



Arthur J. Gallagher  
BUSINESS WITHOUT BARRIERS

Policy Wording

Property Insurance for  
Registered Social Landlords

## Introduction

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This is Your Property Owner policy, setting out Your insurance protection in detail.

Your premium has been based upon the information shown in The Schedule and recorded in the written application You have signed and/or declaration You have made. Please read it carefully to make sure that it meets Your requirements and that the details on The Schedule are correct.

If after reading Your policy You have any questions, please contact Your insurance adviser.

## Contents – a guide to Your policy

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This policy booklet consists of individual Sections. It should be read in conjunction with The Schedule which indicates both the Sections You are insured under and gives precise details of the extent of Your insurance protection.

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## Contract of Insurance

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The policy, the application form and/or declaration made by You and The Schedule should be read together and form the contract of insurance between You, The Policy holder and Us The Insurer

In return for You having paid or agreed to pay the premium for the Period of Insurance, We will indemnify You by payment or, at Our option, by reinstatement or repair, in respect of loss, liability, destruction, damage, accident or injury to the extent of and subject to the terms contained in or endorsed on the policy.

**IMPORTANT - This policy is a legal contract. You must tell Us about any material circumstances which affect Your insurance and which have occurred either since the policy started or since the last renewal date. A circumstance is material if it would influence Our judgement in determining whether to provide the cover and, if so, on what terms. If You are not sure whether a circumstance is material ask Your insurance adviser.**

**If You fail to tell Us it could affect the extent of cover provided under the policy. You should keep a written record (including copies of letters) of any information You give Us or Your Insurance adviser when You renew this policy.**

### Breach of Term

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

### Terms not relevant to the actual loss

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

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

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

## Choice of Law

The appropriate law as set out below will apply unless We agree with You otherwise

- (1) The law applying in that part of the United Kingdom, Channel Islands or Isle of Man in which You normally live or (if applicable) the first named policy holder normally lives  
or
- (2) In the case of a business, the law applying in that part of the United Kingdom, Channel Islands or Isle of Man where You have Your principal place of business  
or
- (3) Should neither of the above be applicable, the law of England and Wales.



Aviva Insurance Limited.

Registered in Scotland No 2116.

Registered Office: Pitheavlis, Perth, PH2 0NH

Authorised by the Prudential Regulation Authority and regulated by the  
Financial Conduct Authority and the Prudential Regulation Authority

## **Our Service to You**

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In the event of a loss covered under this policy contact:

**Arthur J. Gallagher Housing Limited  
Claims Department  
27-30 Railway Street  
Chelmsford  
Essex  
CM1 1QS**

**Tel: 01245 341 200**

**Fax: 01245 290 324**

Arthur J. Gallagher Housing Limited are authorised to handle claims on Our behalf and to appoint Loss Adjusters. They are also able to approve settlement of some claims.

## Our Service to You

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### Complaints Procedure

#### Our Promise of Service

Our goal is to give excellent service to all Our customers but We recognise that things do go wrong occasionally. We take all complaints We receive seriously and aim to resolve all Our customers' problems promptly. To ensure that We provide the kind of service You expect We welcome Your feedback. We will record and analyse Your comments to make sure We continually improve the service We offer.

#### What will happen if You complain?

- We will acknowledge Your complaint promptly
- We aim to resolve complaints as quickly as possible

Most of Our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, We will contact You within 10 working days of receipt and give You an expected date of response.

#### What to do if You are unhappy

If You are unhappy with any aspect of the handling of Your insurance We would encourage You, in the first instance, to seek resolution by contacting:

Head of Business,  
Arthur J. Gallagher Housing Limited  
27-30 Railway Street  
Chelmsford  
Essex  
CM1 1QS

Telephone 01245 341 200

If You are unhappy with the outcome of Your complaint You may refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Telephone: 0800 023 4567 (calls from UK landlines and mobiles are free) or 0300 123 9123.

Or simply log on to their website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

Whilst We are bound by the decision of the Financial Ombudsman Service, You are not. Following the complaints procedure does not affect Your right to take legal action.

#### Financial Services Compensation Scheme

We are members of the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from this scheme if We cannot meet our obligations, depending on the type of insurance and the circumstances of Your claim.

Further information about the scheme is available from the FSCS website [www.fscs.org.uk](http://www.fscs.org.uk), or write to Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St. Botolph Street, London, EC3A 7QU.

#### Telephone Call Charges and Recording

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

#### Use of Language

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

## Policy Definitions

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Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the policy.

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

### Computer and Electronic Equipment

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

### Contents

Landlord's contents, carpets, domestic furniture and furnishings belonging to You or for which You are responsible at The Premises.

### Contents of Common Parts

Furniture, furnishings, fixtures, fittings and all other contents belonging to You or for which You are responsible at The Premises. Excluding (a) china or other fragile or brittle objects exceeding £1,000 any one article (b) computers and data processing equipment (c) curios, rare books, works of art or articles of antique furniture exceeding £1,000 in value any one article.

