

# Property Damage All Risks Section

## Definitions

### Damage/Damaged

Accidental loss or destruction of or damage to Property Insured.

### Specified Events

Fire, lightning, explosion, aircraft or 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 or impact by any road vehicle or animal.

### Premises

The Buildings at the address or addresses shown in the Schedule, including their grounds, all within the boundaries for which the Insured are responsible.

### Property/Property Insured

Buildings, Contents, and other property belonging to the Insured or for which the Insured are responsible, as shown and/or described in the Schedule.

The Insurer agrees to accept the heading under which any Property or other item has been entered in the books of the Insured.

### Buildings

The buildings (including foundations) at the Premises including the following all situate on in or at the Premises

- landlord's fixtures and fittings (including communal television and radio receiving aerials satellite dishes communication equipment and related fittings on or in a Residential Property), fixed glass fixed sanitary ware in on or pertaining to the buildings
- tenants' improvements comprising fixtures and fittings (but excluding moveable contents) formerly the property of tenants but relinquished to the Insured at the time of the surrender of the lease
- furnishings and other contents of common parts of the buildings including seasonal items introduced to shopping centres
- building management and security systems
- gangways pedestrian malls and pedestrian access bridges
- walls gates fences and Services
- fuel tanks and their ancillary equipment and pipe work
- car parks roads pavements forecourts tennis courts and similar hard surfaced areas all being constructed of solid materials
- landscaping (including trees shrubs plants turf and other forms of vegetation) including garden furniture street furniture ornaments and statues but excluding external ponds and lakes.

### Contents

Fitted carpets, furnishings and other contents of reception and storage areas and other communal parts of the buildings at the Premises, including

- the contents of fuel tanks at the Premises
- portable communal property in the open grounds of and used in connection with the buildings at the Premises
- Money, belonging to the Insured at the Premises for an amount not exceeding £1,000 in total
- deeds, documents, manuscripts and business books, but only for the cost of the materials and clerical labour expended in reproducing such records
- computer systems records, but only for the cost of the materials and of clerical labour and computer time expended in reproducing such records
- rare books or works of art for an amount not exceeding £5,000 any one article or £25,000 in total

and so far as they are not otherwise insured

- partners', directors', and employees' personal effects of every description (other than motor vehicles) whilst at the Premises, for an amount not exceeding £1,000 for any one person.

## **Definitions (continued)**

### **Money**

Cash, bank and currency notes, cheques, crossed bankers drafts, postal orders, luncheon vouchers, current postage stamps, trading stamps, National Insurance stamps, Holiday with Pay stamps, National Savings stamps, National Savings certificates, Premium Bonds, credit sales vouchers or receipts, VAT purchase invoices, unexpired units in franking machines, gift tokens and consumer-redemption vouchers belonging to the Insured or for which the Insured are responsible.

### **Unoccupied**

Any Buildings or part of any Buildings that are unfurnished untenanted empty or no longer in active use for a period exceeding 30 consecutive days.

### **Contract Works**

Temporary or permanent works executed or in the course of execution at the Premises by or on behalf of the Insured for the purposes of alterations or improvements to the Premises including unfixed site materials for use in connection therewith.

### **Services**

Telephone gas electricity water mains drains gutters and sewers electrical instruments meters piping cabling and the accessories thereto providing services to or from the Buildings.

### **Day One Rebuilding Value**

Total of the costs described within paragraphs a., b., c., d. and e. of the Basis of Settlement (at the level of costs applying at the commencement of the Period of Insurance) in rebuilding the Buildings or replacing the Contents to a condition substantially the same as their condition when new.

### **Stipulations**

European Union legislation or Building Regulations or public authority or other statutory requirements.

### **Declared Value**

The base value shown in brackets in the Schedule below the Sum Insured excluding any provision for inflation.

### **Residential Property**

The flat or a block of flats apartment block maisonette or house situate at the Premises.

## Cover

If the Property Insured or any part of such Property at the Premises suffers Damage during the Period of Insurance other than by an excluded cause the Insurer will pay to the Insured the value of the Property Insured or the amount of the Damage at the time of its loss destruction or damage in respect of each item specified in the Schedule

## Basis of Settlement

The Insurer will pay to the Insured the value of the Property Insured or the amount of the Damage at the time of its loss destruction or damage in respect of each item specified in the Schedule

The Insurer will pay the following amounts, subject to the Basis of Settlement Adjustments, in respect of Property Insured which has suffered Damage

**a. the cost of reinstatement being**

- where the Property Insured is lost or destroyed: the cost incurred in rebuilding the property if a building or in the case of other property its replacement by similar property
- where the Property Insured is Damaged: the cost incurred in the repair of the Damage and the restoration of the Damaged portion of the Property Insured to a condition equal to but not better or more extensive than its condition when new, provided that no payment beyond the amount the Insurer would have paid will be made
- unless such work of reinstatement commences and proceeds without unreasonable delay
- until the cost of such work of reinstatement has actually been incurred
- where the Property Insured at the time of Damage is covered by any other insurance effected by the Insured, or on behalf of the Insured, which is not on the same basis of reinstatement

or if the Insured elects not to rebuild or restore the Property Insured (and provided that the Insurer does not exercise its option allowed by the Insurer's Option to Rebuild Basis of Settlement Adjustment)

the loss of market value being the reduction in the market value of the Property Insured immediately following the Damage solely as a result of the Damage but not exceeding the amount which would have been payable under the cost of reinstatement as described in a. above

or if the Insured are required to rebuild or restore the Property Insured solely as a result of the Damage in a manner different from that immediately before the Damage solely to comply with the Stipulations (subject to agreement by the Insurer that such compliance is unavoidable)

the loss of market value being the reduction in market value of the Property Insured immediately following Damage and the amount payable shall be the cost of reinstatement as described in a. above and a cash settlement representing the reduction in market value, provided that

- the Insured have made every effort to regain the original planning consent
- the Insured shall not have nor had any reason to be aware of any Stipulations which could result in the Property Insured not being rebuilt or restored in their original form
- the amount payable shall be reduced by any compensation received or allowance made to the Insured as a result of such Stipulations being imposed
- the total payment made is no greater than the amount that would have been payable had the Property Insured been rebuilt or restored in an identical manner to their condition immediately before the Damage
- the total amount recoverable under any item shall not exceed its Sum Insured

## **Basis of Settlement (continued)**

### **b. European Union & Public Authorities Stipulations (including Undamaged Portions)**

the cost of complying with the Stipulations being such additional cost of rebuilding or repair as may be incurred with the Insurer's consent in complying with Stipulations first imposed upon the Insured following the Damage provided that the work of rebuilding or repair be commenced and carried out without unreasonable delay

The liability of the Insurer shall not exceed in respect of any one claim

- i. in respect of complying with Stipulations relating to undamaged portions of the Buildings (other than foundations) 15% of the amount the Insurer would have been liable to pay to reinstate the Buildings had they been wholly destroyed
- ii. in respect of the property suffering Damage the Sum Insured applicable to each separate Premises

Provided that the Insurer will not be liable for

- the costs incurred in respect of Damage occurring prior to the granting of this cover or Damage not insured by this Section
- the costs incurred where notice has been served upon the Insured before the date of the Damage or where an existing requirement must be completed within a stipulated period
- the costs incurred in respect of undamaged portions of the Property; any property entirely undamaged by any loss destruction or damage as insured by this Section
- the additional cost that would have been required to make good the Property Damaged to a condition equal to its condition when new, had the necessity to comply with such Stipulations not arisen
- increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside the control of the Insured
- any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the Stipulations

### **c. removal of debris**

the cost of removing debris being the cost incurred with the Insurer's consent in

- removing debris dismantling demolishing shoring up and propping portions of the Property Insured
- clearing cleaning or repairing Services as a result of Damage

but excluding any costs or expenses

- i. incurred in removing debris from outside the site of the Premises other than from the surface area immediately adjacent to the perimeter of the Premises
- ii. incurred or arising from pollution or contamination howsoever caused of property not covered by this insurance
- iii. in respect of Damage which occurred prior to the granting of cover under this insurance

### **d. professional fees**

the cost of professional fees being those necessarily and reasonably incurred in the rebuilding or restoration of the Property Damaged but not for preparing any claim

### **e. landscaping**

the cost of replanting trees shrubs plants and turf used in landscaping being the cost incurred in restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established.

## Limit of Liability

The most the Insurer will pay for any one claim in any one Period of Insurance is

- A. the Total Sum Insured or for each item its individual Sum Insured or any other limit of liability in this Section whichever is the less at the time of the Damage
- B. the amount of the Sum Insured or limit of liability remaining after deduction for any other Damage occurring during the same Period of Insurance unless the Insurer agrees to reinstate any such Sum Insured or limit of liability

Irrespective of the number of insured parties the total liability of the Insurer to all of the insured parties collectively in respect of the cover insured by this Section shall not exceed the Total Sum Insured or in respect of any item its Sum Insured or any other stated limit of liability.

Any payment or payments by the Insurer to any one or more insured party shall reduce to the extent of that payment the liability of the Insurer to all parties arising from any one event giving rise to a claim under this Section.

## Basis of Settlement Adjustments

### 1. Automatic Reinstatement

Following Damage as insured by this Section the Sums Insured or limits of liability shall not be reduced by the amount of any claim provided that

- a. the Insurer does not give written notice to the contrary within 30 days of the notification of any Damage
- b. the Insured pays the appropriate additional premium on the amount of the claim from the date of the Damage to the expiry of the Period of Insurance
- c. the Insured agrees to comply with any security recommendations or other measures the Insurer may require to reduce the risk of Damage.

