



property
protector
COMMERCIAL CHOICE



Property Investors Protection Plan Policy

August 2016

redefining / standards



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Welcome to AXA

Thank you for choosing AXA

Please read carefully all documents that **we** have provided and keep them in a safe place.

If **you** have any questions, need anything explaining or believe this contract does not meet **your** needs, please contact **us** or **your** insurance adviser.

Your policy

Your policy is a contract of insurance between **you** and **us** and **you** have a duty to make a fair presentation of the risk to **us** in accordance with the law.

The **policy** describes the insurance cover for which **we** have accepted **your** premium.

This insurance is renewable provided that **we** agree to accept **your** premium for any subsequent **period of insurance**. A new schedule will be issued for each **period of insurance** showing any changes to **your** cover.

Your policy is divided into a number of sections. The **policy** wording, schedule and any endorsement must be read together. Where a section does not apply, **your** schedule will state that it is 'not covered'.

Throughout this **policy**, **we** use defined terms. Defined terms are used to explain what a word means and are highlighted in bold blue print. Details of the **policy** definitions can be found on page 5.

Headings have been used for **your** guidance and to help **you** understand the cover provided. The headings do not form part of the contract.

To help **you** understand the cover provided **we** have added 'What is covered' and 'What is not covered'.

Under the heading 'What is covered' **we** give information on the insurance provided. This must be read with 'What is not covered', the Policy conditions and the Section conditions at all times.

Under the heading 'What is not covered' **we** draw **your** attention to what is excluded from **your policy**.

Important phone numbers

Glass replacement service

0333 303 2944*

A quick and efficient service available 365 days a year.

Legal and tax advice

0333 024 5346**

Our confidential legal and tax advice line. Please quote AXA Commercial when **you** call.

Emergency helpline

0333 024 5346***

Our 24 hour emergency helpline. Please quote AXA Commercial when **you** call. **We** will provide details of reputable contractors who will be able to help.

Calling the helpline does not constitute notification of an insurance claim. **You** will have to pay for any call out charges, parts and cost of labour.

If connected to a potential claim please follow the Claims notification condition and Claims procedures condition first.

* The Glass replacement service is provided by an AXA approved glazing and locks provider.

** The telephone legal and tax advice is provided on behalf of Arc Legal Assistance Ltd by Irwin Mitchell Solicitors and can advise on general UK law and taxation.

** Tax telephone advice provided by Irwin Mitchell Solicitors may involve the use of external accountants to provide tax telephone advice.

** Arc Legal Assistance Ltd make no additional charge for providing these services.

*** The emergency assistance helpline is provided on behalf of Arc Legal Assistance Ltd by AXA Assistance UK. Arc Legal Assistance Ltd make no additional charge for providing these services.

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

Irwin Mitchell LLP is a limited liability partnership registered in England and Wales, with number OC343987, and is authorised and regulated by the Solicitors Regulation Authority.

Telephone calls may be monitored and recorded.

Making a claim

If **you** need to make a claim please first check **your policy** to make sure **you** are covered. **You** must then follow the instructions provided on pages 7 and 8 under the Claims notification condition and Claims procedure condition under Policy conditions.

Please contact **your** insurance adviser who will help **us** deal with **your** claim quickly and fairly.

Making a complaint

If **you** are not happy with the way in which a claim or any other matter has been dealt with, please read 'Making a complaint' on page 56 of the **policy**.

Meanings of defined terms

These meanings apply throughout **your policy**. If a word or phrase has a defined meaning, it will be highlighted in bold blue print and will have the same meaning wherever it is used. There are additional defined terms under each section.

Building(s)

Buildings at the **premises** shown in **your** schedule including

- 1 landlords fixtures and fittings, CCTV systems, entry and exit systems
- 2 outbuildings, annexes, private garages, gangways, foundations or footings, extensions, lamp posts, aerials, satellite dishes, street furniture, swimming pools, tennis courts, squash courts
- 3 walls, gates, fences and hedges
- 4 yards, car parks, roads, pavements, paved terraces, patios, paths, drives
- 5 underground pipes, drains, piping, ducting, wires and associated switchgear and accessories on the **premises** and cables belonging to **you** or which **you** are responsible for
- 6 tenants improvements which **you** are responsible for
- 7 fixed glass in windows, doors, fixed signs, fanlights, skylights, partitions and fixed sanitary ware
- 8 tenants stock and possessions to a value of £10,000 in total any one **period of insurance** lawfully secured in lieu of rent owed
- 9 landlords contents to a value of £10,000 any one **premises**.

Business

Your ownership of the **premises** shown in the schedule including

- 1 owning, repairing, maintaining and decorating **your** own property or **premises you** use and land at the same address
- 2 providing and managing amenities for the benefit and welfare of employees

- 3 providing and managing facilities primarily used for fire prevention, safety or security
- 4 maintaining and repairing vehicles and machinery owned or used by **you**
- 5 private work **you** allow employees to do for **your** directors, partners or officers, as long as this work is done with **your** prior permission
- 6 the sale or disposal of the **buildings** or any part of these.

Empty

Any **building** that is wholly unoccupied, mainly unoccupied, disused, unfurnished or not in active use by **you** or any of **your** tenants for more than 30 consecutive days.

Excess

The first amount of any claim or claims for which **you** are responsible.

Period of insurance

The period from the start date to the expiry date shown in **your** schedule.

Policy

The policy and schedule and any endorsements attached or issued.

Policy territories

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

Premises

The address(es) shown in **your** schedule.

