage, pension, guarantee or any other financial product. However, **we** will cover a dispute with a professional adviser in connection with these matters
- d) a motor vehicle owned by, or hired or leased to **you** other than agreements relating to the sale of motor vehicles where **you** are engaged in the business of selling motor vehicles
- 3 a dispute with an employee or ex-employee which arises out of, or relates to, a contract of employment with **you**. (Please refer to insured incident Employment disputes and compensation awards.)
- 4 a dispute which arises out of the:
  - sale or provision of computer hardware, software, systems or services; or
  - the purchase or hire of computer hardware, software, systems or services tailored by a supplier to **your** own specification
- 5 the recovery of money and interest due from another party, other than disputes where the other party indicates that a defence exists
- 6 a dispute arising from a breach or alleged breach of professional duty by an **insured person**.

## Debt recovery

### What is covered

**Costs and expenses** for:

A dispute relating to the recovery of money and interest due from the sale or provision of goods or services, including enforcement of judgments.

Provided that:

- a) the debt exceeds £250 (incl VAT)
- b) a claim is made within 90 days of the money becoming due and payable
- c) **we** have the right to select the method of enforcement, or to forego enforcing judgment if **we** are not satisfied that there are, or will be, sufficient assets available to satisfy judgment.

### What is not covered

A claim relating to the following:

- 1 any debt arising from an agreement entered into prior to the start of this section of cover if the debt is due within the first 90 days of the start of this section of cover, unless equivalent legal expenses insurance was in force immediately before
- 2
  - a) the settlement payable under an insurance policy
  - b) the sale, purchase, terms of a lease, licence, or tenancy of land or buildings (please refer to insured incident Lease disputes if shown as operative in **your** policy schedule)
  - c) a loan, mortgage, pension, guarantee or any other financial product. However, **we** will cover a dispute with a professional adviser in connection with these matters
  - d) a motor vehicle owned by, or hired or leased to **you** other than agreements relating to the sale of motor vehicles where **you** are engaged in the business of selling motor vehicles
- 3 a dispute which arises out of the supply, hire, sale or provision of computer hardware, software, systems or services
- 4 the recovery of money and interest due from another party where the other party indicates that a defence exists
- 5 any dispute which arises from debts **you** have purchased from a third party.

## Let property

### What is covered

**Costs and expenses** for:

- 1 Breach of the tenancy agreement

A dispute with a tenant arising from a breach or alleged breach of the tenancy agreement which relates to the use or maintenance of the **let property** excluding repossession, recovery of money owed and dilapidations (please see 2 to 4 below).

## 2 Repossession

Obtaining possession of the **let property**, provided that, where appropriate, all statutory and contractual notices have been correctly served by **you** on the tenant.

## 3 Recovery of money owed

Recovering money and interest due from a lease, licence or tenancy of the **let property**, including enforcement of judgment.

Provided that:

- a) the amount in dispute exceeds £200 (incl VAT) and if it is rent that is owed, it must have been overdue for at least one calendar month
- b) **you** have exhausted all **your** credit control procedures before **you** report the claim
- c) **we** have the right to select the method of enforcement, or to forego enforcing judgment if **we** are not satisfied that there are, or will be, sufficient assets available to satisfy judgment
- d) if **you** accept payment (or part payment) of any rent arrears from the tenant, **you** must provide proof **you** have warned the tenant this does not prevent **you** taking further action against them to recover monies owed
- e) the other party does not intimate that a defence exists.

## 4 Dilapidations

A dispute relating to dilapidations to the **let property**.

Provided that:

- a) the amount of the dilapidations exceeds £1,000
- b) prior to the tenancy beginning, a detailed inventory, which notes the condition of all items on the inventory is prepared by **you**
- c) after the tenant has vacated the **let property**, a detailed Schedule of Dilapidations is prepared by **you**.

## 5 Nuisance

Defending any allegation of legal nuisance arising from the **let property** used solely for residential purposes.

## 6 Eviction of squatters

Evicting anyone who is not **your** tenant or ex-tenant from the **let property** and who has not got **your** permission to be there.

*Please note, for England, Wales and Scotland squatting in a residential property is a criminal offence and therefore please contact the police in the first instance.*

## What is not covered

A claim relating to the following:

- 1 any dispute where the originating cause of action arises within the first 90 days of the start of this section of cover, unless equivalent legal expenses insurance was in force immediately before
- 2 a dispute arising from rent or relating to:
  - a) the negotiation, review or renewal of the lease or tenancy agreement
  - b) any matter relating to service charges
  - c) any claim relating to registering rents, reviewing rents, buying the freehold of the **let property** or any matter that relates to rent tribunals, the leasehold valuation tribunal, land tribunals or rent assessment committees
- 3 any claim relating to:
  - a) land or premises used for agricultural purposes
  - b) any arbitration or Agricultural Land Tribunal hearing relating to any dispute arising out of a contract of tenancy or lease regulated by the 1986 Agricultural Holdings Act or 1995 Agricultural Tenancies Act or at hearings of the Scottish Land Court relating to disputes arising out of a contract of tenancy or lease regulated by the 1991 Agricultural Holdings (Scotland) Act or 2003 Agricultural Holdings (Scotland) Act under the terms of the tenancy or lease or as directed by statute.