### 2. Buildings awaiting Demolition

If at the time of Damage any Buildings are awaiting demolition the liability of the Insurer shall be limited to the additional cost of removing debris (as detailed in The Basis of Settlement paragraph c.) which is incurred by the Insured solely as a result of such Damage.

### 3. Buildings awaiting refurbishment redevelopment or renovation

If at the time of the Damage any Buildings or Property is awaiting refurbishment redevelopment or renovation the Insurer shall not be liable for any costs which would have been incurred by the Insured in the absence of such Damage.

### 4. Capital Additions

To the extent that they are not otherwise insured, Buildings and Contents items include alterations additions and improvements (but not appreciation in value in excess of Sums Insured) within the United Kingdom

Provided that

- a. the maximum liability of the Insurer for any one claim shall not exceed
  - i. 20% of the Declared Value Sum Insured for each item covered, or
  - ii. £5,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
  - iii. £2,000,000 in respect of any one Premises occupied for any other purposeswhichever is the less at any one Premises
- b. the Insured shall give details of such alterations and additions to the Insurer within 6 calendar months of the commencement date of the Insured's responsibility, effect specific cover retrospective to such date and pay the appropriate additional premium
- c. this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Inadvertent Omission to Insure Basis of Settlement Adjustments.

## **Basis of Settlement Adjustments (continued)**

### **5. Contractors Interest**

When the Insured is required by the terms or conditions of any contract to cover Buildings in the joint names of the Insured and of any contractor or sub-contractor named in such contract, the Insurer agrees to note such joint interests provided that the Insured shall notify the Insurer of details of any single contract valued at £250,000 or more, in advance of commencement of the work and pay any additional premium the Insurer may require.

### **6. Contract Works**

Cover for each Buildings item extends to include Contract Works undertaken in performance of any contract and for which the Insured are responsible under the terms of the contract

Provided that

- i. the Insurer's liability shall not exceed £250,000 in respect of any one contract (unless stated otherwise in the Schedule) in respect of all losses arising out of one occurrence
- ii. this insurance shall only apply in so far as the Contract Works are not otherwise insured.

### **7. Contracting Purchaser's Interest**

The Insurer agrees that without prejudice to the rights and liabilities of the Insured or the Insurer, if at the time of Damage the Insured have contracted to sell their interest in any Building insured under this Section and the purchase has not been but is subsequently completed the purchaser shall be entitled on completion of the purchase to benefit under this Section in respect of such Damage until completion to the extent that such Buildings are not otherwise insured by the purchaser or on their behalf.

### **8. Continuing Interest and Hire Charges**

In the event of Damage at the Premises where the Insured are liable under contract for interest charges or continuing hire charges not recoverable under the terms of a lease or similar agreement in respect of property for which the Insured are responsible and which is not otherwise insured the Insurer will pay such charges actually and reasonably incurred subject to a limit of £10,000 any one claim and in total in any one Period of Insurance.

### **9. Contribution and Underinsurance (Average)**

If at the time of Damage any other insurance has been effected by or on behalf of the Insured covering any of the Property Damaged, the Insurer's liability under this Section shall be limited to the Insurer's rateable proportion of such Damage.

If such other insurance is subject to Underinsurance (Average), this Section if not already subject to Underinsurance (Average) shall be subject to Underinsurance (Average) in like manner.

If such other insurance is subject to any provision which excludes it from ranking concurrently with this Section, either in whole or in part, or from contributing rateably, the liability of the Insurer under this Section shall be limited to that proportion of the Damage which the Sum Insured for this Section bears to the value of the Property.

### **10. Delays in Rebuilding**

The Insurer shall not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside the control of the Insured.

### **11. Exhibitions and Models**

The item on Buildings extends to include exhibition or display models and similar promotional equipment whilst being used or stored within any Premises insured which have suffered Damage provided that

- a. such equipment is the property of the Insured or the Insured has accepted responsibility for the equipment at the time of Damage
- b. the maximum liability of the Insurer any one claim and in the aggregate any one Period of Insurance shall not exceed £25,000
- c. no other more specific insurance has been arranged.

## **Basis of Settlement Adjustments (continued)**

### **12. Electrical Apparatus**

If any electrical apparatus or fittings are Damaged by fire due to self ignition, over-running, excessive pressure, short circuiting, self heating or leakage of electricity, the Insurer shall not be liable for Damage to the particular piece of apparatus or fitting which has caused the fire, but the Insurer shall be liable for Damage to any other apparatus or fittings in consequence of such fire.

### **13. Fire Brigade**

The Insurer will pay the reasonable costs charged by any Public Authority relating to the extinguishing or fighting of fire.

Provided that the liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

### **14. Fire Extinguishers and Sprinklers**

The Insurer will pay the reasonable costs incurred by the Insured in re-filling fire extinguishers, local or fixed fire suppression system or sprinkler installation, replacing sprinkler heads, and having any fire and/or intruder alarms and closed circuit television equipment re-set solely in consequence of Damage by a Specified Event

Provided that

- a. the Insurer shall not be liable in respect of any costs and expenses recoverable from the maintenance company or fire service
- b. the liability of the Insurer in respect of any one claim shall not exceed £50,000.

### **15. Fixed Glass & Sanitary ware**

Cover under this Section extends to include Damage to fixed glass, (including shelves, showcases and mirrors), fixed sanitary ware and neon and illuminated signs.

Cover is extended to include the reasonable cost of

- a. any necessary boarding up or temporary glazing pending full replacement
- b. replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass
- c. Damage to framework and Contents caused by broken glass
- d. removing and re-fixing window fittings and other obstacles to replacing broken glass

The Insurer will not pay for Damage

- i. In respect of neon and illuminated signs
  - arising from adjustment repair dismantling or erection of any part of the sign or whilst removed from its normal working position
  - arising from mechanical breakdown of the sign or any part of the sign
  - to any part of the sign by its own ignition electrical breakdown or burn out
  - to tubes unless the glass is fractured
- ii. existing prior to the inception of this Section.

### **16. Fly Tipping**

The insurance by each item on Buildings extends to include costs necessarily and reasonably incurred in clearing and removing any property illegally deposited in on or around the Premises provided that

- a. the liability of the Insurer shall not exceed £10,000 any one claim and £25,000 in aggregate in respect of all claims in any one Period of Insurance
- b. the Insurer shall not be liable for the amount of the Excess shown in the Schedule or £500 whichever is the greater.

## **Basis of Settlement Adjustments (continued)**

### **17. Freeholders, Lessees and Mortgagees**

The Insurer agrees that the interest of any Freeholder Lessee Under Lessee and/or Mortgagee in respect of Buildings insured by this Section and which attached before the happening of any Damage shall be automatically noted in this insurance if requested by the Insured but only to the extent that such interest is not otherwise insured and subject to their identity being disclosed in writing to the Insurer by the Insured in the event of Damage.

### **18. Further Investigation Expenses**

Where any Buildings have suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same Buildings which is not immediately apparent the Insurer will pay the reasonable costs incurred by the Insured with the Insurer's prior consent in establishing whether or not such Damage has occurred

The Insurer will also pay the reasonable costs incurred by the Insured in establishing whether or not other Buildings in the immediate vicinity have suffered Damage in the same incident but only if such Buildings are subsequently found to have suffered such Damage for which the Insurer is liable under this Section

Provided that the liability of the Insurer in respect of any one claim shall not exceed £5,000 (unless specified otherwise in the Schedule) or the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

### **19. Gardening Equipment**

Cover extends to indemnify the Insured in respect of Damage to gardening equipment owned by the Insured and used in connection with the Business at the Premises

Provided that the liability of the Insured in respect of any one claim shall not exceed £10,000.

### **20. General Interests & Hire Agreements**

The Insurer agrees to automatically note the interest of any other party if requested by the Insured in any of the Property Insured and which attached before the happening of any Damage but only to the extent that such interest is not otherwise insured and subject to their identity being disclosed in writing to the Insurer by the Insured in the event of Damage.

### **21. Inadvertent Omission to Insure**

The Insured having notified the Insurer of their intention to insure all property which they own or for which they are responsible situate within the United Kingdom with the Insurer (unless otherwise agreed in writing by the Insurer) from the inception date of this Section of the Policy and it being the Insured's belief that all such property is insured then the Insurer agrees to extend cover under this Section so that if subsequently any such property is found to have inadvertently been left uninsured by the Insured during the Period of Insurance then the Insurer will deem such property to be insured by this Section, provided that

- a. the maximum liability of the Insurer for any one claim shall not exceed
  - i. £5,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - ii. £2,000,000 in respect of any one Building occupied for any other purposes, or
  - iii. £1,000,000 in respect of any one Unoccupied Building
- b. the Insured carry out at not less than twelve monthly intervals a check to ensure that effective insurance is in force for all property owned or leased by the Insured or for which the Insured are responsible
- c. the Insured shall give details in writing immediately an omission is discovered and within 30 days of the date of discovery shall provide the Insurer with the sums insured to apply for any such property and effect specific cover retrospective to such date and pay the appropriate additional premium



## **Basis of Settlement Adjustments (continued)**

- d. in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the Damage at the time of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings.
- e. this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Capital Additions Basis of Settlement Adjustments or in respect of any appreciation in value
- f. the value of the property which has been inadvertently omitted shall for the purpose of Underinsurance (Average) be added to the Sum Insured on the item to which the Property relates or in the case of Reinstatement (Day One Basis) the Declared Value.