Rental income

The money paid or payable to **you** for tenancies and other charges for services provided in the course of **your business** at the **premises**.

Vermin

Rats, mice, grey squirrels, owls, pigeons, foxes, bees, wasps, or hornets.

Meanings of defined terms *continued*

We/us/our/ourselves

AXA Insurance UK plc.

You/your/yourself

The person(s), firm, company or organisation shown in your schedule as the insured.

Policy conditions

You must comply with the following conditions to have the full protection of **your policy**. If **you** do not comply then **we** may at **our** option take one or more of the following actions

- 1 Cancel **your policy**
- 2 Declare **your policy** void (treating **your policy** as if it had never existed)
- 3 Change the terms of **your policy**
- 4 Refuse to deal with all or part of any claim or reduce the amount of any claim payments.

There are additional conditions under each section of cover.

Arbitration condition

If **we** agree to pay **your** claim and **you** disagree with the amount to be paid it may be referred to an arbitrator who is jointly appointed.

Alternatively, depending on the size of **your business**, **you** may be able to refer **your** case to the Financial Ombudsman Service (FOS). In either case this will not affect **your** right to take action against **us** over this disagreement.

This condition does not apply to Section 3 – Public liability and Section 4 – Employers' liability.

Cancellation condition

- 1 **You** may cancel **your policy** within 14 days of receiving **your policy** for the first **period of insurance** if for any reason **you** are dissatisfied or the **policy** does not meet **your** requirements.
- 2 **You** may also cancel this **policy** at any time if **you** sell the **business** or sell all the property insured shown in **your** schedule, or **you** cease trading.
- 3 **We** can cancel **your policy**
 - a at any time by giving 30 days written notice to **your** last known address
 - b immediately, without giving **you** notice if the premium has not been paid to **us**.

Where **your policy** is cancelled in accordance with any of the above provisions, **we** will refund part of the premium paid, proportionate to the unexpired **period of insurance** following cancellation, provided that no claim has been paid or is outstanding in the current **period of insurance**.

Cancellation of **your policy** will not affect any claims or rights **you** or **we** may have before the date of cancellation.

We do not have to offer renewal of **your policy** and cover will cease on the expiry date.

Change in risk condition

You must tell **us** as soon as possible during the **period of insurance** but in any event within 30 days of any change

- 1 to the **business**
- 2 in the person, firm, company or organisation shown in **your** schedule as the insured
- 3 to the information **you** provided to **us** previously or any new information that increases the risk of loss as insured under any section of **your policy**.

Your policy will come to an end from the date of the change unless **we** agree in writing to accept an alteration.

We do not have to accept any request to vary **your policy**. If **you** wish to make any alteration to **your policy** **you** must disclose any change to the information **you** previously provided or any new information that could affect this insurance. If **we** accept any variation to **your policy**, an increase in the premium or different terms or conditions of cover may be required by **us**.

Claims notification condition

You must

- 1 as soon as practical
 - a give **us** notice of any circumstances which might lead to a claim under this **policy**
 - b give **us** all the information **we** request
- 2 immediately
 - a on receipt send **us** every letter, court order, summons or other legal documents served upon **you**
 - b tell **us** about any prosecution, inquest or fatal accident inquiry or dispute for referral to adjudication or court proceedings in connection with any potential claim under this **policy**

Policy conditions *continued*

- c** notify the police of any loss or damage that has been caused by malicious persons, thieves, rioters, strikers or vandals.

We will not pay **your** claim where **you** have not complied with this condition.

Claims procedures condition

- 1** **You** must take, or allow others to take, practical steps to prevent further loss or damage, recover property insured lost and otherwise minimise the claim.
- 2** At **your** expense **you** must provide **us** with
 - a** full details in writing of any injury, loss or damage and any further information or declaration **we** may reasonably require
 - b** any assistance to enable **us** to settle or defend a claim
 - c** details of any other relevant insurances.
- 3** **You** must not accept, negotiate, pay, settle, admit or repudiate any claim without **our** written consent.
- 4** Following a claim **you** must allow **us** or anyone authorised by **us**
 - a** access to premises
 - b** to take possession of, or request delivery to **us** of any property insured.
- 5** **You** must not abandon any property to **us**.
- 6** **We** will be allowed complete control of any proceedings and settlement of the claim.

We will not pay **your** claim where **you** have not complied with this condition.

Fair presentation of risk condition

You have a duty to make a fair presentation of the risk which **you** wish to insure. This applies prior to the start of **your policy**, if any variation is required during the **period of insurance** and prior to each renewal. If **you** do not comply with this condition then

- 1** If the failure to make a fair presentation of the risk is deliberate or reckless **we** can elect to make **your policy** void and keep the premium. This means treating the **policy** as if it had not existed and that **we** will not return **your** premiums, or

- 2** If the failure to make a fair presentation of the risk is not deliberate or reckless and **we** would not have provided cover had **you** made a fair presentation, then **we** can elect to make **your policy** void and return **your** premium, or

- 3** If the failure to make a fair presentation of the risk is not deliberate or reckless and **we** would have issued cover on different terms had **you** made a fair presentation of the risk then **we** can:

- a** reduce proportionately any amount paid or payable in respect of a claim under **your policy** using the following formula. **We** will divide the premium actually charged by the premium which **we** would have charged had **you** made a fair presentation and calculate this as a percentage. The same percentage figure will be applied to the full amount of the claim to arrive at the proportion of the claim to be paid or payable; and/or
- b** treat **your policy** as if it had included the different terms (other than payment of the premium) that **we** would have imposed had **you** made a fair presentation.