## Property protection

### What is covered

**Costs and expenses** for:

A civil dispute relating to physical property which is owned by **you**, or is **your** responsibility following:

- 1 any event which causes physical damage to such physical property; or
- 2 a legal nuisance (meaning any unlawful interference with **your** use or enjoyment of **your** land, or some right over, or in connection with it); or
- 3 a trespass.

*Please note that **you** must have, or there must be reasonable prospects of establishing **you** have, the legal ownership or right to the physical property that is the subject of the dispute.*

### What is not covered

A claim relating to the following:

- 1 a contract **you** have entered into (please refer to insured incident Contract disputes)
- 2 physical property which is in transit or which is lent or hired out
- 3 goods at premises other than those occupied by **you** unless the goods are at the premises for the purpose of installations or use in work to be carried out by **you**
- 4 mining subsidence
- 5 defending **your** legal rights but **we** will cover defending a counter-claim that is an insured incident under this section
- 6 a motor vehicle owned or used by, or hired or leased to an **insured person** (other than damage to motor vehicles where **you** are in the business of selling motor vehicles)
- 7 the enforcement of a covenant by or against **you**.

## Personal injury

### What is covered

At **your** request, **costs and expenses** for an **insured person's** and their family members' legal rights following a specific or sudden accident that causes the death of, or bodily injury to them.

### What is not covered

A claim relating to the following:

- 1 any illness or bodily injury that happens gradually
- 2 psychological injury or mental illness unless the condition follows a specific or sudden accident that has caused physical bodily injury
- 3 defending an **insured person's** or their family members' legal rights other than in defending a counter-claim
- 4 clinical negligence.

## Tax protection

### What is covered

**Costs and expenses** for:

- 1 A **tax enquiry**
- 2 An **employer compliance dispute**
- 3 A **VAT dispute**.

Provided that:

**you** have taken reasonable care to ensure that all returns are complete and correct and are submitted within the statutory time limits allowed.

*Please note **we** will only cover tax claims which arise in direct connection with the activities of the **business**. Please see the section titled *Our agreement at the start of this section*.*

## What is not covered

A claim relating to the following:

- 1 a tax avoidance scheme
- 2 any failure to register for Value Added Tax or Pay As You Earn
- 3 any investigation or enquiries by, with or on behalf of HM Revenue & Customs Special Investigations Section, Special Civil Investigations, Criminal Investigations Unit, Criminal Taxes Unit, under Public Notice 160 or by the Revenue & Customs Prosecution Office
- 4 any claim relating to import or excise duties and import VAT
- 5 any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences.

## Special exclusions

**We** will not pay for the following:

### 1 Late reported claims

Any claim reported to **us** more than 180 days after the date the **insured person** should have known about the insured incident.

### 2 Costs we have not agreed

**Costs and expenses** incurred before **our** expressed acceptance.

### 3 Court awards and fines

Fines, penalties, compensation or damages which the **insured person** is ordered to pay by a court or other authority, other than compensation awards covered under insured incidents Employment disputes and compensation awards, 2 Compensation awards and Legal defence.

### 4 Legal action we have not agreed

Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to, or where the **insured person** does anything that hinders **us** or the **appointed representative**.

### 5 Intellectual property rights

Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.

### 6 Wilful acts

Any wilful act or omission of an **insured person** deliberately intended to cause a claim under this section.

### 7 Franchise or agency agreements

Any claim relating to rights under a franchise or agency agreement entered into by **you**.

### 8 A dispute with ARAG

Any claim under this section for a dispute with **us**. For disagreements with **us** about the handling of a claim refer to Special condition 8.

### 9 Shareholding or partnership disputes

Any claim relating to a shareholding or partnership share in the **business**.

### 10 Judicial review, coroner's inquest or fatal accident inquiry

**Costs and expenses** arising from or relating to judicial review, coroner's inquest or fatal accident inquiry.

### 11 Nuclear, war and terrorism risks

Any claim caused by, contributed to by or arising from:

- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from burning nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear part of it
- c) war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, military force or coup, or any other act of terrorism or alleged act of terrorism as defined by the Terrorism Act 2000
- d) pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speeds.

## 12 Bankruptcy

Any claim where either at the start of, or during the course of a claim:

- a) **you** are declared bankrupt
- b) **you** have filed a bankruptcy petition
- c) **you** have filed a winding-up petition
- d) **you** have made an arrangement with **your** creditors
- e) **you** have entered into a deed of arrangement
- f) **you** are in liquidation
- g) part or all of **your** affairs or property are in the care or control of a receiver or administrator.

## 13 Defamation

Any claim relating to written or verbal remarks that damage the **insured person's** reputation.

## 14 Litigant in person

Any claim where an **insured person** is not represented by a law firm, barrister or tax expert.