### **22. Index Linking**

Unless the Insured requests to the contrary, the Sums Insured and/or Declared Values will be adjusted to take into account movements in the appropriate index and renewal premiums will be based on the adjusted Sums Insured and/or Declared Values.

For Buildings, the General Building Cost Index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or for Residential Property the Household Rebuilding Cost Index issued by the Association of British Insurers (or some other suitable index the Insurer decides upon) will be used.

For Contents and other Property shown and/or described in the Schedule, the Retail Price Index (or some other suitable index the Insurer decides upon) will be used.

The above percentage changes will continue to be applied between the date of any Damage and the date when replacement or repair has been completed provided that the work of rebuilding or repair be commenced and carried out without unreasonable delay.

### **23. Insurance Premiums**

Cover extends to include the cost of any insurance premiums, or in respect of inherent defects policies technical agents fees, necessarily and reasonably incurred by the Insured with the consent of the Insurer as a result of Damage, in arranging contract works policies with the Insurer or in continuing with any pre-existing inherent defects policies

Provided that the Insurer's liability in respect of all losses arising out of one occurrence and in the aggregate in any one Period of Insurance shall not exceed £25,000 (unless amended otherwise in the Schedule).

### **24. Insurer's Option to Rebuild**

The Insurer may at its option rebuild repair reinstate or restore the Property destroyed or portions damaged but without it being bound to rebuild repair reinstate or restore the Property in exactly or completely the same form as immediately prior to the Damage and only where circumstances permit and in reasonably sufficient manner. If the Insurer exercises such option the Insured shall at their own expense (unless otherwise provided for in this Section) produce and give to the Insurer all such plans documents books and information as the Insurer may reasonably require.

## Basis of Settlement Adjustments (continued)

### 25. Leased and Rented Premises

Cover includes Buildings situated within the United Kingdom owned by the Insured for which (by the terms of an agreement with the Insured) the tenant lessee or other occupier of the building has an obligation to insure but has inadvertently failed to maintain such insurance in force

Provided that

- a. a valid and enforceable agreement is in force
- b. the Insured has obtained written confirmation from the tenant lessee or occupier and their Insurers at the inception of any such agreement that insurance is in force providing at least the extent of cover provided by this Section and carry out at not less than twelve month intervals a check to ensure that effective insurance is in force for all such Buildings
- c. the Insured advise the Insurer immediately in writing they become aware of any Buildings inadvertently left uninsured and within 30 days of discovery of the failure to insure the Insured will provide the Insurer with the sums insured to apply, arrange insurance with the Insurer and pay the appropriate premium due from the date the liability of the Insurer commenced
- d. this insurance shall apply in respect of claims arising directly from a contingency specified in the agreement but only in so far as such contingencies are also insured by this Section and not otherwise excluded
- e. in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the Damage at the time of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings
- f. the Insurer shall not be liable
  - for the amount of any Excess
  - where the lessee's policy fails due to any breach of any condition or warranty contained within the lessee's policy and as a result of the action of the landlord
  - where any Damage has been declined by any Insurer or made the subject of requirements which have not been completed
  - due to the failure of the lessee to make or pursue a legitimate insurance claim
- g. this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Basis of Settlement Adjustments
- h. the maximum liability of the Insurer for any one claim shall not exceed
  - i. £2,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - ii. £1,000,000 in respect of any one Building occupied for any other purposes, or
  - iii. £500,000 in respect of any one Unoccupied Building or Buildings undergoing or awaiting refurbishment or redevelopment

but in no case shall the liability of the Insurer exceed the difference between the amount payable under the insurance effected by the landlord or lessee or other party or any other insurance on the premises and the total cost of reinstatement as provided by this Section.

## **Basis of Settlement Adjustments (continued)**

### **26. Loss Minimisation and Prevention Expenditure**

Cover extends to include costs and expenses necessarily and reasonably incurred by the Insured in

- a. preventing or reducing imminent Damage which would have been insured under this Section
- b. reducing mitigating or otherwise alleviating Damage insured under this Section during and after the occurrence of such Damage

Provided that

- i. the impending Damage was not reasonably foreseeable earlier and would be the natural outcome if such costs and expenses were not incurred
- ii. the impending Damage did not arise from any defect in the Property Insured
- iii. the Damage is not more specifically insured under this or any other policy bond indemnity security or other legally binding contract
- iv. such costs and expenses are incurred with the Insurer's consent
- v. the liability of the Insurer shall not exceed £5,000 in respect of any one Period of Insurance and shall be subject to an Excess of 10% of the item Sum Insured suffering Damage or imminent Damage or £350 whichever is the greater
- vi. the total liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

### **27. Managing Agents - Professional Fees**

The Basis of Settlement paragraph d. is extended to include professional fees necessarily and reasonably incurred in the rebuilding or repair of the Property Insured payable to the Insured's managing agents when acting as professional advisers but not for any costs or fees incurred in preparing a claim. The use of such advisers will be accepted as necessary where the Insured 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 the Insurer
- they relate to work which is necessary for repair or reinstatement
- they have been agreed with the Insurer in advance but shall not include fees which are incurred as part of the managing agent's general administrative handling of a claim

Provided that the liability of the Insurer does not exceed for each item its individual Sum Insured or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage.

### **28. Metered Supplies**

Cover includes additional water, gas, electricity or other metered supply charges incurred by the Insured in consequence of Damage and for which the Insured are legally responsible up to an amount of £50,000 any one claim.

The basis on which the amount payable is to be calculated will be the amount of the suppliers' charges for the period following the Damage, less the charge paid by the Insured for the corresponding period in the preceding year, adjusted for changes in the suppliers' charges and for variations affecting supply consumption by the Insured.

The Insurer will not pay for such charges incurred in respect of any building which is Unoccupied.

## Basis of Settlement Adjustments (continued)

### 29. Newly Acquired Buildings

This Section is extended to include Buildings situate within the United Kingdom

- i. from the date of exchange of contracts for Buildings newly acquired by the Insured
- ii. from the date of practical completion for Buildings previously insured under a construction policy in the United Kingdom to the extent that the Insured's interest is not protected by any other or more specific insurance

Provided that

- a. the Insured shall give details in writing of such premises as soon as reasonably practicable and shall effect specific cover retrospective to such date of exchange or date of practical completion and pay the appropriate additional premium
- b. this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the premises
- c. this insurance shall not apply in respect of any cause or cover otherwise excluded from this Section
- d. the maximum liability of the Insurer for any one claim shall not exceed:
  - i. £5,000,000 in respect of any one Building occupied solely for office, retail or residential purposes
  - ii. £2,000,000 in respect of any one Building occupied for any other purposes, or
  - iii. £1,000,000 in respect of any one Unoccupied Building
- e. in respect of any Buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured or the amount of the damage at the time of the damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Buildings
- f. this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Basis of Settlement Adjustments.

### 30. Obsolete Building Materials

The Basis of Settlement in respect of Buildings extends to include the reasonable additional costs incurred in replacement of Damaged 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 after the Damage

The Buildings shall not be regarded as being better or more extensive than when new provided that the Insurer's liability in respect of any one claim is limited to

- a. 10% of the Declared Value of such Buildings in respect of such additional costs or
- b. the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section

whichever is the less at the time of any Damage in any one Period of Insurance.

### 31. Privity of Contract

The insurance provided by this Section is extended to provide indemnity to the Insured in respect of premises in the United Kingdom

1. against legal liability as former landlord or tenant to any current landlord or tenant to insure repair or reinstate Damage to the Buildings of premises which
  - i. arises solely through the Landlord and Tenant (Covenant) Act 1995; and
  - ii. arises from a breach by any current landlord or tenant of its obligations under a lease to insure repair or reinstate Damage by any of the causes or covers insured by this Section to any Assigned Premises such that the Insured is also thereby in breach of those obligations; and
  - iii. arises out of any claim which is first made in writing to the Insured during the Period of Insurance and notified to the Insurer during or within 30 days after expiry of the same Period of Insurance

## Basis of Settlement Adjustments (continued)

2. against legal liability for claimant's costs and expenses in connection with 1. above
3. in respect of
  - i. costs of legal representation at proceedings in any court arising out of any occurrence specified in 1. above which may be the subject of indemnity under this Basis of Settlement Adjustment
  - ii. all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under 1. above incurred with the written consent of the Insurer

Provided that

- a. the indemnity shall not apply to legal liability arising from any cause happening before the retroactive date which shall be the inception date of this Section of the Policy unless stated otherwise in the Schedule
- b. the liability of the Insurer including the costs and expenses of the claimant and the costs and expenses (incurred with the written consent of the Insurer) of the Insured in respect of any one claim for Buildings shall not exceed in respect of any one premises or in the aggregate in any one Period of Insurance £2,000,000 or as specified in the Schedule
- c. notwithstanding proviso b. above in no case shall the liability of the Insurer exceed the lesser of
  - (i) the difference between
    - (a) the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and
    - (b) the total cost of insurance repairs or reinstatement as provided by this Sectionexcept that if at the date of the occurrence or event giving rise to such liability the Assigned Premises are undergoing or awaiting refurbishment redevelopment renovation or demolition, then the liability of the Insurer shall not exceed the lesser of
  - (ii) the difference between
    - (a) the amount payable under any insurance effected by any other landlord former landlord tenant former tenant or any other insurance of this type and
    - (b) the amount payable calculated as being the value of the Property Insured or the amount of the Damage at the date of the Damage less an appropriate deduction for wear and tear and prior depreciation and in respect of any premises due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the Assigned Premisesbut in no case under c. (i) or (ii) above shall the Insurer's liability exceed the rateable portion of the Damage calculated according to the number of persons (whether or not insured) who have at the time held or who hold the reversion of the lease of the Assigned Premises
- d. the Insured must take all reasonable steps including but not limited to making or joining in any necessary application to court to obtain release from its liabilities as former landlord or tenant of the Assigned Premises following disposal
- e. the Insurer shall not be liable for the costs of remedying the presence of asbestos, asbestos dust or asbestos containing materials
- f. cover under this Basis of Settlement Adjustment shall cease upon any of the following events
  - the current landlord or tenant entering into a new lease with the successors in title
  - the existing lease being assigned to the new successors in title
  - the Buildings being in turn sold or disposed of by the successors in title

For the purposes of this Basis of Settlement Adjustment Assigned Premises shall mean Buildings formerly owned by or leased by or leased to the Insured which have been assigned to a successor landlord or tenant prior to an occurrence which may form the subject of a claim for indemnity under 1. above.