- 4** Where **we** elect to apply one of the above then

- a** if **we** elect to make **your policy** void, this will be from the start of the **policy**, or the date of variation or from the date of renewal
- b** **we** will apply the formula calculated by reference to the premium that would have been charged to claims from the start of the **policy**, or the date of variation or from the date of renewal
- c** **we** will treat the **policy** as having different terms imposed from the start of the **policy**, or the date of variation or from the date of renewal depending on when the failure to make a fair presentation occurs.

Fraud condition

You and anyone acting for **you** must not act in a fraudulent way.

If **you** or anyone acting for **you**

Policy conditions *continued*

- 1 knowingly makes a fraudulent or exaggerated claim under **your policy**
- 2 knowingly makes a false statement in support of a claim (whether or not the claim itself is genuine) or
- 3 knowingly submit a false or forged document in support of a claim (whether or not the claim itself is genuine),

We will

- a refuse to pay the claim
- b declare the **policy** void from the date of the fraudulent act without any refund of premiums.

We may also inform the police of the circumstances.

Instalments condition

If **you** fail to pay a premium instalment to **us** on the date due, this will result in **your policy** being cancelled from the date the missed instalment was due. **You** will not be entitled to any return of premium where this happens.

If a claim has been made or there has been any incident likely to lead to a claim during the current **period of insurance** the annual premium remains due in full.

Law applicable to this policy

You and **we** can choose the law which applies to this **policy**. **We** propose that the Law of England and Wales apply. Unless **we** and **you** agree otherwise, the Law of England and Wales will apply to this **policy**.

Policy administration fees condition

We may charge **you** an administration fee if **we**

- a make any changes to **your policy** on **your** behalf
- b agree to cancel **your policy**, or
- c are requested to print and re-send **your policy** documents to **you**.

We will not make a charge without informing **you**.

Reasonable care condition

You must take reasonable steps to

- 1 prevent or protect against injury, loss or damage
- 2 keep **your premises**, machinery, plant and equipment in good condition and in full working order
- 3 remedy any defect or any danger that becomes apparent, as soon as possible.

If required by **us**, **you** must allow access to **your premises** and/or activities of **your business** to carry out inspection or survey. **You** must comply with any risk improvements that **we** ask for, within a reasonable period of time, advised by **us**.

We will not pay **your** claim where **you** have not complied with this condition.

Subrogation (our rights) condition

We will be entitled to undertake in **your** name or on **your** behalf

- 1 the defence or settlement of any claim
- 2 steps to enforce rights against any other party before or after payment is made by **us**.

Third party rights condition

The rights under this contract will not be enforceable by any party other than **you** or **us** because of the Contract (Rights of Third Parties) Act 1999.

Sanctions condition

This contract of insurance is subject to sanction, prohibition or restriction under United Nations resolutions. It is a condition of **your policy** that **we** will not provide cover, or pay any claim or provide any benefit under **your policy** to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us**, or **our** parent, subsidiary or any AXA group member company, to any trade or economic sanctions, or violate any laws or regulations of the United Kingdom, the European Union, the United States of America or any other territory.

Section 1 – Buildings

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Your schedule will show if this section is covered.

Meanings of defined terms

You can find the meanings for words in bold blue on page 5. There are some words that may only appear in this section or are defined differently and their meanings are shown here.

Alternative basis of settlement

We agree that if any of the **buildings** shown in **your** schedule are **damaged**, **we** will pay **you** the value of the **buildings** at the time of its **damage** or at **our** option reinstate or replace the **buildings** or any part of it.

The most **we** will pay under this **policy** will not exceed

- 1 in the whole, the total sum insured or for any item its sum insured at the time of **damage**
- 2 the sum insured or limit remaining after deduction for any other **damage** occurring during the same **period of insurance** unless **we** have agreed to reinstate any of the sum insured or limits.

Assigned premises

Buildings formerly owned by, leased by or leased to **you**, which has been assigned to a successor landlord or tenant before any occurrence which may result in a claim under this section.

Consequential loss

Loss, resulting from interruption of or interference with the **business** as a result of **damage** to property used by **you**, at the **premises**, for the purpose of the **business**.

Damage/damaged

Accidental loss or destruction or damage.

Declared value

Your assessment of the cost of reinstatement of the **buildings** at the level of costs applying at the start of the **period of insurance**, ignoring any increase in cost which may apply

Section 1 – Buildings *continued*

in the **period of insurance**, but including an allowance for

- 1 the additional cost of reinstatement to comply with public authority requirements
- 2 professional fees
- 3 debris removal costs
- 4 landlords contents fixtures and fittings
- 5 Value Added Tax.

Defined peril

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, theft, earthquake, storm, **flood**, escape of water from any tank, apparatus or pipe, leakage of oil from any fixed heating installation or impact by any road vehicle or animal.

Denial of service attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

Employed person(s)

- 1 Anyone under a contract of service or apprenticeship with **you**.
- 2 Anyone who is
 - a employed by **you** or for **you** on a labour only basis
 - b self employed
 - c hired to **you** or borrowed by **you** from another employer
 - d a voluntary helper or taking part in a work experience or training scheme and under **your** control or supervision.

Flood

The escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal, drain or dam. Inundation from the sea. Rain induced run off, whether resulting from storm or not.

Hacking

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

Non-standard construction

Constructed of materials other than those detailed in the meaning of **standard construction**.