## Special conditions

### 1 Your representation

- a) On receiving a claim, if representation is necessary, **we** will appoint a **preferred law firm** or tax consultancy as **your appointed representative** to deal with **your** claim. They will try to settle **your** claim by negotiation without having to go to court.
- b) If the appointed **preferred law firm** or tax consultancy cannot negotiate settlement of **your** claim and it is necessary to go to court and legal proceedings are issued or there is a conflict of interest, then **you** may, if **you** prefer, choose a law firm or tax expert of **your** own choice to act as the **appointed representative**. **We** will choose the **appointed representative** to represent **you** in any proceedings where **we** are liable to pay a compensation award.
- c) If **you** choose a law firm as **your appointed representative** who is not a **preferred law firm** or tax consultancy, **we** will give **your** choice of law firm the opportunity to act on the same terms as a **preferred law firm** or tax consultancy. However if they refuse to act on this basis, the most **we** will pay is the amount **we** would have paid if they had agreed to the **ARAG Standard Terms of Appointment**. The amount **we** will pay a law firm (where acting on **your** behalf) is currently £100 per hour. This amount may vary from time to time.
- d) The **appointed representative** must co-operate with **us** at all times and must keep **us** up to date with the progress of the claim.

### 2 Your responsibilities

An **insured person** must:

- a) co-operate fully with **us** and the **appointed representative**
- b) give the **appointed representative** any instructions that **we** ask them to.

### 3 Offers to settle a claim

- a) An **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to any settlement without **our** expressed consent.
- b) If an **insured person** does not accept a reasonable offer to settle a claim, **we** will not pay further **costs and expenses**.
- c) **We** may decide to pay an **insured person** the reasonable value of the claim that the **insured person** is claiming or is being claimed against them instead of starting or continuing legal action. In these circumstances an **insured person** must allow **us** to take over and pursue or settle a claim in their name. An **insured person** must allow **us** to pursue at **our** own expense and for **our** benefit, any claim for compensation against any other person and an **insured person** must give **us** all the information and help **we** need to do so.

### 4 Assessing and recovering costs

- a) An **insured person** must instruct the **appointed representative** to have **costs and expenses** taxed, assessed or audited if **we** ask for this.
- b) An **insured person** must take every step to recover **costs and expenses** and court attendance and jury service expenses that **we** have to pay and must pay **us** any amounts that are recovered.

## 5 Cancelling an appointed representative's appointment

If the **appointed representative** refuses to continue acting for an **insured person** with good reason or if an **insured person** dismisses the **appointed representative** without good reason, the cover **we** provide will end at once, unless **we** agree to appoint another **appointed representative**.

## 6 Withdrawing cover

- a) If an **insured person** settles a claim or withdraws their claim without **our** agreement, or does not give suitable instructions to the **appointed representative**, **we** can withdraw cover and will be entitled to reclaim any **costs and expenses we** have paid.
- b) If during the course of a claim **reasonable prospects** no longer exist the cover **we** provide will end at once. **We** will pay any **costs and expenses** and compensation awards **we** have agreed to, up to the date cover was withdrawn.

## 7 Expert opinion

If there is a disagreement between an **insured person** and **us** on the merits of the claim or proceedings, or on a legal principle, **we** may suggest the **insured person** obtains at their own expense an opinion on the matter from an independent and appropriate expert. The expert must be approved in advance by **us** and the cost expressly agreed in writing between the **insured person** and **us**. Subject to this **we** will pay the cost of getting the opinion if the expert's opinion indicates that it is more likely than not that the **insured person** will recover damages (or obtain any other legal remedy that **we** have agreed to) or make a successful defence. This does not affect the **insured person's** rights under Special condition 8.

## 8 Arbitration

If there is a disagreement between an **insured person** and **us** about the handling of a claim and it is not resolved through **our** internal complaints procedure the **insured person** can contact the Financial Ombudsman Service for help. This is a free arbitration service for eligible consumers, small businesses, charities and trusts. (Details available from [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk))

If the dispute is not covered by the Financial Ombudsman Service there is a separate arbitration process available. The arbitrator will be a barrister, solicitor or other suitably qualified person chosen jointly by the **insured person** and **us**. If there is a disagreement over the choice of arbitrator, **we** will ask the Chartered Institute of Arbitrators to decide. The arbitrator will decide who will pay the costs of the arbitration. For example, costs may be split between the **insured person** and **us** or may be paid by either the **insured person** or **us**.

## 9 Keeping to the section terms

An **insured person** must:

- a) keep to the terms and conditions of this section
- b) take reasonable steps to avoid and prevent claims
- c) take reasonable steps to avoid incurring unnecessary costs
- d) send everything **we** ask for in writing, and
- e) report to **us** full and factual details of any claim as soon as possible and give **us** any information **we** need.

## 10 Cancelling the section

**You** can cancel the cover under this section by telling **us** at any time as long as **you** tell **us** at least 14 days beforehand. **We** can cancel the cover under this section at any time as long as **we** tell **you** at least 14 days beforehand.

Subject to the terms of business between **you** and the person who sold **you** this policy, **you** may be entitled to a partial refund of the premium.

It is important to note that charges may apply to any refund subject to the individual terms of business between **you** and the person who sold **you** this policy. Please refer to the General conditions of this policy.