### Cyber Vandal

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

### Data

All information which is

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

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

### Data Storage Materials

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

### Denial of Service Attack

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

### Employee

Any person who is

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

while working under Your control in connection with The Business

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

### Failure

Any partial or complete reduction in the

- (1) performance, or
- (2) availability, or
- (3) functionality, or
- (4) the ability to recognise or process any date time,

of any

## Policy Definitions

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- (a) Computer and Electronic Equipment
- (b) electronic means of communication
- (c) web site.

### Loss of Data

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

### Malicious Contingency

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

### Money

#### Current

- (1) coin, bank and currency notes
- (2) postal and money orders, bankers drafts, cheques and giro cheques
- (3) crossed warrants, bills of exchanges and securities for money
- (4) postage, revenue, national insurance and holiday with pay stamps
- (5) national insurance and holiday with paycards, national savings certificates, war bonds, premium savings bonds and franking machine impressions
- (6) credit company sales vouchers, luncheon vouchers and trading stamps
- (7) VAT invoices.

### Period of Insurance

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

### Specified Contingency

fire

lightning

explosion

aircraft and other aerial devices or articles dropped from them

earthquake

storm or flood

escape of water from any apparatus or pipe

falling trees

impact

escape of fuel from any fixed oil heating installation

### The Business

Activities directly connected with the business specified in The Schedule.

### The Premises

Buildings including

- (1) fixtures and fittings, Contents, Interior decorations, Contents of Common Parts, telecommunications aerials, aerial fittings and masts, fixed signs, satellite dishes, walls, patios, terraces, gates, fences, hedges, yards, canopies, solar heating panels, fixed signs, hoardings, paths, drives, car parks, roads, pavements, outbuildings, garages, greenhouses, sheds, outbuildings, ornaments, statues, fountains, cesspits, septic tanks, oil tanks, drains, underground pipes, gas and water mains, cables and wires, piping, ducting, electrical installations, meters, lifts, boilers, central heating plant, CCTV systems, external lighting, fixed floor coverings
- (2) baths, bath panels, washbasins, pedestal sinks, splashbacks, shower trays and sanitaryware contained in any part of The Premises occupied as an individual private dwelling or flat
- (3) Swimming pools, squash courts, tennis courts, gymnasias all used by residents of blocks of flats for domestic and leisure purposes
- (4) Gangways, pedestrian malls, pedestrian access bridges, hardstandings, bollards, barriers, flags, flag poles, security stations, lampposts, street furniture

all being Your property or for which You are responsible at the premises stated in the Schedule.



## Sections which comprise Your policy

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### **The Schedule**

The document which specifies details of The Policyholder, The Premises, Property Insured and any Excesses, Endorsements and Conditions applying to the policy.

### **Virus or Similar Mechanism**

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

### **We/Us/Our/Aviva**

Aviva Insurance Limited

### **You/Your/The Policyholder**

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

**Sections which comprise Your policy**

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**Operative only if stated in The Schedule**

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**Asset Protection**

Property Damage – All Risks

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**Legal Liabilities**

Property Owners Liability

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**Property Damage -  
All Risks Section**

**Definitions**

(Also refer to the Policy Definitions at the front of this policy booklet).

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

**Contingency Groups**

- (a) fire, lightning explosion, aircraft, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances and earthquake
- (b) malicious persons, storm, flood, escape of water from any tank, apparatus or pipe, impact
- (c) all other insured Damage other than any Additional Contingency or Theft Contingency if applicable.
- (d) Theft Contingency.

**Damage**

Accidental loss or destruction of or damage to the Property Insured.

**Defined Contingency**

fire

lightning

explosion

aircraft and other aerial devices or articles dropped from them

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

malicious persons other than thieves

earthquake

storm or flood

escape of water from any tank, apparatus or pipe

falling trees

impact

escape of fuel from any fixed oil heating installation.

**Excess/Excesses**

The amount or amounts shown in Your policy or The Schedule which We will deduct from each and every claim

You will repay any such amount paid by Us.

**Property Insured**

Property insured as detailed in The Schedule

**Cover**

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

The maximum We will pay under this Section in any one Period of Insurance will not exceed

- (1) the Sum Insured on each Item where declared to Us
- or
- (2) the Total Sum Insured
- or
- (3) any other maximum amount payable or limit of liability specified in The Schedule

In addition

- (1) Damage to Gates and Fences by storm or flood is limited to indemnity and 10% of the replacement cost will be deducted from each claim for each year of age of the Damaged items
- (2) For Damage by Graffiti. We will not pay for 50% of each and every loss or the excess as shown in The Schedule whichever is greater

## Exceptions

The following exceptions apply to this Section.

(Also refer to the Policy Exceptions at the back of this policy booklet).

We will not indemnify You in respect of

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

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

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

- (b) change in
  - (i) temperature
  - (ii) colour
  - (iii) flavour
  - (iv) texture of finish

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

However, We will indemnify You in respect of

- (i) Damage not otherwise excluded which itself results from a Defined Contingency or any other accidental cause
- (ii) any subsequent Damage which itself results from a cause not otherwise excluded.