## **Basis of Settlement Adjustments (continued)**

### **32. Partial Damage**

Where Damage occurs to only part of a Building the Insurer's liability for all costs in total shall not exceed the amount which the Insurer would have been liable to pay to rebuild the building had it been totally destroyed.

### **33. Preservation of Undamaged Property**

The insurance includes costs necessarily and reasonably incurred by the Insured in dismantling and or moving and or removing undamaged Property within and or to and or from suitable alternative premises including haulage and warehousing charges incurred. Provided that the liability of the Insurer shall not exceed the Sum Insured by any one item.

### **34. Reinstatement on another site**

The work of reinstatement of the Property Insured may be wholly or partially carried out upon another site and in any manner suitable to the requirements of the Insured provided that it does not increase the liability of the Insurer.

### **35. Reinstatement to Match**

Where the Property Insured has suffered Damage to the extent that repair is impractical and its replacement by similar property in a condition equal to but not better or more extensive than its condition when new is impossible then the Insured 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.

Cover also extends to include

- i. the cost of replacement or modification of undamaged Property (other than Stock) insofar as it is necessary to adapt it to operate in conjunction with lost destroyed or damaged Property which has been replaced repaired or restored
- ii. the cost of replacement repair or modification of undamaged parts of a Building that form part of a matching set of articles or suite of common design or function where the Damage is restricted to a clearly identifiable area or to a specific part.

Provided that

- a. the total liability of the Insurer is not increased beyond the amount
  - i. that would otherwise have been payable for the replacement repair or restoration of the property lost destroyed or damaged in its original form
  - ii. that would otherwise have been payable for replacement repair or modification of the whole property forming a set suite common design or function if such property had been wholly destroyed
- b. the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
- c. where the property is lost destroyed or damaged in part only the Insurer will not pay more than the amount representing the cost which the Insurer would pay for reinstatement if such property had been wholly destroyed
- d. the liability of the Insurer in respect of any one claim shall not exceed the Sum Insured at each separate premises or the Total Sum Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

### **36. Removal of Wasp and Bee Nests**

Cover includes costs incurred by the Insured, up to an amount of £500 any one claim, in removing wasp or bee nests from buildings at the Premises.

Provided that, the Insurer will not pay for the cost of removing nests already in buildings at the Premises, prior to inception of this cover.

## **Basis of Settlement Adjustments (continued)**

### **37. Removal of Debris - Tenants Contents**

To the extent that they are not otherwise insured, Cover includes irrecoverable costs necessarily incurred with the Insurers consent, in consequence of Damage in removing debris in respect of contents for which the Insured are not responsible, up to an amount of £5,000 any one claim.

The Insurer will not pay for any costs

- a. incurred in removing debris other than from the site of such Property Damage and the area immediately adjacent to such site
- b. arising from pollution or contamination of property not covered by this Section.

### **38. Replacement of Locks and Keys**

Any cover granted under this Section in respect of theft includes the reasonable expenses necessarily incurred in replacing locks and keys which provide entry to the Premises consequent upon theft of keys or reasonable evidence that keys have been duplicated by an unauthorised person provided that the Insurer's liability in respect of any one claim shall not exceed £5,000 (unless specified otherwise in the Schedule).

### **39. Residential Property - Rent and Alternative Accommodation**

Where as a result of Damage the buildings of a Residential Property are rendered uninhabitable or access is prevented to such Residential Property the Insurer will indemnify the Insured in respect of

- a. the reasonable additional costs of comparable accommodation incurred by the owner lessee or tenant and temporary storage of residents furniture (including the reasonable costs of accommodation in kennels and/or catteries for residents dogs and/or cats if dogs and/or cats are not permitted in such residents alternative accommodation)
- b. the loss of rent paid or payable to the Insured by tenants for accommodation provided and services rendered including service and management charges at the Premises

during the period necessary to restore the Residential Property to a habitable condition or to make it accessible

Provided that

- i. cover for such costs shall only apply to the extent that such costs are not otherwise insured
- ii. the maximum period during which payment under this Extension will be made shall not exceed 24 calendar months from the date of the Damage unless agreed otherwise by the Insurer in writing
- iii. the liability of the Insurer under this Extension shall not exceed in total 20% of the Declared Value applying to the Residential Property or to the parts of the Residential Property Damaged.

### **40. Seventy Two Hours Clause**

Damage occurring within 72 consecutive hours of and arising from the Specified Events of Storm or Flood is deemed to be one claim. The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

### **41. Sprinkler Installation Upgrading Costs**

If following Damage the Insurer requires the upgrading of any automatic sprinkler installation in order that at the time of its reinstatement such installation will conform to Loss Prevention Council Rules for Automatic Sprinkler Installations current at the time of reinstatement, the Insurer will pay the additional costs solely as imposed by the Insurer and incurred by the Insured in upgrading an automatic sprinkler installation to the current LPC rules solely as imposed upon the Insured by the Insurer following Damage to the Buildings provided that at the time of Damage the installation conformed to the 28th or 29th Edition Rules or to the LPC rules current at the time of installation but did not conform to subsequent amendments to those Rules

## Basis of Settlement Adjustments (continued)

Provided that

- a. the amount recoverable excludes any rate tax duty development or other charge or assessment arising out of capital appreciation as a result of complying with the requirements of the Insurer
- b. the liability of the Insurer in respect of any one claim shall in no case exceed
  - i. 20% of the Sum Insured on the item including such sprinkler installation or the Sum Insured at each separate premises; or
  - ii. the Total Sums Insured or any other limit of liability in this Section whichever is the less at the time of any Damage in any one Period of Insurance.

### 42. Temporary Removal

Property Insured is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes to any address elsewhere than at the Premises, including whilst in transit, within the United Kingdom.

The Insurer will not pay for

- a. such Property more specifically insured..
- b. Damage to vehicles licensed for road use, in so far as they are insured by this Section, occurring elsewhere than at the Premises from which such vehicles are removed
- c. more than 10% of the Sum Insured for each item covered, for Damage occurring elsewhere than at the Premises.

### 43. Temporary Removal - Documents

If deeds and other documents (including stamps on them), manuscripts, plans and writings of every description, books and other business records are included in the Property Insured, such items are covered whilst temporarily removed to any address elsewhere than at the Premises, including whilst in transit, within the United Kingdom.

The Insurer will not pay for

- a. such items more specifically insured
- b. more than 10% of the total value of such items.

### 44. Theft Damage to Buildings

Cover includes loss destruction or damage of or to the Buildings or parts of the Buildings covered by this Section (or of or to buildings or parts of buildings not covered by the Section but for which the Insured are responsible), including the cost of any temporary boarding-up and making good necessary to keep the Premises secure, caused by theft or attempted theft but excluding

- a. loss destruction or damage of or to any Unoccupied Building unless agreed otherwise by the Insurer in writing
- b. loss destruction or damage expedited or in any way brought about by the Insured or any partner director or employee of the Insured or any other person who has a legal right to be on the Premises (unless by theft or attempted theft involving entry to or exit from the Premises by forcible or violent means or following threat of or assault or violence to the Insured or any partner director or employee of the Insured or any other person who has a legal right to be on the Premises)
- c. loss destruction or damage of property for which the Insured is not liable for repairing such loss destruction or damage or which the Insured is able to recover from another source or which is more specifically or otherwise insured
- d. loss destruction or damage caused by or consisting of disappearance or unexplained shortage
- e. the amount of the Excess shown in the Schedule or £500 whichever is the greater

Exclusion 2. c. of this Section does not apply to this Basis of Settlement Adjustment.

### 45. Trace and Access

In the event of Damage in consequence of escape of water or fuel oil from any tank, apparatus or pipe, the Insurer will pay the costs necessarily and reasonably incurred by the Insured in locating the source of such Damage, and in the subsequent making good of Damage caused as a consequence of locating such source, up to an amount of £50,000 any one claim.



## **Basis of Settlement Adjustments (continued)**

### **46. Tree Felling and Lopping**

Cover includes costs incurred by the Insured, up to an amount of £10,000 any one claim, in removing or lopping trees which are an immediate threat to the safety of life or of Damage to the Property Insured.