## 11 Fraudulent claims

**We** will, at **our** discretion, void this section (make it invalid) from the date of claim, or alleged claim, and/or **we** will not pay the claim if:

- a) a claim the **insured person** has made to obtain benefit under this section is fraudulent or intentionally exaggerated, or
- b) a false declaration or statement is made in support of a claim.

## 12 Claims under this section by a third party

Apart from **us**, **you** are the only person who may enforce all or any part of this section and the rights and interests arising from or connected with it. This means that the Contracts (Rights of Third Parties) Act 1999 does not apply to this section in relation to any third-party rights or interest.

### 13 Other insurances

If any claim covered under this section is also covered by another policy, or would have been covered if this section did not exist, **we** will only pay **our** share of the claim even if the other insurer refuses the claim.

### 14 Law that applies

This section is governed by the law that applies in the part of the United Kingdom, Channel Islands or Isle of Man where **your business** is registered. Otherwise the law of England and Wales applies.

All Acts of Parliament mentioned in this policy include equivalent laws in Scotland, Northern Ireland, the Isle of Man and the Channel Islands as appropriate.

### How to make a complaint under this section

**We** always aim to give the **insured person** a high quality service. If the **insured person** thinks **we** have let them down, they can contact **us** by:

- phoning **0344 893 9013**
- emailing **customer-relations@arag.co.uk**
- writing to the **Customer Relations Department, ARAG Legal Expenses Insurance Company Limited, Unit 4a, Greenway Court, Bedwas, Caerphilly, CF83 8DW**
- completing **our** online complaint form at **www.arag.co.uk/complaints**

Further details of **our** internal complaint-handling procedures are available on request.

If the **insured person** is not happy with the complaint outcome or if **we**'ve been unable to respond to their complaint within 8 weeks, they can, provided **you** are an eligible small business, charity or trust, ask the Financial Ombudsman Service for a free and independent review of their complaint.

The **insured person** can contact them by:

- phoning **0800 023 4567** (free from mobile phones and landlines) or **0300 123 9123**
- emailing **complaint.info@financial-ombudsman.org.uk**
- writing to **The Financial Ombudsman Service | Exchange Tower | London | E14 9SR**

Further information is available on their website: **www.financial-ombudsman.org.uk**

The Financial Ombudsman's role is to assess **our** handling of a claim in light of the policy terms. It is not to assess the quality of legal advice. If the **insured person** is unhappy with the service provided by an **appointed representative** the relevant complaint-handling procedure is available on request.

### Financial Services Compensation Scheme

**We** are covered by the Financial Services Compensation Scheme (FSCS). Compensation from the scheme may be claimed if **we** cannot meet **our** obligations. This will be dependent on the type of business and the circumstances of the claim. More information on the compensation scheme arrangements can be found on the FSCS website, **www.fscs.org.uk**

### Data protection

To comply with data protection regulations **we** are committed to processing personal information fairly and transparently. This section is designed to provide a brief understanding of how **we** collect and use this information.

A full copy of **our** privacy notice can be found on **our** website – **www.arag.co.uk/privacy**. If **you** require a written copy of **our** privacy notice please email **dataprotection@arag.co.uk**.

### How we collect your information

**We** will either collect information directly from **you**, from someone else who has authority to make a claim on **your** behalf, or via **our** partners when **you**:

- purchase an ARAG product
- request or obtain a quote
- use **your** policy, such as making a claim or use one of **our** helplines
- request an update on **your** claim
- make a complaint
- use **our** websites
- contact ARAG or one of its partners by telephone, by post or email, or when **you** communicate via online channels.



Types of information **we** will typically ask for include basic personal details such as **your** name, address, e-mail address, telephone number, date of birth or age and marital status. **We** will also need details of **your** claim, which may include sensitive personal information depending on the nature of **your** claim. **We** will always be clear why **we** need this information and the purposes for which **we** will use it.

### How we will use your information

**We** will use **your** information to:

- manage **your** policy
- manage **your** claim, including providing updates and in order to make decisions relating to policy coverage
- provide **you** with the services outlined in **your** policy
- handle complaints
- provide quotes and sell policies.

Where **we** use trusted third parties to provide services under **your** policy **your** information will be shared outside of ARAG. **We** will also share information with **your** Insurer or Insurance Intermediary where it is necessary to manage **your** policy. For more information about how **we** use **your** information, including how **your** information is shared outside of ARAG please visit **our** website [www.arag.co.uk/privacy](http://www.arag.co.uk/privacy).

**Your** information may be disclosed when **we** believe in good faith that the disclosure is:

- required by law; or
- to protect the safety of **our** employees, the public or ARAG property; or
- required to comply with a judicial proceeding court order or legal process; or
- in the event of a merger, asset sale, or other related transaction; or
- for the prevention or detection of crime (including fraud).

### What is our legal basis for processing your information?

**We** will use **your** information:

- because it is necessary for the performance of **our** contract with **you** or to take steps to enter into a contract with **you**
- in order to comply with **our** legal obligations
- because it is in **our** legitimate interests
- for establishing, exercising or defending any legal claims in relation to **your** policy.

### What are your rights?

The following rights are available in relation to the handling of personal data:

- the right to access personal data held
- the right to have inaccuracies corrected for personal data held
- the right to have personal data held erased
- the right to object to direct marketing being conducted based upon personal data held
- the right to restrict the processing for personal data held, including automated decision-making
- the right to data portability for personal data held.