Phishing

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

Standard construction

Built of brick, stone or concrete and roofed with slates, tiles, metal, concrete, asphalt or sheets or slabs composed entirely of incombustible mineral ingredients and plastic roof lights.

Buildings constructed of metal panels and composite panels insulated with materials other than polystyrene will be regarded as standard construction.

Terrorism

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

For Northern Ireland: 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,

Section 1 – Buildings continued

ideological or similar purposes including the intention to influence any government and or put the public or any section of the public in fear.

For the Channel Islands and the Isle of Man:
An act of any person(s) acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of any government de jure or de facto.

Virus or similar mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. The meaning of virus or similar mechanism includes but is not limited to, trojan horses worms and logic bombs.

✓ What is covered

We will cover **you** for **damage** occurring during the **period of insurance** to any of **your buildings**. **We** will pay **you** for the value of the **buildings** at the time of its **damage** or for the amount of the **damage** or at **our** option reinstate or replace the **buildings** or any part of it.

Limit of cover

The most **we** will pay for any **buildings** covered by this section is the sum insured shown in **your** schedule for each item plus index linking unless stated in the wording that an extension will be paid in addition to the sum insured.

Extensions of cover

Additional management fees cover

We will cover **you** for the cost of managing agents fees that **you** incur for the management and supervision of repair or rebuilding work solely as a result of **damage**.

Provided that the fees solely relate to any additional work which would not have been necessary had the **damage** not occurred.

The most **we** will pay **you** for this cover is £25,000 during any one **period of insurance**.

Additional metered water cover

We will cover **you** for the additional metered water charges incurred by **you** as a result of **damage**. Provided that repairs are completed within 30 days of the **damage** being discovered. **We** will not cover **you** for the charges incurred for any **building** that is **empty**.

The most **we** will pay for this cover during any one **period of insurance** is £50,000.

The amount **we** pay will be based on the amount of the water charges for the period when the **damage** occurs, less the charge paid by **you** for the corresponding period in the preceding year. This will then be adjusted for changes in the suppliers' charges and for variations affecting **your** water consumption during the intervening period.

Alternative residential accommodation cover

We will cover **you** for costs of reasonable alternative accommodation for **your** tenants and temporary storage of **your** tenants furniture while the residential portion of the **buildings** cannot be lived in or access is denied as a result of **damage**. This cover will only apply where **we** have made a payment or accepted liability under this section.

The most **we** will pay for this cover is 33.3% of the sum insured on the **building** that has been **damaged** for a maximum period of 24 months from the date of **damage**. Provided that this cover is not insured elsewhere.

Archaeological discoveries cover

We will cover **you** for the costs incurred following **damage** as a direct result of **you** complying with **your** statutory obligations following the discovery of archaeological finds during site excavation.

Provided that **you** did not have any pre existing knowledge of the presence of archaeological remains prior to the start of works.

The most **we** will pay for this cover is £100,000 any one claim.

Section 1 – Buildings continued

Architects, surveyors, legal and consulting engineers fees cover

We will cover **you** for architects, surveyors, legal and consulting engineers fees necessarily incurred with **our** written consent in the reinstatement or repair of the **buildings** as a result of its **damage**, but not for preparing any claim.

Concern for welfare costs cover

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

Provided that **we** will not be responsible for costs incurred following **damage** caused by the police in the course of criminal investigations.

The most **we** will pay for this cover is £25,000 any one claim.

Condition of average waiver cover

In the event of a claim **we** agree to waive Special condition **2** of the Day one average cover of this section providing

- 1** **you** can give **us** documentary evidence of a valuation/revaluation by a Fellow or Member of the Royal Institute of Chartered Surveyors made no more than three years before the **damage**
- 2** annual interim revaluations have been undertaken in accordance with the Royal Institute of Chartered Surveyors Rebuilding cost index
- 3** the **declared value** is based on the valuations/revaluations at each renewal.

In the event of any undisclosed structural alterations or additions, this waiver will not be valid until a subsequent revaluation has been completed and the **declared value** is amended accordingly.

Contractors interest cover

Where **you** are required to arrange insurance for the **buildings** in the joint names of **you** and the contractor under the terms of a contract condition then the interest of the contractor in the **buildings** as joint insured is noted.

Provided **you** advise **us** of details of any single contract valued in excess of £250,000 and pay any additional premium **we** may require.

Contract works cover

We will cover **you** for contract works undertaken on any **building** in the performance of any contract where **you** are responsible for arranging insurance cover under the terms of the contract.

Provided that

- 1** this cover will only apply as long as the contract works are not insured elsewhere
- 2** **we** will not be liable for the first £350 of each and every loss.

The most **we** will pay **you** for this cover is £25,000 for any one claim.

Damage to cables and underground pipes cover

We will cover **you** for the costs that **you** incur following **damage** for which **you** are responsible to cables and underground pipes including their inspection covers at the **buildings** or connecting the **buildings** to the public mains.

Day one average cover

Subject to the following special conditions, the amount payable for **buildings** under sums shown as the **declared value** in **your policy** schedule will be calculated as reinstatement of the **damaged buildings**.

For this purpose, reinstatement means

- 1** the rebuilding or replacement of **damaged buildings**, which provided **our** liability is not increased may be completed
 - a** in any manner suitable to **your** requirements
 - b** on a different site
- 2** the repair or restoration of **damaged buildings** in either case, to a condition equivalent to or the same as but not better or more extensive than its condition when new.