The Insurer will not pay for

- a. Legal or Local Authority costs involved in removing trees
- b. costs incurred solely to comply with a Preservation Order.

### **47. Unauthorised Use of Supplies**

Cover includes the cost of water, gas, electricity or other metered supply charges incurred by the Insured and for which the Insured are legally responsible, up to an amount of £50,000 any one claim, due to unauthorised use by persons taking possession of, keeping possession of or occupying any Premises without the written consent of the Insured, provided that

- a. the Insured shall take all practical steps to terminate such unauthorised use as soon as it is discovered
- b. the Insured has advised the Insurer of such unauthorised use immediately on becoming aware of it
- c. Section Condition 3 has been complied with by the Insured.

### **48. Underinsurance (Average)**

The Sums Insured by

- a. any items for Buildings or Contents are declared to be separately subject to Average.

This means that if the Declared Value at each separate premises is less than the Day One Rebuilding Value at the time of the Damage the Insurer's liability for any loss shall be limited to that proportion of the amount otherwise payable which the Declared Value bears to the Day One Rebuilding Value. If the loss is settled under the Indemnity Basis of Settlement the Declared Value shall be 115% of the base value shown or if no base value is shown it shall be deemed to be the Sum Insured.

- b. any other items of the Property Insured (other than any Sum Insured or Limit of Liability applying solely to Rent, Fees or Removal of Debris) are declared to be separately subject to Underinsurance (Average).

This means that if at the time of Damage the Sum Insured for any item at each separate premises is less than the value of the item covered by such Sum Insured, the amount payable by the Insurer will be proportionally reduced.

### **49. Value Added Tax**

The insurance on each item on Buildings extends to include Value Added Tax paid by the Insured and which is not subsequently recoverable

Provided that

- a. the Insured's liability for such tax arises solely as a result of the reinstatement or repair of the Buildings to which such item relates following Damage
- b. the Insurer has paid or has agreed to pay for such Damage
- c. if any payment made by the Insurer in respect of the reinstatement or repair of such Damage shall be less than the actual cost of the reinstatement or repair of the Damage, any payment under this clause resulting from that Damage shall be reduced in like proportion
- d. the Insured's liability for such tax does not arise from the replacement building having a greater floor area than or being better or more extensive than the destroyed or Damaged Buildings
- e. where an option to rebuild on another site is exercised, that the Insurer's liability under this clause shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site

## **Basis of Settlement Adjustments (continued)**

- f. the Insurer's liability under this clause shall not include amounts payable by the Insured as penalties or interest for non payment or late payment of tax
- g. the Insured has taken all reasonable precautions to insure adequately for Value Added Tax liability from the inception of this insurance and at each subsequent Renewal Date

Terms to the contrary elsewhere in this Section are over-ridden as follows in respect of those items to which this Extension applies

- i. for the purpose of any condition of Underinsurance (Average) rebuilding costs shall be exclusive of Value Added Tax
- ii. the liability of the Insurer may exceed the Sum Insured by an individual item on Buildings or in the whole the Total Sum Insured where such excess is solely in respect of Value Added Tax.

## Exclusions

This Section does not cover:

1. Damage caused by or consisting of:
    - a. inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials
    - b. the bursting of any boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus belonging to the Insured or under the control of the Insured in which internal pressure is due to steam only
    - c. pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speedsbut the Insurer will pay for subsequent Damage which itself results from a cause not otherwise excluded
    - d. faulty or defective workmanship by the Insured or any employee of the Insured
    - e. operational error or omission by the Insured or any employee of the Insuredbut the Insurer will pay for
    - i. such Damage not otherwise excluded which itself results from a Specified Event
    - ii. subsequent Damage which itself results from a cause not otherwise excluded
  - f. acts of fraud or dishonesty by any partner, director or employee of the Insured but the Insurer will pay for such Damage not otherwise excluded which itself results from a Specified Event.
2. Damage caused by or consisting of:
    - a. corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
    - b. change in temperature, colour, flavour, texture or finish
    - c. theft or attempted theft
      - i. which does not involve entry to or exit from a building or part of a building at the Premises by forcible and violent means or hold-up by violence or threat of violence to the Insured or any partner, director or employee of the Insured or any other person who has a legal right to be on the Premises
      - ii. to property in the open or in open fronted Buildings or in Buildings not on permanent foundations
      - iii. expedited or in any way brought about by the Insured or any partner, director or employee of the Insuredor Damage consisting of
    - d. joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
    - e. mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originatesbut the Insurer will pay for
    - i. such Damage not otherwise excluded, which itself results from a Specified Event or from any other accidental loss, destruction or damage
    - ii. subsequent Damage which itself results from a cause not otherwise excluded.
3. Loss or destruction or damage caused by pollution or contamination but the Insurer will pay for destruction or damage to the Property Insured not otherwise excluded, caused by
    - a. pollution or contamination which itself results from a Specified Event
    - b. any Specified Event which itself results from pollution or contamination.

## Exclusions (continued)

4. Damage caused by or consisting of:
  - a. subsidence, ground heave or landslide
    - i. in respect of walls, gates, fences, roads, car parks, yards, forecourts, patios, pavements, footpaths, and similar hard surfaced areas unless covered by this Section and a building covered by this Section is Damaged by the same cause at the same time
    - ii. resulting from
      - a. the settlement or movement of made-up ground
      - b. coastal or river erosion
      - c. defective design or workmanship or the use of defective materials
    - iii. which commenced prior to the inception of this cover
    - iv. occurring as a result of demolition, construction, structural alteration or repair of any Property or as a result of ground works or excavation, at the same Premises
  - b. normal settlement or bedding down of new structures
  - c. disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
5. Destruction of or damage to any building or structure caused by its own collapse or cracking, but the Insurer will pay for such destruction or damage resulting from a Specified Event in so far as it is not otherwise excluded.
6. Damage in respect of any building which is Unoccupied caused by
  - a. freezing
  - b. escape of water from any tank, apparatus or pipe
  - c. malicious persons not acting on behalf of or in connection with any political organisation, but the Insurer will pay for such Damage caused by fire or explosion.
7. Damage in respect of fences, gates and moveable Property in the open caused by wind, rain, hail, sleet, snow, flood or dust.
8. Damage to any Property
  - a. caused by fire, resulting from its undergoing any heating process or any process involving the application of heat
  - b. resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair, but the Insurer will pay for such Damage caused by fire or explosion.
9. Damage in respect of
  - a. jewellery, precious stones or precious metals, bullion, furs, curiosities
  - b. works of art or rare books (other than as provided under Contents)
  - c. property in transit
  - d. glass (other than fixed glass), sanitary ware (other than fixed sanitary ware), china, earthenware, marble or other fragile or brittle objects
  - e. Money (other than as provided under Contents), bonds or securities of any descriptionbut the Insurer will pay for such Damage caused by a Specified Event in so far as it is not otherwise excluded.
10. Damage to
  - a. vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
  - b. Property or structures in course of construction or erection and materials or supplies in connection with all such Property or structures
  - c. land, piers, jetties, bridges, culverts, or excavations
  - d. livestock or growing cropsbut the Insurer will pay for such property where specifically described in the Schedule or in this Section.

## Exclusions (continued)

11. Property which at the time of the happening of Damage is insured by or would but for the existence of this Section be insured by any marine policy or policies, but the Insurer will pay for any excess beyond the amount which would have been payable under such marine policy or policies had this Section not been effected.
12. Any Property more specifically insured by or on behalf of the Insured.
13. Damage occasioned by nationalisation, confiscation, requisition, seizure or destruction by the Government or any public authority.
14. Damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion, and (except in respect of Damage by fire or explosion) strikers, locked out workers, persons taking part in labour disturbances or malicious persons.
15. Consequential loss or damage of any kind or description, except loss of Rent when such loss is insured by this Section.
16. Damage directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the Insured or not, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date, including the failure
  - a. correctly to recognise any date as its true calendar date
  - b. to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - c. to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any datebut the Insurer will pay for subsequent Damage which is not otherwise excluded and which itself results from a Specified Event.
17. The amount of the Excess specified in the Schedule in respect of the first part of each and every loss at each separate Premises after the application of all other terms and conditions of the Section and the Policy including any Underinsurance (Average) Basis of Settlement Adjustment.

## Section Conditions

### 1. Precautions

The Insured must take all reasonable precautions to keep the Property Insured secure and in a good state of repair.

### 2. Alteration

The cover by this Section shall be avoided with respect to any of the Property Insured in regard to which there is any alteration after the commencement of this Section

- a. by removal
  - b. which increases the risk of Damage as insured by this Section
  - c. where the interest of the Insured ceases except by will or operation of law
  - d. in respect of subsidence ground heave or landslip by any demolition, construction, ground works or excavation work being carried out on any adjoining site.
- unless agreed by the Insurer in writing.