Any requests, questions or objections should be made in writing to the Data Protection Officer:

Data Protection Officer  
ARAG Legal Expenses Insurance Company Limited  
Unit 4a  
Greenway Court  
Bedwas  
Caerphilly  
CF83 8DW

Or via email: [dataprotection@arag.co.uk](mailto:dataprotection@arag.co.uk)

### How to make a complaint

If there is any dissatisfaction with the way in which personal data has been processed, the Data Protection Officer can be contacted in the first instance using the details above. If **you** remain dissatisfied, the Information Commissioner's Office can be approached directly for a decision.

The Information Commissioner can be contacted at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF

[www.ico.org.uk](http://www.ico.org.uk)

# Section F – Terrorism

This section is only operative if stated in the schedule.

## Special definitions

### **Act of terrorism**

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

### **Computer system**

A computer or other equipment or component or system or item which processes, stores, transmits or receives **data**.

### **Data**

Data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

### **Denial of service attack**

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer systems**.

**Denial of service attacks** include but are not limited to the generation of excess traffic into the network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **computer systems**.

### **Hacking**

Unauthorised access to any **computer system** whether **your** property or not.

### **Phishing**

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

### **Virus or similar mechanism**

Program code, programming instruction or any set of instructions intentionally constructed with the ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor **computer systems**, **data** or operations, whether involving self-replication or not.

**Virus or similar mechanism** includes but is not limited to Trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

## Sub-section F1 – Certified terrorism

In the event that:

- a) His Majesty's Government or His Majesty's Treasury or any successor relevant authority issue a certificate certifying an event or occurrence to have been an **act of terrorism**; or
- b) His Majesty's Government or His Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence to have been an **act of terrorism** and that refusal is reversed by the decision of a validly constituted tribunal

**we** will by this Terrorism cover provide cover for accidental loss of or damage to material property (hereafter referred to as '**damage**') and consequential loss proximately caused by such **act of terrorism** in so far and to the extent that such **damage** and consequential loss is insured under Sections A and B of this policy.

Provided that:

- i) the **damage** and consequential loss occurs in England, Wales or Scotland but not the territorial seas adjacent to them as defined by the Territorial Sea Act 1987 and not Northern Ireland, the Channel Islands or the Isle of Man
- ii) in any action, suit or other proceedings where **we** allege that any **damage** and consequential loss is not covered under Sub-section F1 the burden of proving that the **damage** and consequential loss is covered will fall upon **you**.

Excluding:

A) any losses whatsoever:

- a) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
- b) directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:
  - i) damage to or the destruction of any **computer system**; or
  - ii) any alteration, modification, distortion, erasure or corruption of **data**

in each case whether **your** property or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **virus or similar mechanism, hacking, phishing or denial of service attack**

Proviso to exclusion A) b)

save that **covered loss** otherwise falling within this exclusion A) b) will not be treated as excluded by exclusion A) b) solely to the extent that such **covered loss**:

- i) results directly (or, solely as regards ii) 3) below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any **computer system**; and
- ii) comprises:
  - 1) the cost of reinstatement, replacement or repair in respect of damage to or destruction of **property** insured; or
  - 2) the amount of business interruption loss suffered directly by **you** by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of **property** insured or as a direct result of denial, prevention or hindrance of access to or use of the **property** insured by reason of **terrorism** causing damage to other **property** within one mile of the **property** insured to which access is affected; or
  - 3) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of **property** and any additional costs or charges reasonably and necessarily paid by **you** to avoid or diminish such loss

and

- iii) is not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any **de jure or de facto** government of any nation, country or state

iv) for the purposes of this Proviso

1) The meaning of '**property**' shall exclude:

A) any money (including **money**), currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and

B) any **data**

2) '**Covered loss**' means all losses arising as a result of damage to or the destruction of **property** insured, the proximate cause of which is an **act of terrorism**

v) notwithstanding the exclusion of **data** from **property**, to the extent that damage to or destruction of **property** within the meaning of sub-paragraph ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of **data**, because the occurrence of one or more of the matters referred to in sub-paragraph i) above results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **data**, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** and otherwise falling within sub-paragraphs i) and ii) 1) or 2) nor any loss, cost or charges otherwise falling within sub-paragraphs i) and ii) 3) above from being recoverable under this section.

In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **data** be recoverable under this section

B) any type of property which has been specifically excluded under Sections A or B of this policy

C) any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve the **nuclear installation** or **nuclear reactor**.

Save for the exclusions listed above no other exclusions applicable to Sections A or B will apply to the insurance under Sub-section F1. All the other terms, definitions, provisions and conditions of said sections including but not limited to any **excess** or deductible to be borne by **you** will apply to the insurance under Sub-section F1 except for:

a) any Long Term Agreement applying to this policy

b) any terms which provide for adjustments of premium based upon declarations on expiry or during the period of insurance

c) any extension of **premises** to locations outside England and Wales and Scotland.