- (3) Damage caused by pollution or contamination

However, We will indemnify You in respect of Damage, not otherwise excluded, to the Property Insured caused by

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

- (4) Damage caused by or consisting of

- (a) subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or escape of water from any tank, apparatus or pipe
- (b) normal settlement of new structures
- (c) acts of fraud or dishonesty
- (d)
  - (i) disappearance
  - (ii) unexplained or inventory shortage
  - (iii) misfiling, misplacing of information or clerical error
- (e) theft or attempted theft.

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

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

- (6) Damage to

moveable property in the open

- by
- (i) wind
  - (ii) rain, hail, sleet or snow
  - (iii) flood
  - (iv) dust.

- (7) (a) Damage by fire resulting from its' undergoing any process involving the application of heat

(b) Damage to that portion of any item caused by its' own self ignition, leakage of electricity, short circuiting, or over-running

- (c) Damage resulting from its' undergoing any process of
  - (i) production or packaging

## Asset Protection Property Damage

- (ii) treatment, testing or commissioning
- (iii) servicing or repair.

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

- (8) Damage while any building is unoccupied or disused caused by escape of water as a result of freezing of any automatic sprinkler installation in The Premises

- (9) Damage in respect of

- (a) glass not being fixed glass forming part of the structure of the building
- (b) china, earthenware, marble or other fragile objects

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

- (10) Damage in respect of

- (a) vehicles licensed for road use including accessories on or attached to them
- (b) caravans or trailers
- (c) railway locomotives or rolling stock
- (d) watercraft or aircraft
- (e) property in the course of construction including materials for use in the construction
- (f) piers, jetties, bridges, culverts or excavations
- (g) livestock
- (h) growing crops

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

- (11) Damage

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

However, We will indemnify You in respect of Damage not otherwise excluded for any sum beyond the amount which would have been

payable under the marine policy had this insurance not existed.

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

- (13) Consequential loss or damage.

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

- (14) Damage by pressure waves from aircraft or aerial devices.

- (15) any Damage whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss

- (a) Terrorism
- (b) civil commotion in Northern Ireland
- (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

Terrorism means:

- (i) in respect of Damage occurring in England Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to:

- the use or threat of force and/or violence and/or

- harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

## Asset Protection Property Damage

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political religious ideological or similar purposes.

In any action suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section the burden of proving that any such Damage is covered under this Section will be upon You.

(16) the Excess as stated in The Schedule.

### Conditions

The following conditions apply to this Section.

(Also refer to the Policy Conditions at the back of this policy booklet).

#### (1) Our Rights

If Damage occurs which may lead to a claim We may

- (a) enter or take possession of the building or The Premises
- (b) take possession of, or require to be delivered to Us, Property Insured which We will deal with in a reasonable manner

without incurring liability or reducing our rights.

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

- (i) do not comply with Our requirement
- (ii) hinder or obstruct Us

You are not entitled to abandon property to Us.

#### (2) Statutory Inspection of Plant

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

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

## Theft Contingency

We will indemnify You in respect of Damage at The Premises caused by theft or attempted theft.

We will not indemnify You in respect of Damage

- (a) caused by or consisting of acts of fraud or dishonesty
- (b) as a result of
  - (i) disappearance
  - (ii) unexplained or inventory shortage
  - (iii) misfiling, misplacing of information or clerical error
- (c) the Excess stated in The Schedule

## Asset Protection Property Damage

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### Subsidence

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

We will only indemnify You in respect of Damage to

- (a) forecourts, car parks, driveways, footpaths, swimming pools, terraces or patios
- (b) walls, gates, hedges or fences
- (i) if such property is specifically insured by this Section

and

- (ii) if Damage also occurs to the building to which such property applies and that building is insured by this Section.

We will not indemnify You in respect of

- (1) Damage caused by
  - (a) collapse, cracking, shrinking or settlement of any building
  - (b) coastal or river erosion
  - (c) defective design or inadequate construction of foundations
  - (d) demolition, structural alteration or repair
  - (e) settlement or movement of made up ground.

- (2) Damage as a result of movement of solid floor slabs.

However, We will indemnify You in respect of Damage not otherwise excluded if there is Damage to the foundations beneath the exterior walls of The Premises at the same time.

- (3) the Excess stated in The Schedule.

### Clauses

All of the following Clauses apply to the Property Damage - All Risks Section if stated as insured in The Schedule.

#### Automatic Reinstatement of Sum Insured

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

#### Basis of Claim Settlement - Reinstatement

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

- (1) If Property Insured as described in The Schedule, other than pedal cycles, personal items, rent or motor vehicles if insured, is lost or destroyed, We will pay for its rebuilding or replacement by similar property in a condition as good as, but not better than or more extensive than, its condition when new.

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

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

- (2) The Property Insured may be replaced on another site and in a manner suitable to Your needs, but this must not increase Our liability.
- (3) All work must begin and be carried out as quickly as possible.