### 3. Unoccupied Buildings

It is a condition precedent to the liability of the Insurer that

- A. The Insured must notify the Insurer in writing as soon as they become aware that any buildings or parts of any buildings are or are to become Unoccupied. The Insurer will notify the Insured of the terms and conditions to apply to such buildings and the Insured may be required to pay an additional premium.
- B. in respect of any buildings or parts of any buildings that are Unoccupied or become Unoccupied after the commencement of cover under this Section until such buildings or parts of buildings again become occupied the Insured or their nominees must

- a. turn off electricity gas and water supplies at the mains and drain down all water systems except for those
  - i. connected to automatic fire alarm or intruder alarm installations
  - ii. connected to automatic sprinkler installations or other fire suppression systems
- b. maintain automatic sprinkler installations and other fire suppression systems automatic fire alarm and intruder alarm installations and keep them fully operational
- c. maintain a level of heating sufficient to prevent freezing of automatic sprinkler installations
- d. secure the buildings and all points of access against entry by intruders and put all protective and locking devices and any intruder alarm installations into full and effective operation
- e. remove all waste unfixed combustible materials and gas bottles from the interior of the buildings including any communal parts and from any external areas owned by the Insured
- f. carry out an internal and external inspection of the buildings at least once every 14 days and
  - i. maintain a record of such inspections
  - ii. ensure that any defects in the condition or state of repair of the buildings or defects in security or alarm or fire protection installations are rectified remedied or repaired immediately
- g. notify the Insurer immediately if the buildings are to be occupied by contractors for renovation alteration or conversion purposes
- h. complete any risk improvements put forward by the Insurer within the timescale specified

unless the Insurer agrees otherwise in writing.

## Section Conditions (continued)

### 4. Non Invalidation

This insurance shall not be invalidated

- a. by repairs, structural and other alterations of a minor nature and general maintenance work being undertaken at the Premises
- b. by any increase in risk of Damage resulting from an alteration act or omission which occurs without the authority or knowledge of the freeholder mortgagee or lessor.

but this shall only protect the interest of the freeholder mortgagee or lessor and shall only apply if the Insurer be notified immediately on the party becoming aware of the increase in risk and the payment of any reasonable additional premium.

### 5. Additional Claims Conditions

In the event of Damage, in consequence of which the Insured make or may make a claim under this Section, the Insured shall at their own expense deliver to the Insurer

- a. within 30 days after such Damage (7 days in the case of Damage by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons or theft) or such further time as the Insurer may allow in writing
  - i. full information in writing of the Property Insured Damaged and the amount of Damage
  - ii. details of any other insurances on the Property Insured covered by this Section
- b. all such proof and information relating to the claim as may reasonably be required
- c. if required, a statutory declaration of the truth of the claim and of any matters connected with it.

The Insurer will not pay for any claim unless the terms of this Condition have been complied with, and any payment on account already made shall be repaid to the Insurer.

### 6. Reinstatement

If any property is to be reinstated or replaced by the Insurer, the Insured shall at their own expense provide all plans, documents, books and information as may reasonably be required. The Insurer shall not be bound to reinstate exactly, but only as circumstances permit, and in a reasonably sufficient manner, and shall not in any case be bound to expend for any one item of this Section more than its Sum Insured.

### 7. The Insurer's rights following a claim

In respect of Damage for which a claim is made, the Insurer and any person authorised by the Insurer may without incurring any liability or diminishing any of the Insurer's rights in respect of the cover under this Section, enter take or keep possession of the Premises where such Damage has occurred, and take possession of or require to be delivered to the Insurer any Property Insured, and to deal with such Property for all reasonable purposes and in any reasonable manner.

- No Property may be abandoned to the Insurer, whether taken possession of by the Insurer or not
- The Insurer will not pay for any claim unless the terms of this Condition have been complied with.

## Section Conditions (continued)

### 8. Subrogation

Any claimant under this insurance shall at the request and the expense of the Insurer take and permit to be taken all necessary steps in the name of the Insured for enforcing rights against any other party before or after any payment is made by the Insurer

The Insurer shall not enforce any rights against

- a. a tenant or lessee in respect of Damage to the part of the Premises in the demise of that tenant or lessee or to common parts of the Premises unless the Damage arises out of a criminal fraudulent or malicious act
- b. any Company being a parent of or Subsidiary to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of Section 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986.

### 9. Arbitration

If any difference arises as to the amount to be paid under this Section (liability being otherwise admitted by the Insurer), such difference shall be referred to an arbitrator to be appointed by the Insured and the Insurer in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Insurer.

### 10. Change of Occupancy

The Insured must notify the Insurer in writing as soon as they become aware that any Unoccupied buildings or Unoccupied parts of any buildings are or are due to become occupied. The Insurer will notify the Insured of the terms and conditions to apply to such buildings and the Insured may be required to pay an additional premium.

### 11. Declaration

At inception of each Period of Insurance, the Insured shall notify the Insurer of the Declared Value of the Property Insured. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the forthcoming Period of Insurance, appropriately adjusted if Index Linking applies.

### 12. Explosion - Engineering Inspection

In respect of any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any statutory regulations cover against loss destruction or damage caused by an explosion originating therein is subject to the provision that such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service.



# Property Owners Liability Section

## Definitions

### Injury

- A. Bodily injury, death, disease, illness, mental injury, mental anguish or nervous shock
- B. invasion of the right of privacy, false arrest, false imprisonment, false eviction or malicious prosecution of any person.

### Employee

- A. Any person under a contract of service or apprenticeship with the Insured
- B. Any of the following persons whilst working for the Insured in connection with the Business
  - i. any labour master or labour only subcontractor or person supplied by him
  - ii. any self-employed person providing labour only
  - iii. any trainee or person undergoing work experience
  - iv. any voluntary helper
  - v. any person who is borrowed by or hired to the Insured
  - vi. any person working under the Community Offenders Act 1978, the Community Offenders (Scotland) Act 1978 or similar legislation
  - vii. any prospective employee being assessed by the Insured as to their suitability for employment
 and where the Insured requests any outworker or home worker when engaged on work on behalf of the Insured.

### Business

The Business specified in the Schedule and conducted solely from the United Kingdom and including

- A. the ownership repair and maintenance of Premises used in connection therewith
- B. the provision and management of canteen social sports or welfare organisations for the benefit of Employees and the ambulance first aid fire medical and security services of the Insured
- C. the execution of private duties by Employees for any director partner or senior official of the Insured
- D. the repair and/or servicing of the Insured's motor vehicles
- E. the training or retraining of any Employee at Government or other training centres
- F. participation at trade shows or exhibitions by the Insured
- G. sponsorship by the Insured of sporting charity literary and theatrical events and competitions
- H. provision of nursery crèche or child care facilities where incidental to the Business
- I. provision of car parking for the benefit of Employees customers and visitors.

### Territorial Limits

- A. The United Kingdom
- B. Any other member country of the European Union
- C. Elsewhere in the world in respect of Injury, loss or damage caused by or arising from
  - i. non-manual activities of any partner, director or Employee of the Insured normally resident within the United Kingdom and occurring during any journey or temporary visit
  - ii. Products.

### Products

Any goods or other property (including their containers, packaging, labelling and instructions for use) sold, supplied, delivered, installed, erected, repaired, altered, treated or tested by the Insured in connection with the Business and not in the charge or control of the Insured.

## **Definitions (continued)**

### **Pollution or Contamination**

- A. All pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- B. all Injury, loss or damage directly or indirectly caused by such pollution or contamination.

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

### **Offshore Installations**

- A. Any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- B. Any installation in the sea or tidal waters which is intended for the storage or recovery of gas
- C. Any pipe or system of pipes in the sea or tidal waters
- D. Any installation which is intended to provide accommodation for persons who work on or from the locations specified in A., B. or C. above.

### **An Act of Terrorism**

An act including but not limited to the use of force or violence and/or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

### **Asbestos**

Asbestos or fibres or particles of asbestos or any material containing asbestos.

### **Intellectual Property Rights**

Any patent trade mark copyright registered design technical or commercial information or other intellectual property.

### **Notice of Adjudication**

Any notice issued to a party to a contract to which the Housing Grants Construction and Regeneration Act 1996 or any subsequent legislation applies stating an intention to refer a dispute under the contract to adjudication.

## Cover

- A. The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of accidental
- a. Injury to any person
  - b. loss of or damage to material property
  - c. nuisance, trespass, obstruction or interference with any right of way, light, air or water occurring within the Territorial Limits during the Period of Insurance in connection with the Business.

In addition the Insurer will pay costs and expenses incurred by the Insurer or with the written consent of the Insurer

- a. in connection with the defence of any claim
- b. for representation of the Insured
  - i. at any coroner's inquest or fatal accident inquiry in respect of death
  - ii. at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of any alleged breach of statutory duty resulting in Injury, loss or damage

which may be the subject of indemnity under this Section.

## B. Indemnity to Other Parties

The indemnity provided by this Section will also apply:

- a. in the event of the death of the Insured, to any personal representative of the Insured in respect of liability incurred by the Insured
- and if the Insured so request the Insurer will indemnify the following parties
- b. any officer or committee member or other member of the Insured's canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services against liability incurred in such capacity
  - c. any partner, director or Employee of the Insured against liability incurred in such capacity and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured
- as though each party was individually named as the Insured in this Section
- d. any principal for whom the Insured have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the Insured.

Provided that

- i. each such party shall observe fulfil and be subject to the terms and conditions of this Section in so far as they can apply
- ii. the Insurer's liability to the Insured and all parties indemnified shall not exceed in total the Limit of Indemnity.