## Sub-section F2 – Uncertified terrorism

In the event that:

a) His Majesty's Government or His Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence to have been an **act of terrorism**; and

b) the refusal is upheld by the decision of a validly constituted tribunal

the General exclusion titled Terrorism will not apply to Sections A or B in respect of the event or occurrence.

**We** will settle **your** claim in accordance with the Claims conditions.

Provided that:

i) the event or occurrence and the **damage to property insured** and/or **business interruption** that result from it occurs in England, Wales or Scotland but not the territorial seas adjacent to them as defined by the Territorial Sea Act 1987 and not Northern Ireland, the Channel Islands or the Isle of Man

ii) other than to the extent they are altered by proviso i) of Sub-section F2 all the terms, definitions, exclusions (except the General exclusion titled Terrorism), provisions and conditions applicable to Sections A and B will apply to Sub-section F2.

# General exclusions

This policy does not cover:

## 1. Communicable diseases

Not applicable to Sections C – Property owners', public and products liability, D – Employers' liability, E – Legal expenses and F – Terrorism, unless otherwise stated on the schedule by endorsement

any loss, destruction, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with the following:

- a) a **communicable disease**; or
- b) the fear or threat (whether actual or perceived) of a **communicable disease**

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

This exclusion does not however apply to:

- i) Section B – Business interruption – in respect of and only to the extent of cover expressly stated as being provided under the Additional cover extensions titled:
  - 1) Legionellosis; or
  - 2) Named diseases, murder, suicide or rape
- ii) **damage** or **business interruption** which results from a **defined peril** but excluding the acts of malicious persons who maliciously, deliberately or recklessly cause any substance or agent capable of causing a **communicable disease** to come into contact with the premises or property of any person or entity or cause or attempt to cause another person or persons to contract a **communicable disease**

## 2. Date related performance and functionality

loss, destruction, damage, additional expenditure or extra expenses, legal liability, fees, costs, disbursements, awards or other expenses of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

- a) the way in which any **data processing system** responds to or deals with or fails to respond to or fails to deal with any true calendar date
- b) any **data processing system** responding to or dealing in any way with:
  - i) any data denoting a calendar date or dates as if the data did not denote a calendar date or dates
  - ii) any data not denoting a calendar date or dates as if the data denoted a calendar date or dates

whether the **data processing system** is **your** property or not but in respect of all insurances other than Section C – Property owners', public and products liability this will not exclude subsequent **damage** or **business interruption** which itself results from a **defined peril**

## 3. Electronic risks

Applicable to Sections A – Material damage and Section B – Business interruption

- a) loss, destruction or damage caused by **virus or similar mechanism** or **hacking** or **denial of service attack** to any **computer** or other equipment, component, system or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible including but without limitation any information, programs or software and whether the property is insured or not
- b) loss, cost or expense directly or indirectly caused by or arising from **virus or similar mechanism** or **hacking** or **denial of service attack**

but this will not exclude subsequent **damage** or **business interruption** which results from a **defined peril** including the acts of thieves but excluding the acts of malicious persons which do not involve physical force or violence

## 4. Northern Ireland civil commotion

Applicable to Sections A – Material damage and Section B – Business interruption

in respect of Northern Ireland loss, destruction, damage, cost or expense occasioned by or happening through or in consequence directly or indirectly of riot or civil commotion and except in respect of **damage** or **business interruption** by fire or explosion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons

## 5. Nuclear and war risks, government or public authority order and sonic bangs

Not applicable to Sections D – Employers' liability and Section E – Legal expenses

death, injury, disablement, loss, damage, cost or expense or legal liability of whatsoever nature directly or indirectly arising from, caused by, or contributed to by:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any **nuclear installation, nuclear reactor** or other nuclear assembly or nuclear component thereof
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes
- e)
  - i) war, invasion, mutiny, acts of foreign enemies, hostilities or war-like operations whether war be declared or not, civil war, civil commotion assuming the proportions of or amounting to a popular rising, rebellion, revolution, insurrection, military or usurped power, military rising or martial law
  - ii) nationalisation, confiscation, requisition, seizure or destruction by or under the order of any government or public or local authority
- f) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

## 6. Terrorism

Applicable to Sections A – Material damage and Section B – Business interruption

loss, destruction, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with **terrorism**.

In any action or suit or other proceedings where **we** allege that by reason of this exclusion cover is not provided under this policy the burden of proving that cover is provided under this policy will be upon **you**.



# General conditions

The following conditions apply to the whole policy except Section E – Legal expenses unless stated otherwise below. Other special conditions that may be applicable to a section of cover will be set out in the section of cover.

## 1. Alteration

**You** must notify **us** as soon as possible during the period of insurance if there is any change in circumstances which materially increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change **we** will be entitled to vary the premium and terms for the rest of the period of insurance. If the changes make the risk unacceptable to **us** then **we** may no longer be able to provide **you** with cover.