- (4) We will not pay under this Clause
  - (a) until You have incurred the cost of replacing or repairing the Property Insured
  - (b) if You, or someone acting on Your behalf have insured the property under another policy which does not have a similar basis of reinstatement
  - (c) if You do not comply with any of the terms of this Clause.

- (5) We will indemnify You in respect of Loss of Rent as insured under this Section resulting from the Building or any part of the Building

- (a) generating the rent received

or

- (b) for which rent is payable

being made unfit for The Business due to Damage insured by this Section.

The maximum amount that We will pay You under this clause will be the proportion of the Sum Insured which equals but does not exceed the proportion of the period of rent insured necessary to make the building fit for occupation.

#### Changing Locks

We will indemnify You in respect of the cost of changing locks at The Premises following loss of keys of the Premises

The maximum We will pay for any one loss is £5,000.

#### Contractors' Interest

Where You are required to effect insurance on the Property Insured in the joint names of You and the contractor under the terms of a contract condition then the interest of the contractor in the Property Insured as joint Policyholder is hereby noted and You must provide Us with details of any single contract valued in excess of £500,000 prior to work commencing and pay an additional premium if required.

#### Damage to Grounds

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

We will not indemnify You in respect of

- (a) the cost of moving soil other than as necessary for surface preparation
- (b) the failure of trees, shrubs, plants or turf to become established
- (c) the failure of seeds to germinate
- (d) damage caused by disease, infection or application of chemicals

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



## Asset Protection Property Damage

### Debris Removal

Unless separately insured under this Section, the Sum Insured for each Item, other than rent if insured, includes costs and expenses You incur, with Our consent, for

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

of the property which have suffered Damage insured under this Section.

We will not indemnify You in respect of costs and expenses

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

### Description of Property

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

### Drains

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

- (1) drains
- (2) sewers
- (3) gutters

for which You are responsible, following Damage insured by this Section.

### European Union and Public Authorities including Undamaged Property and Sprinklers

- (1) Following Damage insured by this Section to any buildings, blocks of flats, furniture, machinery or tenants alterations Item described in The Schedule, We will pay the additional cost of reinstating the Property Insured necessary to comply with

- (a) European Union legislation
- (b) Act of Parliament

- (c) Bye-Laws of any public authority.
- (d) current LPC Rules for Automatic Sprinkler Installations, the additional cost of reinstating water supply equipment which
  - (a) conformed to previous LPC Rules
  - (b) conformed to current LPC Rules when installed but fails to conform to subsequent amendment to those rules.

We will not indemnify You in respect of

- (a) costs incurred
  - (i) in respect of Damage not insured by this Section
  - (ii) where notice was served upon You before the Damage occurred
  - (iii) where an existing requirement must be completed within a stipulated period
  - (iv) in respect of any building or contents which have not suffered Damage insured by this Section
- (b) any charge or assessment arising from capital appreciation following compliance with legislation of Bye-Laws

The reinstatement of the Property Insured

- (a) must begin and be carried out as quickly as possible
- (b) may be carried out on another site and in a manner suitable to Your needs but this must not increase Our liability

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

The maximum We will pay under this Clause in respect of

- (a) Property Insured which has suffered Damage is the Sum Insured
- (b) undamaged portions of Property Insured other than foundations but including water supply equipment is 15% if the amount We would have been liable to pay if the Property Insured by the item at the Premises where Damage occurred had been completely destroyed.

### Gardening Equipment

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

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

### Loss of Metered Utilities

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

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

### Loss of Rent and Alternative Accommodation

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

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

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

### Loss of Utilities

We will indemnify You if a residence at the Premises cannot be lived in as a result of delay, interruption or interference consequent upon the failure of public supplies of electricity, water, gas or telecommunications services at the residence caused by damage to property belonging to or used by the public suppliers of electricity, water, gas or telecommunications services in respect of

- (1) (a) loss of rent, including ground rent and management charges, You should have received but have lost

- (b) (i) the cost of reasonable alternative accommodation incurred by any owner, lessee or resident if this is necessary
- (ii) the cost of reasonable accommodation in kennels and/or catteries for dogs and/or cats belonging to any owner, lessee or resident in residence, where such pets are not permitted in any alternative accommodation.

- (2) temporary storage of your furniture

Provided that

1. such damage is not caused by a deliberate act of the supplier, unless the deliberate act is performed for the sole purpose of safeguarding life or protecting a part of the supplier's systems,
2. such failure is for a period of more than 24 hours

The maximum We will pay in respect of any one claim is 25% of the Sum Insured of the building in which the residence is contained subject to a maximum of £100,000

### Murder and Suicide

We will indemnify You if a residence at the Premises cannot be lived in as a result of any occurrence of murder or suicide at The Premises in respect of

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

- (2) temporary storage of your furniture

The maximum time we will pay for is 3 months and the maximum we will pay in respect of any one claim is 25% of the Sum Insured of the

## Asset Protection Property Damage

building in which the residence is contained subject to a maximum of £50,000.