Provided that **you** have stated the **declared value**, shown in **your** schedule for each **building**, and the premium has been calculated accordingly.

Section 1 – Buildings continued

Special conditions applicable to Day one average cover

- 1** At the start of each **period of insurance** **you** must tell **us** the **declared value** of each **building**. If **you** do not provide **us** with a new **declared value** the current **declared value** will be increased in line with the Inflation protection cover for the next **period of insurance**.
- 2** If at the time of **damage** the **declared value** of the **building** **you** are claiming for is less than the cost of reinstatement at the start of the **period of insurance**, **our** liability for any **damage** will be proportionately reduced and will be limited to the proportion that the **declared value** bears to the cost of reinstatement.
- 3** **Our** liability for the repair or restoration of **buildings damaged** in part only, will not exceed the amount which would have been paid had the **buildings** been completely destroyed.
- 4** No payment will be made beyond the amount that would have been payable in the absence of this Day one average cover
 - a** unless reinstatement starts and proceeds without unreasonable delay
 - b** until the cost of reinstatement has been incurred
 - c** if the **buildings** at the time of the **damage** is insured by any other insurance which is not on the same basis of reinstatement.

If **you** do not comply with Special condition **4** or **you** decide not to rebuild the **buildings** in a condition equal to but not better or more extensive than its condition when new, then this cover is cancelled and **our** and **your** rights and liabilities in respect of the **damage** will be subject to the following Condition of average (under insurance).

Condition of average (under insurance)

The cover for each **building** is deemed to be subject to average i.e. if the **building** at the time of **damage** is valued at more than 115% of the **declared value** stated in **your** schedule, then **you** will be considered as self insured for the difference and will be responsible for a proportionate share of the loss.

Designation cover

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

Drains clearance cover

We will cover **you** for the costs and expenses necessarily and reasonably incurred by **you** in clearing, cleaning and/or repairing drains, gutters and/or sewers to **your premises** for which **you** are legally responsible, following **damage** to **your premises**.

Emergency services cover

We will cover the costs and expenses incurred by **you** following **damage** to the **buildings** resulting from the actions of the emergency services including deliberate acts where such deliberate acts are for the purpose of safeguarding human life or minimising **damage** covered by this section.

Environmental cover

We will cover **you** for the additional costs necessarily and reasonably incurred with **our** consent in rebuilding or repairing the **buildings** following **damage** in a manner that aims to reduce potential harm to the environment by improving energy efficiency.

We will not cover **you**

- 1** under this cover for the additional cost of complying with any European Union legislation, Act of Parliament or bye-laws of any public authority
- 2** for any additional costs for work **you** had already planned to be carried out prior to the **damage**
- 3** for any additional costs for replacing undamaged **buildings**
- 4** for any **empty buildings**
- 5** where **you** elect not to rebuild or repair the **building**.

The most **we** will pay for this cover is £500,000 any one claim for any one **building** in addition to the agreed sum insured for the **building**.

Section 1 – Buildings continued

European Community and public authorities cover

Subject to the following special conditions, the cover for **your buildings** also includes the additional cost of reinstatement that may be incurred solely due to the necessity to comply with the stipulations of

- 1 European Community Legislation or
- 2 building or other regulations under or there to support any Act of Parliament or bye-laws of any public authority

referred to as the stipulations, for

- a the **damage** to the **buildings**
- b undamaged portions of the **buildings**.

Excluding

- 1 the cost incurred in complying with the stipulations
 - a for damage occurring prior to the granting of this cover
 - b for damage not insured by this section
 - c where **you** have been served notice prior to the damage happening
 - d where there is an existing requirement which has to be implemented within a given period
 - e for **buildings** entirely undamaged by any insured event
- 2 the additional cost that would have been required to make good the damaged **buildings** to a condition the same as when new, had the need to comply with the stipulations not arisen
- 3 the amount of any charge or assessment arising out of capital appreciation which may be payable for the **buildings** or by the owner to comply with the stipulations.

Special conditions applicable to European Community and public authorities cover

- 1 Reinstatement work must be started and carried out without unreasonable delay and must be completed within 12 months after the **damage** or any further time that **we** agree (during those 12 months).
- 2 Reinstatement may be carried out on another site (if the stipulations require) subject to **our** liability under this extension not being increased.

- 3 If **our** liability under this section is reduced by the application of any of the terms and conditions of the **policy**, then **our** liability for European Community and public authorities cover will be reduced proportionately.
- 4 The total amount recoverable for any **buildings** will not exceed its sum insured.

Eviction of squatters expenses cover

We will cover **you** for legal expenses that **you** incur in pursuit of proceedings to evict squatters from any of the **premises** or parts of them with **our** prior written consent.

The most **we** will pay **you** for this cover is £15,000 any one loss.

Expediting costs cover

We will cover **you** for the costs and expenses that **you** incur with **our** written consent for temporary repairs to the **buildings** in order to keep **your buildings** secured.

The most **we** will pay for this cover is £10,000 for any one **building** during any one **period of insurance**.

Explosion of steam pressure plant cover

We will cover **damage** to **buildings** with a **declared value** in excess of £1,000,000 resulting from the bursting of any boiler or other plant which belongs to or is under **your** control and in which internal pressure is due to steam only and which is not caused by any boiler or gas used for domestic purposes.

Provided that

- 1 **our** liability will not exceed £1,000,000 any one claim in excess of the first £1,000,000 any one claim
- 2 a separate Engineering insurance policy is in force for the first £1,000,000 of each and every claim
- 3 the plant is regularly inspected by an independent competent engineer in accordance with statutory requirements.