If **you** do not notify **us** of any such change this policy may be affected in one or more of the following ways depending on what **we** would have done had **we** known about the change in circumstances:

- a) if **we** would not have continued to provide **you** with any cover **we** may treat this policy as if it did not exist from the date of the change in circumstances; or
- b) if **we** would have applied different terms to the cover **we** may treat this policy as if those different terms applied from the date of the change in circumstances; and/or
- c) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

## 2. Arbitration

If **we** admit liability for a claim but there is a dispute as to the amount to be paid the dispute will be referred to an arbitrator. The arbitrator will be appointed jointly by **you** and **us** in accordance with the law at the time. **You** may not take any legal action against **us** over the dispute prior to the arbitrator having reached a decision.

## 3. Cancellation by you

If you decide **you** do not want to accept this policy or any subsequent renewal of it please tell **us** (or **your** broker or insurance intermediary) within 14 days of receiving this policy or renewal notice. **We** will charge **you** on a pro rata basis for the time **you** have been on cover subject to a minimum policy premium of £50 plus insurance premium tax (IPT).

If the policy is cancelled at any other time **we** will charge **you** on a pro rata basis for the time **you** have been on cover subject to a minimum policy premium of £50 plus insurance premium tax (IPT).

**We** will not refund any premium if **we** have paid a claim or one is outstanding when the policy is cancelled. Where a claim is submitted after the policy has been cancelled **we** will deduct the amount of any premium returned to **you** following the cancellation from any claim payment **we** may make to **you**. If **you** are paying by instalments and **you** have made a claim **you** must still pay **us** the balance of the full annual premium. If **you** do not do this **we** may take the balance of any outstanding premium from any claim payment **we** are making to **you** subject to the Consumer Credit Act 1974 if it applies.

## 4. Cancellation by us

**We** have the right to cancel this policy or any section or part of it by giving 14 days notice in writing to **your** last known address.

**You** will be entitled to a pro rata return of premium from the date of cancellation subject to a minimum policy premium of £50 plus insurance premium tax (IPT).

**We** will not refund any premium if **we** have paid a claim or one is outstanding when the policy is cancelled. Where a claim is submitted after the policy has been cancelled **we** will deduct the amount of any premium returned to **you** following the cancellation from any claim payment **we** may make to **you**. If **you** are paying by instalments and **you** have made a claim **you** must still pay **us** the balance of the full annual premium. If **you** do not do this **we** may take the balance of any outstanding premium from any claim payment **we** are making to **you**.

## 5. Contractual right of renewal (tacit)

If **you** pay the premium to **us** using **our** Direct Debit instalment scheme **we** will have the right which **we** may choose not to exercise to renew this policy each year and continue to collect premiums using this method. **We** may vary the terms of this policy including the premium at renewal. If **you** decide that **you** do not want **us** to renew this policy provided **you** tell **us** or **your** broker or insurance intermediary prior to the next renewal date **we** will not renew it.

## 6. Fair presentation of the risk

- a) At inception and renewal of this policy and also whenever changes are made to it at **your** request **you** must:
- i) where **you** have taken out this policy for purposes which are wholly or mainly related to **your** trade, business or profession, disclose to **us** all material facts in a clear and accessible manner and not misrepresent any material facts; and
  - ii) where **you** have taken out this policy for purposes which are wholly or mainly unrelated to **your** trade, business or profession, take reasonable care not to misrepresent any material facts.
- b) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation by **you** is proven by **us** to be deliberate or reckless **we** may from the relevant date specified in clause d):
- i) treat this policy as if it had not existed; and
  - ii) not return the premium paid by **you**.
- c) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless the cover, meaning this policy or the changes made to it, may be affected from the relevant date in clause d) in one or more of the following ways depending on what **we** would have done if **we** had known about the facts which **you** failed to disclose or misrepresented:
- i) if **we** would not have provided **you** with the cover **we** will have the option to treat the cover as if it had not existed and repay the premium paid for such cover; or
  - ii) if **we** would have applied different terms to the cover **we** will have the option to treat this policy as if those different terms apply; and/or
  - iii) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.
- d) Clauses b) and c) apply with effect from inception, renewal or the date of the changes, depending on when the non-compliance occurred. **We** may also recover any claims payments which have already been made to the extent that the cover under which such payments were made is being treated as if it did not exist or as if it had been subject to different terms under which the claim would not have been payable.
- e) Where this policy provides cover for any person other than **you** and that person would if they had taken out such cover in their own name have done so for purposes wholly or mainly unconnected with their trade, business or profession **we** will not invoke the remedies which might otherwise have been available to us under this condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to a particular insured person other than **you**.

Provided always that if the person concerned or **you** acting on their behalf makes a careless misrepresentation of fact **we** may invoke the remedies available to **us** under this condition as against that particular person as if a separate insurance contract had been issued to them leaving the remainder of the policy unaffected.

## 7. Fraudulent claims

If **you** or anyone acting on **your** behalf:

- a) makes a fraudulent or exaggerated claim under this policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this policy for loss or damage which **you** or anyone acting on **your** behalf or in connivance with **you** deliberately caused; or
- e) realises after submitting what **you** reasonably believed was a genuine claim under this policy and then fails to tell **us** that **you** have not suffered any loss or damage; or
- f) suppresses information which **you** know would otherwise enable **us** to refuse to pay a claim under this policy

**we** will be entitled to refuse to pay the whole of the claim and recover any sums that **we** have already paid in respect of the claim.