### Non-invalidation

The insurance by this Section will not be invalidated by any

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

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

However, You must

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

### Other Interests

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

### Professional Fees

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

We will not indemnify You in respect of fees

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

### Reinstatement to Match

Where the Property Insured has suffered Damage, You may replace, repair or restore the property with equivalent property which employs current technology, and replacement, repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new. This Section

further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored provided that Our total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

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

### Risk Protection Equipment Replacement Costs

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

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

and having any fire and/or intruder alarms and closed circuit television equipment re-set

as a result of Damage as insured under this Section.

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

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

### Subrogation Waiver

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

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

## Asset Protection Property Damage

Companies (N.I.) Order, current at the time of Damage

- (3) any lessee of Yours provided that
- (a) the lessee contributes to the cost of insuring the Property Insured against the event which caused the Damage
  - (b) the Damage did not result from a breach of the terms of the lease by the lessee
  - (c) the Damage did not result from a criminal, fraudulent or malicious act of the lessee.

### Temporary Removal for Cleaning or Renovation

We will indemnify You in respect of Damage insured by this Section other than to Stock and Materials in Trade, while temporarily removed for cleaning, renovation or repair or similar purposes

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

The maximum We will pay is 10% of the Item Sum Insured after the deduction of the value of any building and Stock and Materials in Trade included within the Item insured.

We will not indemnify You in respect of

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

### Trace and Access

We will pay reasonable costs and expenses incurred with Our consent

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

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

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

The maximum We will pay in respect of anyone claim is £50,000.

### Transfer of Interest

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

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

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

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

### Value Added Tax

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

- (1) (a) Your liability for such tax arises solely as a result of the reinstatement or repair of the buildings following Damage  
  
(b) We have paid or have agreed to pay for such Damage  
  
(c) if any payment by Us in respect of the reinstatement or repair of such Damage is less than the actual cost of reinstatement or repair, any payment under this Clause resulting from that Damage will be reduced in like proportion
- (2) Your liability for such tax does not arise from the replacement building having greater floor area than or being better or more extensive than the destroyed or damaged building
- (3) where an option to reinstate on another site is exercised, Our liability under this Clause will not exceed the amount of tax that would have been payable had the building been rebuilt on its original site

## Asset Protection Property Damage

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- (4) Our liability under this Clause will not include amounts payable by You as penalties or interest for non-payment or late payment of tax

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

- A Our liability may exceed the Sum Insured where such excess is solely in respect of Value Added Tax.

### Seventy Two Hour Provision

For all Damage occurring within a 72 hour period caused by the same identifiable Fire, Storm, Flood or Escape of Water such Damage will be regarded as one event for the purpose of the payment of the Excess by You.

We will not indemnify You in respect of The Excess that shall be deducted from each and every claim made by You.

### Freeholders and Lessors and Mortgagees

The interest of the Freeholder or Lessor or Mortgagee in this insurance shall not be prejudiced by any act or neglect of the Leaseholder or Lessee or Mortgagor or occupier of any Building insured whereby the risk of Damage is increased without the authority or knowledge of the Freeholder or Lessor or Mortgagee provided the Freeholder or Lessor or Mortgagee shall immediately on becoming aware thereof give Us notice in writing and on demand pay such reasonable additional premium as We may require.

### Loss of Investment Value

If as a result of Damage to any building insured under this Section, You lose planning consent in respect of that building as a result of which the investment value of the building is reduced

and

if at the time of the Damage You had intended to sell the building and the sale is completed at a reduced price having made every effort in the meantime to regain planning consent, We will indemnify You in respect of the difference between the investment value of the building prior to the Damage and its' sale price

Any amounts recovered in respect of the Damage and from any other source shall be taken into account in settling any claim

The maximum amount We will pay is £1,000,000 in respect of any one claim

### Workmen

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

### Sprinkler Upgrade Costs

Following Damage We will pay the additional costs incurred to upgrade an automatic sprinkler installation at The Premises in order to meet current LPC rules, solely as required by Us, provided that at the time of Damage the installation conforms to the LPC rules current at the time of installation and that system has a complete service record up to the date of the Damage.

### Further Investigation Expenses

Where a building has suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other damage to portions of the same building which are not immediately apparent We will pay reasonable costs and expenses incurred with Our consent in establishing whether or not such Damage has occurred.

### Management Fees

In the event of Damage to The Premises exceeding £15,000 We will pay reasonable costs and expenses incurred with Our consent in respect of claims preparation costs including the management and supervision of the rebuilding works.

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

### Loss of Market Value

If following Damage You choose not to reinstate or repair the Property Insured under any Buildings item described in The Schedule We will pay the loss of market value in respect of The Premises. The loss of market value being the reduction in the market value of The Premises immediately following the Damage solely as a result of the Damage.