The Steam pressure exclusion under 'What is not covered' does not apply for this cover.

Extinguishment and alarm resetting expenses cover

We will cover **you** for the cost of replacing and/or replenishing extinguishment materials when **you**, **your** employees or the fire brigade attempt to extinguish or minimise loss by fire. Provided that the costs and expenses cannot be recovered from the public authority responsible.

Falling aerials cover

We will cover **you** for **damage** to the **buildings** arising from breakage or collapse of television and radio receiving aerials (including satellite dishes) fittings and masts.

Fly tipping cover

We will cover **you** for the costs that **you** necessarily and reasonably incur in clearing and removing any property illegally deposited in or around the **buildings**.

You will be responsible for the first £1,000 of each and every claim.

The most **we** will pay for this cover is £5,000 for any one claim and £30,000 during any one **period of insurance**.

Frustrated legal costs cover

If the sale of any **buildings** is cancelled solely as a result of **damage** then **we** will cover **you** for the actual loss sustained by **you** for legal costs and expenses incurred or subsequently incurred solely as a result of the cancellation of the sale as a result of the **damage**.

The most **we** will pay for this cover is £25,000 during any one **period of insurance**.

Further investigation expenses cover

Where a **building** has suffered **damage** and in the opinion of a competent construction professional there is a reasonable possibility of other **damage** to portions of the same **building** which is not immediately apparent, **we** will cover the reasonable costs incurred by **you** with **our** written consent in establishing whether or not such **damage** has occurred.

We will also cover the reasonable costs incurred by **you** with **our** written consent in establishing whether or not other surrounding **buildings** have suffered **damage** in the same incident but only if those **buildings** are subsequently found to have suffered **damage** for which **we** are responsible.

Glass breakage cover

We will, at **our** option, pay for or make good any breakage or malicious scratching of all internal or external fixed glass, belonging to **you** or for which **you** are responsible at the **premises**. Provided that the glass is in good condition and free from **damage** at the start of this **policy**.

We will also pay for the cost of

- 1 boarding up and repair to associated framework, reasonably incurred as a result of an insured breakage. **You** may instruct builders or glaziers to board up where necessary without **our** prior consent
- 2 removal or replacement of fixtures and fittings which may be necessary in connection with the replacement of the glass.

Hire agreement cover

It is agreed that at **your** request the interest of owners of hired in equipment are noted. **You** must provide **us** with the names, nature and extent of such interests at the time of the **damage**.

Illegal cultivation of drugs cover

We will cover **you** for the clean up costs and remedial works from the use of the **premises** for the manufacture, cultivation, harvesting or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971).

Provided that **you**

- 1 carry out internal and external inspections of the **buildings** at least every 3 months or as frequently as is permitted under the tenancy agreement and
 - a maintain a log of those inspections and retain that log for at least 24 months
 - b carry out a 6 monthly management check of the inspections log

Section 1 – Buildings continued

- 2 obtain and record a written formal identification of any prospective tenant
- 3 obtain and retain a written employers reference for any new tenant
- 4 obtain and record details of **your** tenant's bank account and verify those details by receiving at least one payment from that account
- 5 advise **your** tenant, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in items **2**, **3** and **4** above for all lettings that they arrange.

If **you** do not comply with the above **you** will not receive payment in respect of a claim.

Inflation protection cover

We will adjust the **declared value** for **buildings** in line with suitable indices of cost and the renewal premium for this section will be based on the adjusted sums insured.

Insurance premiums cover

We will cover **you** for the costs of any additional insurance premiums incurred solely as a result of **damage**.

The most **we** will pay for this cover is £10,000 during any one **period of insurance**.

Involuntary betterment cover

In the event that new property of like kind and quality is not available, new property which is as similar as possible to that which is **damaged** and is capable of performing the same function, will be deemed to be new property of like kind and quality and in no event will this be considered as a betterment to **you**.

In the event of replacement with new property **we** will pay the cost of purchasing and installing technologically current equipment which is needed due to incompatibility between

- 1 new equipment installed to replace the **damaged** equipment
and
- 2 non **damaged** existing equipment at the same or an interdependent location

provided that

- a the **damage** is covered by this section
- b **we** will only pay the amount sufficient to enable **you** to resume operations in substantially the same manner as before the **damage**.

We will pay the difference between

- i the highest sales value of the non **damaged** existing equipment at the same or interdependent location and
- ii the installed cost of the technologically current equipment.

The most **we** will pay for this cover is £500,000 any one claim.

For the purpose of the application of any **excess** the **damage** and the necessity to replace incompatible equipment shall be regarded as one occurrence.

Landscaped gardens cover

We will cover **you** for the costs that **you** incur in restoring any **damage** to landscaped gardens including trees at the **premises** as a result of **damage** covered by this section.

Landscaped gardens (emergency services) cover

We will cover **you** for the cost of restoring any **damage** caused by the emergency services to landscaped gardens, which **you** are responsible for, when the emergency services are attending the **premises** as a result of **damage**.

Liability under Landlord and Tenants Covenants Act 1995 (Privity of Contract) cover

The cover provided under this section is on a claims made basis.

All costs and expenses incurred with **our** prior written approval are included within the limits of liability stated in part **3** of this cover.