**We** may also notify **you** that **we** will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If **we** terminate this policy under this condition **you** will have no cover under this policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an insured person and not on behalf of **you** this condition should be read as if it applies only to that insured person's claim and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

#### 8. Legal representatives

If **you** die **we** will insure **your** legal personal representatives for any liability **you** had previously incurred under this policy provided that they keep to the terms of this policy.

#### 9. Payment by instalments

Reference to the payment of premium includes payment by monthly instalments. If **you** pay by this method this policy remains an annual contract.

#### 10. Minimum transaction premium

Applicable to the whole policy including Section E – Legal expenses

If any changes are made to the policy that result in an additional or return premium of less than a minimum transaction premium of £25 plus insurance premium tax (IPT), then this premium adjustment will not be charged or refunded.

#### 11. Reasonable care

**You** will take any reasonable steps to protect the property, prevent accidents and comply with laws, bye-laws or regulations and take reasonable care in the selection and supervision of **employees**.

#### 12. Sanctions

Notwithstanding any other terms of this policy **we** will be deemed not to provide cover nor will **we** make any payment or provide any service or benefit to **you** or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of **yours** would violate any applicable trade or economic sanctions law or regulation.

# Claims conditions

The following conditions apply to the whole policy except Section E – Legal expenses unless stated otherwise below.

## 1. Claim notification

Upon learning of any circumstances likely to give rise to a claim **you** must:

- a) tell **us** as soon as reasonably possible and give **us** any assistance **we** may reasonably require
- b) as soon as is reasonably possible tell the police if the **damage** is by theft or attempted theft or by riot or civil labour or political disturbances or vandals or malicious people
- c) immediately send to **us** any writ or summons issued against **you**
- d) supply at **your** own expense full details of the claim in writing including any supporting evidence and information that **we** require within the following periods:
  - i) seven days for **damage** by riot or civil, labour or political disturbances or vandals or malicious people
  - ii) 30 days after the expiry of the **indemnity period** under Section B – Loss of rental income
  - iii) 30 days after any other **damage**, interruption or **bodily injury**
- e) take action to minimise the **damage** and to avoid interruption or interference with the **business** and to prevent further injury or **damage**.

## 2. Claim settlement

**We** will have the right to settle a claim by:

- a) the payment of money
- b) reinstatement or replacement of the property lost or damaged
- c) repair of the property lost or damaged.

If **we** decide upon reinstatement, replacement or repair **we** will do so in a reasonable manner but not necessarily to its exact previous condition or appearance. **We** will not spend on any one item more than its sum insured.

## 3. Negotiation or settlement

**You** must not admit, deny, negotiate or settle any claim without **our** written consent.

## 4. Other insurance

If at the time of any occurrence giving rise to a claim there is any other insurance effected by **you** or on **your** behalf providing an indemnity in respect of such claim **our** liability will be limited to its rateable proportion. If any other insurance is subject to any provision whereby it is excluded from ranking concurrently with this policy in whole or in part or from contributing proportionally **our** liability under this policy will be limited to any excess beyond the amount which would be payable under such other insurance had this policy not been effected.

## 5. Right of entry

**We** have the right to enter the **buildings** where the **damage** has happened and to take and keep any of the **property insured** and to deal with salvage in a reasonable manner.

## 6. Salvage

**We** have the right to the salvage of any insured property.

## 7. Section A – Material damage reinstatement

In respect of each item on **buildings** and **landlord's contents** **we** will pay the cost of **reinstatement** of the damaged part of the **property insured**.

Provided that:

- a) the cost of **reinstatement** is actually incurred; and
- b) the work of **reinstatement** is done without unreasonable delay; and
- c) if the **property insured** is also insured under any other policy the same basis of settlement applies under both policies.

Where provisos a), b) or c) are not complied with **we** will pay **you** the lesser of:

- i) the amount of reduction in value of the **property insured** caused by its **damage** after deducting for wear and tear occurring before the **damage**
- ii) the cost for which repairs could have been completed.

The amount **we** pay will be adjusted for the **excess**.

## 8. Subrogation rights

**We** are entitled to:

- a) take the benefit of **your** rights against another person prior to or after **we** have paid a claim
- b) take over the defence or settlement of a claim against **you** by another person.

**ARAG Head and Registered Office:**

ARAG Legal Expenses Insurance Company Limited, Unit 4a, Greenway Court, Bedwas, Caerphilly, CF83 8DW

Registered in England and Wales | Company Number 103274

Website: [www.arag.co.uk](http://www.arag.co.uk)

ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority.

**Zurich Management Services Limited**

Registered in England and Wales, number 2741053.

Registered Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

**Zurich Insurance Company Ltd**

A public limited company incorporated in Switzerland. Registered in the Canton of Zurich, No. CHE-105.833.114, registered offices at Mythenquai 2, 8002 Zurich. UK Branch registered in England and Wales no BR000105. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Zurich Insurance Company Ltd is authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority FINMA. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Our firm reference number is 959113.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

© Copyright – Zurich Insurance Company Ltd 2025. All rights reserved. Reproduction, adaptation or translation without prior written permission is prohibited except as allowed under copyright laws.