We will not pay any amount exceeding that which would have been payable had The Premises been rebuilt or repaired

## Asset Protection Property Damage

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### Obsolete Building Materials

This Policy extends to include the reasonable additional costs incurred in replacement of materials which given consideration to the scientific and technical knowledge at the time of installation construction or fitting were reasonably deemed to be fit for the purpose intended but require replacement with more suitable modern materials

The Buildings shall not be regarded as being better or more extensive than when new provided that Our liability for such additional costs shall not exceed 5% of the Declared Value

### Unauthorised Use of Electricity Gas or Water

We will pay the cost of metered electricity gas 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

It is a condition of this Clause that such Premises have been inspected weekly by a responsible person acting on Your behalf and that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered

### Payments on Account

Claim Payments on account will be considered by Us upon request

### Managing Agents Fees

The cost of professional fees shall mean those necessarily incurred in the rebuilding or repair including fees payable to Your managing agents when acting as professional advisers but not any costs incurred in preparing claims. The use of such advisers will be accepted as necessary where You would have employed them in respect of reinstatement or other work of an equivalent nature in the normal course of their business

The cost of professional fees shall include the reasonable fees of managing agents where

- they are in respect of work of benefit to Us
- they relate to work which is necessary for repair or reinstatement
- they have been agreed with Us in advance

We will not indemnify you in respect of fees which are incurred as part of the managing agent's general administrative duties or purely in connection with the preparation or administrative handling of a claim.

### Contract Works Insurance Premiums

This Policy extends to include the additional cost of any Contract Works Insurance (and related Terrorism insurance) premiums incurred as a result of Damage at the property Insured

### Loss Minimisation and Prevention Expenses

This Policy extends to include the reasonable costs and expenses incurred to avoid diminish mitigate or reduce:

- i) any reasonably foreseeable event or threat of an event which is likely or could reasonably be expected imminently to arise from an insured risk where such an event could be expected to threaten the ability of the insured to undertake their normal business activities or operations or cause disruption to the business
- ii) any impending loss or damage

and thereby prevent or reduce loss or damage to property in the event of imminent damage or reducing losses to property after damage.

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

### Clauses

All of the following Clauses apply to the Property Damage and Business Interruption sections (where applicable) combined.

### Capital Additions

We will indemnify You in respect of loss destruction or damage to

- (1) any newly built and/or newly acquired single building
- (2) any newly built and/or newly acquired group of buildings in the same location
- (3) alterations, additions and improvements to an insured building but not in respect of any appreciation in value

following Damage to buildings owned by You situated anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

The maximum We will pay in respect of any one location under this clause is the sum insured but subject to a maximum of

- (a) £5,000,000 in respect of any newly built and/or newly acquired building
- (b) £5,000,000 in respect of any newly built and/or newly acquired group of buildings in the same location
- (c) £5,000,000 in respect of alterations, additions and improvements to the building

You must provide Us with details of these extensions where the sum insured in respect of (1) or (2) or (3) is greater than £1,000,000 as soon as possible but at least within 90 days and specifically insure such extensions with Us, from the date Our liability commenced and pay the appropriate additional premium.

## **Property Owner's Liability Section**

### **Definitions**

(Also refer to the Policy Definitions at the front of the policy booklet).

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

#### **Asbestos**

Asbestos, asbestos fibres or any derivatives of asbestos.

#### **Bodily Injury**

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

#### **Building Defects**

The failure in any building as a result of or caused by a fault in the original design or construction or any subsequent design or construction amendments and additions and any general deterioration or wear and tear

#### **Compensation**

Damages, including interest.

#### **Costs and Expenses**

- (1) Fees for The Insured's legal representation at
    - (a) any Coroner's Inquest or Fatal Accident Inquiry
    - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
  - (2) Costs and expenses
- incurred with Our written consent
- (3) Any claimant's legal costs for which The Insured is legally liable

in connection with any event which is or may be the subject of indemnity under this Section.

#### **Damage**

Physical

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

#### **Financial Loss**

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

#### **Pollution or Contamination**

- (1) Pollution or contamination of buildings or other structures or of water or land or the atmosphere  
  
and
- (2) all loss, Damage to Property and Bodily Injury directly or indirectly caused by such pollution or contamination.

#### **Property**

Material property.

#### **Terrorism**

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence  
  
and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

#### **The Defined Territories**

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



## Legal Liabilities    Property Owner's Liability

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### The Insured

- (1) You.
- (2) Your personal representatives in respect of legal liability You incur.
- (3) At Your request
  - (a) any director, partner or Employee of Yours

or the personal representatives of any of these persons

in respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

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

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

### The Limit of Indemnity

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

### The Territorial Limits

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

### Cover

We will indemnify The Insured against

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

in respect of accidental

- (a) Personal Injury
- (b) Damage to Property
- (c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

which happens during the Period of Insurance and within The Territorial Limits arising from Building Defects. However, in respect of any claim brought in

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

- (2) Canada

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

### Clauses

The following clauses apply to this Section.

#### Cross Liabilities

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

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

#### Defective Premises

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

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

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

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

## Legal Liabilities    Property Owner's Liability

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### Financial Loss - Property Owners

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

The maximum We will pay, including Costs and Expenses, in respect of all claims made against The Insured in any one Period of Insurance is £50,000

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

### Payment for Court Attendance

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

The maximum We will pay for

- |                                      |               |
|--------------------------------------|---------------|
| (1) You, each director or partner is | £500 per day. |
| (2) each Employee is                 | £250 per day. |

We will not provide indemnity

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

## Exceptions

The following exceptions apply to this Section.