- 1 **We** will cover **you** for legal liability as a former landlord or tenant to any current landlord or tenant to provide cover to repair or reinstate **damage** to premises which

Section 1 – Buildings continued

- a** arises from a breach by any current landlord or tenant of their obligations under a lease to provide cover to repair or reinstate **damage** covered under this section to any **assigned premises** where **you** have also breached those obligations
- and
- b** arises out of any claim which is first made in writing to **you** during any **period of insurance** and notified to **us**
- i** during
- or
- ii** within 30 days after expiry of the same **period of insurance**.
- 2** **We** will cover **you** for **your** legal liability for claimant's costs and expenses in connection with **1** above.
- 3** **We** will cover **you** for
- a** the costs of legal representation at court proceedings arising out of any occurrence specified in **1** above, which may be the subject of indemnity under this cover incurred with **our** written consent
- b** 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 **our** written consent
- provided that
- i** **our** liability any one claim for buildings and rental income will not exceed £2,000,000 in the aggregate any one **period of insurance**
- ii** in no circumstances will **our** liability exceed the lesser of
- 1** the difference between
- a** the amount payable under the 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 provided for by this **policy**
- except in cases which fall within **2a** and **2b** below, the difference between
- 2** **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 amount payable by the **alternative basis of settlement** under this **policy**
- if at the date of the claim the **assigned premises** is intended for renovation, refurbishment or redevelopment
- c** in either of **1a**, **1b**, **2a** or **2b** above **our** rateable portion of the **damage** calculated according to the number of people (whether insured or not) who have at any time held or who hold the reversion of the lease of the **assigned premises**
- 3** **you** 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.
- ### Loss minimisation and prevention expenditure cover
- We** will pay the costs and expenses necessarily and reasonably incurred by **you** or on **your** behalf to
- 1** prevent or minimise further **damage** at the **premises**
- 2** prevent **damage** threatened by the illegal deposit of combustible property in on or around the **premises**.
- Provided that these costs are
- a** as a direct result of or directly related to the **damage** or threatened **damage**
- b** not more specifically insured under this or any other policy, bond, indemnity security or other legally binding contract
- c** incurred with **our** consent for any amount greater than £2,500 any one loss.

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Provided that

- i** **you** will be responsible for the first 10% of all costs payable or £350 whichever is the greater
- ii** the most **we** will pay for this cover is £25,000 in any one **period of insurance**.

Loss of investment value cover

If any **building** awaiting sale suffers **damage** and the sale is delayed because of the **damage** and the price achieved is less than would have been achieved had the sale of the **building** not been delayed, **we** will cover **you** for loss of investment value following delay in sale as a result of **damage**. Provided that the loss was specifically due to **damage** and not due to a general decline in investment values.

You will have to substantiate the amount **you** are claiming for and this will need to be agreed by **us**. **We** will take into consideration any amounts already recovered for **damage** covered under this section or from any other policy.

Provided that

- 1** if at the time of **damage you** have entered into a contract to sell **your** interest in the **buildings** or have accepted an offer in writing and the sale has not been completed, solely as a result of **damage**
- 2** the most **we** will pay for this cover is £500,000 for any one claim in addition to the agreed sum insured for the **buildings**.

Loss of market value cover

We agree that

- 1** if **you** elect not to repair or rebuild the **buildings**, **we** will pay **you** the reduction in the market value of the **buildings** immediately following the **damage** but not exceeding the amount which would have been payable had the **buildings** been repaired or rebuilt
- 2** if as a result of **damage you** are required to rebuild or reinstate the **buildings** in a manner different from that immediately before the **damage** solely to comply with

the Stipulations (as defined in the European Community and public authorities cover) and as a result there is reduction in market value of the **buildings we** agree to pay

- a** the cost of repairing or reinstating the **buildings**
- b** a cash settlement representing the reduction in market value

so that the total payment made is no greater than the amount that would have been payable had the **buildings** been repaired or reinstated in an identical manner to their condition immediately before the **damage**.

Provided that the total amount recoverable under any item of the **policy** will not exceed its sum insured.

Mortgagees and other interests cover

The interest of the leaseholder(s), mortgagee(s) and tenant(s) in the individual portions of the **buildings** is noted and should be advised to **us** in the event of a claim.

In addition, **your** interest or the interest of the mortgagee(s) under this insurance will not be prejudiced by any act or neglect of the occupiers or mortgagors of any **buildings** where the risk of **damage** is increased without **your** or the mortgagees authority or knowledge. Provided that once **you** or the mortgagees are aware of the increased risk, **you** must give **us** written notice as soon as possible and pay any additional premium that **we** may require.

Munitions of war cover

The War risks exclusion will not apply to **damage** to **buildings** from or occasioned by the detonation of munitions of war or parts thereof in or within five miles of the **premises**, provided that the presence of such munitions does not result from a state of war current at the time of **damage**.

Section 1 – Buildings continued

Non-invalidation cover

The cover provided by this section will not be invalidated by any act or omission or an alteration where the risk of **damage** is increased unknown to **you** and beyond **your** control, provided that when **you** become aware of it, **you** tell **us** immediately and pay any necessary additional premium and comply with any additional terms agreed with **us**.

Obsolete building materials cover

We will cover **you** for the reasonable additional costs that **you** incur in the replacement of **damaged buildings** where more modern materials are used, provided that the original materials used at the time of installation were appropriate for the type of building considering other materials available at that time.

The replacement **buildings** will not be regarded as being better or more extensive than when new, provided that **our** liability does not exceed 10% of the relevant **declared value** of the **buildings** for the additional costs.

Personal possessions cover

We will cover **you** for **damage** to any of **your** directors, partners, customers, visitors and **employed persons** personal effects (other than motor vehicles) provided that they are not insured elsewhere.