## Limit of Indemnity

- A. The Insurer's liability for all compensation payable in respect of
- i. any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
  - ii. all Injury, loss and damage occurring during any one Period of Insurance and caused by and arising from Products
  - iii. all Pollution or Contamination which is deemed to have occurred during any one Period of Insurance
- shall not exceed the Limit of Indemnity stated in the Schedule.
- B. In respect of all claims against the Insured made within the legal jurisdiction of the United States of America or Canada or any dependency or trust territory the Limit of Indemnity shall be inclusive of the amount of all
- i. claimants' costs and expenses
  - ii. costs and expenses incurred by the Insurer or with the written consent of the Insurer in connection with the defence of such claims.
- C. Act of Terrorism
- In respect of an Act of Terrorism the Limit of Indemnity shall not exceed the Limit of Indemnity shown in the Schedule or £5,000,000 (whichever is the lesser).
- If the Insurer alleges that by reason of this limitation any loss damage cost or expense is not covered the burden of proving the contrary shall be upon the Insured.
- D. Asbestos
- In respect of Injury loss or damage occurring during any one Period of Insurance directly or indirectly caused by or arising from in consequence or in any way involving
- i. exposure to or the inhalation of Asbestos
  - ii. fear of the consequences of exposure to or inhalation of Asbestos
  - iii. the costs of management (including those of any persons under any statutory duty to manage) removal repair alteration recall replacement or reinstatement of any property or part thereof arising out of the presence of Asbestos

The liability of the Insurer shall not exceed the Limit of Indemnity shown in the Schedule or £5,000,000 (whichever is the lesser) and such Limit of Indemnity shall be inclusive of the amount of all claimants' costs and expenses and all costs and expenses incurred by the Insurer or with the written consent of the Insurer in connection with the defence of any claim.

For the purposes of this Limit of Indemnity all such Injury loss or damage which arises from one incident shall be deemed to have occurred at the time such incident takes place.

- E. Corporate Manslaughter and Corporate Homicide Act 2007
- In respect of the indemnity provided under this Section for the Corporate Manslaughter and Corporate Homicide Act 2007:
- a. the liability of the Insurer shall not exceed £5,000,000 in any one Period of Insurance or Limit of Indemnity stated in the Schedule (whichever is the lesser)
  - b. all amounts payable will form part of and not be in addition to the Limit of Indemnity as stated in the Schedule
  - c. where the Insurer has already indemnified the Insured in respect of legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals arising from such proceedings arising out of the same cause or occurrence which gave rise to said proceedings under another Section of the Policy the amount paid under that Section shall contribute to the maximum amount payable under this Section.

**Extensions** (Subject to the terms limits conditions and exclusions of this Section and the Policy)

**A. Joint Insured - Cross Liabilities**

If more than one party is named as the Insured this Section shall apply as though each were insured separately provided that the Insurer's liability to all parties indemnified shall not exceed in total the Limit of Indemnity.

**B. Overseas Personal Liability**

The Business is extended to include personal activities (not connected with any gainful occupation or profession nor with the ownership or tenure of any land or building) of any partner, director or Employee of the Insured or family member of such partner, director or Employee normally resident within the United Kingdom in the course of any journey or temporary visit to any other country made in connection with the Business.

**C. Motor Contingent Liability**

The Insurer will indemnify the Insured in the terms of this Section against liability arising out of the use in connection with the Business of any vehicle not owned, provided or being driven by the Insured but this Section does not cover liability

- a. in respect of loss of or damage to such vehicle
- b. arising out of any such use in any country outside the European Union
- c. incurred by any party other than the Insured
- d. incurred by any party identified in paragraph B. (Indemnity to Other Parties) other than an Employee.

For the purpose of this cover Exclusion 1. (Injury to Employees) does not apply.

**D. Health and Safety at Work - Legal Defence Costs**

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of

- a. costs and expenses incurred with the Insurer's written consent
- b. costs and expenses of the prosecution awarded against any such party in connection with criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that

- i. the proceedings relate to the health, safety or welfare of any person other than an Employee
- ii. the Insurer shall have the conduct and control of all the said proceedings and appeals.

The Insurer will not pay for

- a. fines or penalties of any kind
- b. proceedings or appeals in respect of any deliberate act or omission
- c. costs or expenses insured by any other insurance.

**E. Data Protection Act**

The Insurer will indemnify the Insured and if the Insured so requests any Employee or director or partner of the Insured for damage or distress occurring as a result of an offence under Section 13 of the Data Protection Act 1998 committed during the Period of Insurance within the United Kingdom and arising in connection with the Business

Provided that the Insurer will not pay for

- a. any damage or distress caused by a deliberate act or omission by the Insured the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission
- b. the payment of fines or penalties
- c. the costs and expenses of replacing reinstating rectifying or erasing blocking or destroying any Data or Personal Data

**Extensions** (Subject to the terms limits conditions and exclusions of this Section and the Policy)

- d. any damage or distress caused by any act of fraud or dishonesty
- e. liability arising from the recording, processing or provision of Data or Personal Data for reward or to determine the financial status of any person.

Data and Personal Data shall have the meaning defined in the Data Protection Act 1998.

**F. Defective Premises Act 1972**

The Insurer will indemnify the Insured in the terms of this Section against liability incurred by the insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord's Liability) Act (Northern Ireland) 2001 in connection with premises or land disposed of by the Insured.

Provided that this Extension does not cover

- a. the costs of rectifying any damage or defect in the premises or land disposed of
- b. liability for which the Insured is entitled to indemnity under any other insurance
- c. the presence of Asbestos.

**G. Consumer Protection and Food Safety Acts - Legal Defence Costs**

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of legal costs and expenses incurred with the written consent of the Insurer in connection with the defence of any criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under

- a. Part 2 of the Consumer Protection Act 1987  
or
- b. Section(s) 7, 8, 14, and/or 15 of the Food Safety Act 1990

committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that the Insurer shall have the conduct and control of all the said proceedings and appeals.

The Insurer will not pay for

- a. fines or penalties of any kind
- b. proceedings or appeals in respect of any deliberate act or omission
- c. costs or expenses insured by any other policy.

**H. Court Attendance Compensation**

If during the Period of Insurance any partner, director or Employee of the Insured is required to attend court as a witness at the request of the Insurer in connection with a claim which is the subject of indemnity under this Section the Insurer will pay compensation to the Insured on the following scale for each day that attendance is required:

- i. any director or partner £500
- ii. any Employee £250

**I. Contractual Liability**

In respect of liability assumed by the Insured by a contract or agreement entered into by the Insured and which would not have attached in the absence of such contract or agreement, the indemnity provided by this Section shall only apply if the sole conduct and control of any claim is vested in the Insurer

Provided that the Insurer shall not in any event provide indemnity

- a. under Exclusion 9. a. except as stated therein
- b. in respect of liquidated damages or fines or damages imposed by or payable under any penalty clause.

**Extensions** (Subject to the terms limits conditions and exclusions of this Section and the Policy)

**J. Legionellosis Liability**

Exclusion 4b. shall not apply to any discharge, release or escape of Legionella or other air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like

Provided that

- a. the Insurer will only indemnify the Insured
  - i. in respect of claims arising from Pollution or Contamination which arise out of or as a consequence of any discharge, release or escape of Legionella or other air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like first made in writing to the Insured during the Period of Insurance
  - or
  - ii. if the first notification of a circumstance which has caused or is alleged to have caused Injury or damage and can be reasonably expected to give rise to a claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge, release or escape of Legionella or other air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like is notified to the Insurer during the Period of Insurance or within thirty days (30) after expiry of the same Period of Insurance
- b. the liability of the Insurer under this Extension for all compensation (including interest thereon) and claimants costs' and expenses payable shall not exceed the Limit of Indemnity shown in the Schedule or £5,000,000 (whichever is the lesser) and for all claims arising from Pollution or Contamination shall not exceed the Limit of Indemnity shown in the Schedule
- c. this Extension shall not apply to 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 air-borne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like if before the Period of Insurance the Insured had become aware of circumstances which have given or may give rise to such Pollution or Contamination.

**K. Corporate Manslaughter and Corporate Homicide Act 2007**

This Section extends to indemnify the Insured in respect of

- a. legal costs and expenses incurred with the prior written consent of the Insurer and
- b. costs of the prosecution awarded against the Insured

in connection with the defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought under The Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man in respect of any fatal injury occurring during the Period of Insurance in the course of the Business and which may be the subject of indemnity under this Section

Provided that

- a) the Insurer agrees details of the specific solicitor or counsel who are to act on behalf of the Insured prior to their appointment
- b) the Insurer's liability under this Extension shall not exceed the Limit of Indemnity E.

In respect of this Extension the Insurer will not pay for

- i. any fines or penalties imposed on the Insured or the cost of implementing any remedial order or publicity order
- ii. legal costs and expenses in connection with an appeal unless a solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the Insured at all times throughout the appeals process. Any change to such prospect of success during the appeals process may result in cover being removed
- iii. costs and expenses provided by another source or any other insurance or where but for the existence of this Extension would have been provided by such source or insurance

**Extensions** (Subject to the terms limits conditions and exclusions of this Section and the Policy)

- iv. costs and expenses in connection with the defence of any criminal proceedings brought in any country other than in the United Kingdom
- v. costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by the Insured or any partner or director of the Insured or any Employee.

**L. Libel and Slander**

This Section extends to indemnify the Insured in respect of legal liability to pay damages claimants' costs and expenses and costs and expenses incurred by the Insurer or with the written consent of the Insurer in respect of claims made against the Insured during the Period of Insurance arising from any act of libel or slander committed or uttered in good faith by the Insured during the Period of Insurance in the course of the Business

Provided that

- a. the indemnity granted by this Extension shall apply solely to the Insured's in-house and trade publications and advertising material prepared by the Insured
- b. the first 10% or £1,000 (whichever is the greater) of all compensation costs and expenses payable in respect of each occurrence shall be retained by the Insured as their own liability which will be payable before the Insurer shall be liable to make any payment
- c. this Extension does not cover any claim arising from proceedings brought against the Insured in a court of law outside the United Kingdom or any other member country of the EU
- d. the liability of the Insurer under this Extension in respect of any one claim and in total for all claims made during any one Period of Insurance shall not exceed £250,000 inclusive of all costs and expenses.