(Also refer to the Policy Exceptions at the back of this policy booklet).

We will not provide indemnity in respect of

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

- (5) recalling or making refunds in respect of
  - (a) Products Supplied.
  - (b) The Works.
- (6) advice, instruction, consultancy, design, formula, specification, inspection, certification or testing performed or provided separately for a fee or under a separate contract.
- (7) the carrying out of any work or any Products Supplied which affects or could affect
  - (a) the navigation, propulsion or safety of any aircraft or other aerial device.
  - (b) the safety or operation of nuclear installations.
- (8) 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 happened at the time such incident takes place.
- (9) (a) work in or on and travel to, from or within
  - (b) Products Supplied to any offshore
    - (i) accommodation, exploration, drilling or production rig or platform.
    - (ii) support vessel.
- (10) (a) liquidated damages.
  - (b) penalty clauses.
  - (c) fines.
  - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (11) Liability imposed on You solely by reason of the terms of any contract conditions or agreement in connection with Products Supplied.
- (12) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
  - (a) Terrorism

(b) any action taken in controlling, (b) preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision - Terrorism** below.

In any action, suit or other proceedings where We allege that any consequence whatsoever

resulting directly or indirectly from or in connection with (12)(a) and/or (12)(b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

**Special Provision - Terrorism**

Subject otherwise to the terms of the policy

Neither of the exclusions in (12)(a) and (12)(b) above shall apply to the Property Owner's Liability Section but The Limit of Indemnity for the purpose of this Special Provision - Terrorism is limited to £2,000,000 or any other amount specified in the policy for Property Owner's Liability whichever is the lower.

(13) the amount of Compensation, Costs and Expenses shown in The Schedule as applying in respect of each and every event resulting in Damage to Property.

You will reimburse any such amount paid by Us.

(14) Products Supplied other than

- (a) the sale or supply of food and drink
- (b) the disposal of furniture and office equipment previously used in the course of The Business

(15) (a) fears of the consequences of exposure to or inhalation of

- (b) the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of

Asbestos including any product containing Asbestos.

**Conditions**

The following conditions apply to this Section.

(Also refer to the Policy Conditions at the back of this policy booklet).

**Suspension of Cover**

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

## Policy Conditions

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Each Section of the policy contains conditions. They must be read in conjunction with the following Policy Conditions which apply to all Sections unless otherwise stated.

### (1) Alteration of Risk

We will at Our option avoid the policy from the inception of this insurance where

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

or

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

unless We have accepted the alteration.

### (2) Arbitration

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

### (3) Cancellation

We may cancel the policy

(a) by sending You 30 days written notice to Your last known address.

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

(b) immediately if the premium has not been paid or if there has been a default under an instalment or linked credit agreement.

We will not refund any installment paid.

### (4) Claims Procedure

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

(a) tell Us as soon as possible of any event or occurrence which may result in a claim.

(b) notify the police immediately of loss, destruction or damage caused by malicious persons or thieves.

(c) at Your expense, provide Us with claim details, in writing if requested, containing

as much information as possible of the loss, liability, destruction, damage, accident or injury including the amount of the claim within

(i) as soon as possible

or

(ii) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons

of you becoming aware of the event or occurrence, or such further time that We may allow.

(d) provide Us with all information and help We require in respect of the claim.

(e) pass to Us unanswered, immediately, all communications from third parties in relation to any event which may result in a claim under this policy.

(f) not admit or repudiate liability, nor offer to settle, compromise, make payment which may result in a claim or pay any claim under this policy without Our written agreement.

(g) allow Us to take over and conduct in Your name the defence or settlement of any claim. You will also allow Us to prosecute at Our own expense and for Our own benefit, any claim for indemnity or compensation against any other person and You must give Us all information and assistance required.

### (5) Contribution

#### Applicable to Property Owner's Liability Section

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

#### Applicable to all other Sections insured by this policy

(b) Where any loss, destruction, damage or liability covered by the policy is also covered by another policy, (or would be but for the existence of this policy), We will only pay a rateable share of the loss.

## Policy Conditions

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- (c) If the other insurance is subject to a condition of Average and this policy is not, this policy will become subject to the same condition of Average.
- (d) If the Property Insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment We make will be limited to the proportion of loss, destruction or damage as the Sum Insured bears to the value of the property.

### (6) Discharge of Liability

We may at any time pay

- (a) the Limit of Indemnity

or

- (b) the Sum Insured

or

- (c) a smaller amount for which a claim can be settled

after deduction of any sum already paid.

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

### (7) Fraud

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

- (a) refuse to pay the claim
- (b) recover from You any sums paid by Us to You in respect of the claim
- (c) by notice to You cancel the policy with effect from the date of the fraudulent act without any return of premium

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

If this policy provides cover to any person other than You and a claim made by such person or anyone acting on their behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent

means or fraudulent evidence is provided to support the claim, We may

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

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

### (8) Identification

The policy and The Schedule will be read as one contract.

### (9) Non Disclosure, Misrepresentation or Misdescription

#### 1. Before this policy was entered into

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

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

## Policy Conditions

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higher premium We would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

### 2. Before a variation was agreed

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

- (a) where the breach was deliberate or reckless, We may cancel this policy with effect from the date of the variation, and keep all premiums paid
- (b) where the breach was neither deliberate nor reckless, and but for the breach
  - (i) We would not have agreed to the variation on any terms, We may treat this policy as though the variation was never made, but will return any additional premiums paid
  - (ii) We would have agreed to the variation but on different terms (other than premium terms), We may require that the variation includes such different terms with effect from the date it was made and/or
  - (iii) We would have agreed to the variation but would have increased the premium, or would have increased it by more than We did, or would not have reduced it or would have reduced it by less than We did, Our liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

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

### (10) Reasonable Precautions

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) maintain The Premises, machinery, plant and equipment in a satisfactory state of repair.
- (b) take all reasonable precautions to prevent
  - (i) loss or destruction of or damage to the Property Insured.

- (ii) accident or injury to any person or loss, destruction or damage to their property.

- (c) comply with all legal requirements and safety regulations and conduct The Business in a lawful manner.
- (d) keep books with a complete record of purchases and sales.

### (11) Reinstatement

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

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

which We require.

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

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

### (12) Subrogation

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

- (a) enforce a right or remedy

or

- (b) obtain relief or indemnity

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

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

### (13) Index Linking

- (a) Renewal.

Index linking applies, the amounts insured will be adjusted for movements in the following indices. We may select alternative measures any of these indices are unavailable

## Policy Conditions

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- (i) any building and tenants improvements item

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

- (ii) other items

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

- (b) Claims.

These adjustments will continue during the

- (i) Period of Insurance
- (ii) period of repair, replacement or reinstatement provided that such work is carried out and completed without undue delay.



## Policy Exceptions

Each Section of the policy contains exceptions. They must be read in conjunction with the following Policy Exceptions which apply to all Sections unless otherwise stated

We will not provide indemnity in respect of

- (1) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following, regardless of any other contributory cause or event
  - (a) war, invasion, act of a foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power
  - (b) nationalisation, confiscation, requisition, seizure or destruction by any government or any public authority
  - (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

However,

(1) exceptions (1) (a) (b) and (c) do not apply to the following Sections, when insured by this policy.

(a) Terrorism

(2) exception (1) (b) does not apply to the Property Owner's Liability Section, when insured by this policy.

- (2) death or disablement, loss or destruction of or damage to property, any loss or expense, any consequential loss or any legal liability,
  - (a) directly or indirectly caused by or contributed to by or arising from
    - (i) ionising radiations or contamination by radioactivity from nuclear fuel or from nuclear waste from the combustion of nuclear fuel
    - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
  - (b) directly or indirectly caused by or contributed to by or arising from the use of or threatened use of any weapon

- (i) dispersing radioactive material and/or ionizing radiation  
or
- (ii) using atomic or nuclear fission and/or fusion or other like reaction.

However,

(1) exception (2) (b) above does not apply to the following Sections, when insured by this policy.

(a) Property Owner's Liability

(2) exceptions (2) (a) and (b) do not apply to the following Sections, when insured by this policy.

(a) Terrorism

- (3) (a) Money
  - (b) securities or bonds
  - (c) jewellery or precious stones
  - (d) precious metals or bullion
  - (e) furs or curios
  - (f) rare books or works of art
  - (g) goods held in trust or on commission
  - (h) documents or manuscripts
  - (i) business books or computer systems records
  - (j) explosives
  - (k) property in transit

unless specifically mentioned.

However

exceptions (3) (a) to (k) do not apply to the following Sections, when insured by this policy.

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

## Policy Exceptions

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

However,

- (1) We will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which itself results from a Defined Contingency arising under any of the following Sections, but only to the extent that such a claim would otherwise be insured under that Section
  - (a) Property Damage
  - (b) Business Interruption
- (2) exceptions 4 (a) and (b) do not apply to the following Sections, when insured by this policy
  - (a) Terrorism

### Definition

The following definition only applies to this exception

### 'Defined Contingency'

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

- (5) any claim (other than in respect of Personal Injury as defined under the Property Owner's Liability Section)

arising directly or indirectly from, or in connection with, or consisting of

- (a) Loss of Data

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

- (i) Property Damage – Specified Contingencies
- (ii) Property Damage – All Risks
- (iii) Business Interruption

Exception 5(a) does not apply to the Property Owners Liability Section, when insured by this policy.

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

## Policy Exceptions

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

- (i) Property Damage – Specified Contingencies
- (ii) Property Damage – All Risks
- (iii) Business Interruption

Exceptions (5) (a) and (b) do not apply to the following Sections, when insured by this policy.

- (1) Terrorism