**Special Claims Conditions applicable to Libel and Slander Cover**

- 1. Upon the Insured becoming aware of any publication or material published or statement likely to give rise to liability under this Extension and again upon receipt by the Insured of notice of any claim whether well or ill founded the Insured shall immediately and in any case within 7 days give notice of the same to the Insurer and supply a copy of such publication or material published together with any communication received from any claimant
- 2. The Insured shall not disclose the fact that they are insured.

**M. Financial Loss**

This Section extends to indemnify the Insured described in the Schedule and no other party against liability at law for damages and claimants' costs and expenses and costs and expenses incurred by the Insurer or with the written consent of the Insurer for accidental Financial Loss in connection with the Business

Financial Loss shall mean for the purpose of this Extension a pecuniary loss cost or expense incurred within the United Kingdom during the Period of Insurance by a tenant as a direct result of the failure of the Insured to provide any property or service where such loss cost or expense is not consequent upon death of or bodily injury to any person or loss of or damage to material property

Provided that

- i. this Extension applies only in respect of any claim made against the Insured and notified to the Insurer during the Period of Insurance or within 30 days after the expiry of the Period of Insurance
- ii. the indemnity will not apply to legal liability for fines or penalties, compensation ordered or awarded by a Court of Criminal Jurisdiction, or aggravated exemplary or punitive damages awarded by any Court outside the United Kingdom



**Extensions (Subject to the terms limits conditions and exclusions of this Section and the Policy)**

- iii. the indemnity granted by the Cross Liabilities Cover shall not apply
- iv. the first 10% of or £1,000 (whichever is the greater) of each and every claim shall be retained by the Insured as their own liability and will be payable before the Insurer shall be liable to make any payment
- v. the liability of the Insurer in respect of all claims made during any one Period of Insurance including all costs and expenses shall not exceed £50,000 and the total amount payable under this Section during any one Period of Insurance (including this Extension) shall not exceed the Limit of Indemnity.

The indemnity provided by this Extension shall not apply to

- a. any liability which attaches by reason of any express term of any contract or agreement unless such liability would have attached notwithstanding such term
- b. liability in respect of the failure or partial failure of any managing agent of the Insured to properly fulfil their obligations under any contract with the Insured
- c. the cost of reinstating or replacing any property
- d. the cost of or reduction in value of any property, Products or work carried out by the Insured or on behalf of the Insured
- e. liability arising out of any act of fraud or dishonesty or insolvency or financial default of the Insured or inducement of breach of contract
- f. liability arising out of or in connection with passing off of any Intellectual Property Rights
- g. liability arising from the non performance non-completion or delay in completion of any contract agreement or work financial default or insolvency
- h. liability arising out of professional advice or professional negligence
- i. the cost of removal repair recovery alteration replacement demolition breaking out dismantling making good recall or the cost of or reduction in value of anything sold supplied manufactured work executed supervised or structure erected by or on behalf of the Insured
- j. liability arising from actual or alleged breach of duty breach of trust breach of contract neglect error mis-statement misleading statement omission breach of warranty of authority or other act done or wrongfully attempted by any director or officer of the Insured
- k. any claim which arose out of any circumstances known to the Insured at the inception of this Extension
- l. liability to any statutory authority arising out of the enforcement of statutory requirements or the performance of statutory duties
- m. liability arising out of any occurrence happening before the inception date of this Extension.

**O. Obstructing Mechanically Propelled Vehicles**

If a mechanically propelled vehicle which is not the property or responsibility of the Insured causes an obstruction within the United Kingdom to the extent of interfering with the carrying out of the Business then notwithstanding Exclusion 5 (Mechanically Propelled Vehicles) the Insurer will indemnify the Insured in the terms of this Section in respect of the legal liability of the Insured for Injury or loss of or damage to material property arising from the movement of such vehicle by the Insured or by any Employee

Provided that

- a. such movement shall be limited to the minimum necessary to clear the obstruction
- b. the indemnity will not apply to loss of or damage to such vehicle or its contents
- c. this Extension shall not apply to circumstances for which a certificate of insurance or security is required in accordance with road traffic legislation.

## Exclusions

This Section does not cover:

**1. Injury to Employees**

Liability in respect of Injury to any Employee arising out of and in the course of the employment or engagement of such person by the Insured.

**2. Work on Offshore Installations**

Liability in respect of Injury, loss or damage arising in connection with work on or travel to or from Offshore Installations.

**3. Fines, penalties, liquidated, punitive, exemplary or aggravated damages**

Liability in respect of

- a. fines, penalties or liquidated damages
- b. punitive, exemplary or aggravated damages or any damages resulting from the multiplication of compensatory damages.

**4. Pollution or Contamination**

Liability in respect of

- a. Pollution or Contamination occurring in the United States of America or Canada or any dependency or trust territory
- b. Pollution or Contamination occurring elsewhere unless 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.

**5. Mechanically Propelled Vehicles**

Liability arising out of the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (or trailer attached thereto) which is required by any road traffic legislation to be the subject of compulsory insurance or other security but this Exclusion shall not apply

- i. while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under road traffic legislation)
- ii. in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle

except where more specifically insured by any other policy.

**6. Vessels or Craft**

Liability arising out of the ownership, possession or use by or on behalf of the Insured of any vessel or craft designed to travel in, on or through water, air or space (other than hand-propelled watercraft).

**7. Property in the charge or control of the Insured**

Liability in respect of loss of or damage to any property belonging to or in the charge or control of the Insured other than

- a. personal effects or vehicles of any partner, director or Employee of or visitor to the Insured
- b. premises (and their contents) not belonging, leased, rented or hired to the Insured but temporarily in the charge of the Insured for the purpose of carrying out work
- c. premises (including their fixtures and fittings) leased, rented or hired to the Insured but this Section does not cover liability attaching to the Insured solely under the terms of any tenancy or other agreement.

**8. Damage to Goods Supplied**

Liability in respect of

- a. loss of or damage to any goods or other property sold, supplied, delivered, installed or erected by or on behalf of the Insured

## Exclusions (Continued)

This Section does not cover:

- b. all costs of or arising from the need for making good, removal, repair, rectification, replacement or recall of
  - i. any such goods or property
  - ii. any defective work executed by or on behalf of the Insured except that 8.a. and 8.b.i above shall not apply to liability in respect of loss of or damage to the said goods or property if such loss or damage is caused by or arises from
    - 1. any alteration, repair or servicing work executed
    - 2. any other goods or property sold, supplied, delivered, installed or erected by the Insured under a separate contract.
- 9. **Products**

In respect of Injury, loss or damage caused by or arising from Products

  - a. any liability which attaches to the Insured solely under the terms of an agreement other than
    - i. under any warranty of goods implied by law
    - ii. under any indemnity clause in any agreement between the Insured and any independent carrier in respect of Injury, loss or damage caused by Products entrusted to such carrier for transit by road, rail or waterway
  - b. any Product installed or incorporated in any craft designed to travel in or through air or space and which to the Insureds knowledge was intended to be installed or incorporated in any such craft.
- 10. **Advice and Design**

Liability for Injury, loss or damage arising out of or in connection with advice, design, formula, specification, inspection, certification or testing provided or performed for a fee by or on behalf of the Insured other than where provided or performed in connection with any Product.
- 11. **Contract Works and J.C.T. Clause 21.2.1**

Liability in respect of loss of or damage to any property

  - a. comprising or to be incorporated in the contract works in respect of any contract undertaken by the Insured
  - b. against which the Insured are required to effect insurance under the terms of Clause 21.2.1. of the J.C.T. (R.I.B.A.) Conditions of Contract or of any other contract condition requiring insurance of a like kind.
- 12. **Computer Date Recognition**

Liability arising directly or indirectly from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the Insured or not, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date including the failure

  - i. correctly to recognise any date as its true calendar date
  - ii. to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - iii. to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any date.
- 13. **Excess**

The amount of any Excess specified in the Schedule.

## **Section Conditions**

### **1. Other Insurances**

The Insurer will not indemnify the Insured in respect of liability which is insured by or would but for the existence of this Section be insured by any other policy or section except in respect of any excess beyond the amount payable under such other policy or section or which would have been payable under such other policy or section had this Section not been effected.

### **2. Alteration**

If at any time anything shall occur or be done which materially affects the risk insured the Insured shall give immediate notice in writing to the Insurer.

### **3. Notice of Adjudication**

The Insured shall upon receipt of a Notice of Adjudication relating to any circumstance which has given or may give rise to a claim under this Section provide immediate notice (on the first working day thereafter) of such Notice to the Insurer.

### **4. Declaration Condition**

If the premium or part of any premium is calculated on estimates supplied to the Insurer by or on behalf of the Insured the Insured shall keep a record of all such relevant particulars and shall allow the Insurer to inspect such records at any reasonable time.

The Insured shall furnish the Insurer with such information as the Insurer may require at the expiry of each Period of Insurance. The premium shall be adjusted annually and any difference shall be paid by or returned to the Insured subject to any agreed minimum or deposit premium.