The most **we** will pay for this cover is £500 any one person.

Public relations expenses cover

We will cover reasonable costs incurred by **you** if as a result of **damage** to any **building you** need to employ suitable public relations personnel to deal with press and public announcements or other necessary activities.

The most **we** will pay for this cover is £2,500 for any one claim and £10,000 during any one **period of insurance**.

Reinstatement of sum insured after loss cover

In the event of loss, the sum insured by this section will be automatically reinstated from the date of the loss, unless **we** or **you** give written notice to the contrary.

Provided that in the event of reinstatement **you** will always

- 1 pay the necessary premiums that may be required for the reinstatement, from the date of reinstatement
- 2 complete/include any additional risk improvements which **we** may reasonably require.

Reinstatement to match cover

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

Provided always that **our** liability will in no case exceed 10% of the **declared value** any one occurrence or the amount that would have been payable had the suite, common design or function been wholly destroyed, whichever is the less.

Removal of debris cover

We will cover **you** for the costs and expenses necessarily incurred by **you** with **our** consent in

- 1 removing debris from
- 2 dismantling and/or demolishing
- 3 shoring up or propping

the portion or portions of the **buildings** as a result of **damage**. **We** will not pay for costs or expenses

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

Removal of debris (tenants contents) cover

We will cover **you** for the irrecoverable costs and expenses (where they are not insured elsewhere) incurred by **you** with **our** consent to remove the debris of tenants contents following **damage**.

Section 1 – Buildings continued

We will not cover costs or expenses

- 1** incurred in removing debris except from the site of the **damaged buildings** and the area immediately adjacent to the site
- 2** arising from pollution or contamination of other property not insured by this section.

Removal of nests cover

We will cover **you** for the cost of removing wasps, bees or hornets nests from the **buildings**.

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

Removal of vermin cover

We will cover the reasonable costs incurred by **you** where **you** are required by a local authority or similar body to have **vermin** removed from any **building**.

The most **we** will pay for this cover is £5,000 for any one claim and £25,000 during any one **period of insurance**.

Seventy two hour cover

We will cover **you** for **damage** within 72 consecutive hours caused by earthquake, storm or **flood** as one claim, provided the perils are covered by this section.

You can decide when the 72 hour period starts as covered by this section, provided that all **damage** occurs within the **period of insurance**.

Sprinkler upgrade costs cover

We will cover **you** for the additional costs incurred following **damage** to the **buildings** to upgrade an automatic sprinkler installation within **your buildings** in order to meet current Loss Prevention Council (LPC) rules.

Provided that at the date of the **damage** the installation conforms to the LPC rules current at the date of installation and that the system has a complete service record up to the date of the **damage**.

Subrogation waiver cover

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

- 1** any company standing in relation of parent to subsidiary (or subsidiary to parent) to **you**
- 2** any company which is a subsidiary of a parent company of which **you** are a subsidiary

in each case as defined by current law at the time of the **damage**

- 3** any tenant provided that
 - a** the **damage** did not result from a criminal, fraudulent or malicious act of the tenant
 - b** the tenant contributes to the cost of insuring the **buildings** against the event which caused the **damage**.

Temporary removal cover

We will cover **you** for the temporary removal of

- 1** property insured covered by this section for cleaning, renovation or repair
 - 2** deeds, documents and plans
- to any building within the **policy territories**.

The most **we** will pay for this cover for any one claim under each of **1** and **2** is £50,000.

Theft of building fabric cover

We will cover **you** for

- 1** **damage** to the external fabric of the **buildings** as a result of theft or attempted theft
- 2** **damage** following entry of rainwater as a result of theft or attempted theft of the external fabric of the **buildings**.

Provided that **you** will be responsible for the first £350 for each and every loss after the application of any condition of average.

This cover does not apply to any **buildings** which are **empty**.

Theft of keys cover

We will cover **you** for the cost of replacing external door locks or resetting digital locks after the loss of keys due to

- 1** theft from the **buildings**, registered office or from **your** home
- 2** theft following hold-up when the keys are in the personal custody of **you** or any principal, director, partner or **employed person** authorised to hold such keys
- 3** reasonable evidence that the keys have been duplicated by an unauthorised person.

The most **we** will pay for this cover for any one **premises** any one **period of insurance** is £5,000.

Trace and access cover

We will cover **you** for the reasonable costs that **you** incur in finding the source of **damage** and repairing it, caused by

- 1** the escape of water from any tank, apparatus or pipe
- 2** **damage** to cables, underground pipes and drains providing services to the **premises** and for which **you** are legally responsible.

Transfer of interest cover

If at the time of **damage** **you** have entered into a contract to sell **your** interest in the **buildings** and the sale has not but is subsequently completed, the purchaser will have the full protection of this section on exchange of contracts, provided it is not covered by any other insurance.

Tree felling or lopping cover

We will cover **you** for the cost of felling or lopping trees at the **premises** which are immediate threats to the safety of life or property as a result of **damage**.

The most **we** will pay for this cover is £500 for any one claim and £5,000 during any one **period of insurance**.

Tree removal cover

We will cover the reasonable costs and expenses necessarily incurred in removing fallen trees and branches from the **premises** resulting from **damage**.

The most **we** will pay for this cover is £500 for any one claim and £5,000 during any one **period of insurance**.

Unauthorised use of electricity, gas, oil and water cover

We will cover **you** for the charges that **you** are responsible for if gas, electricity, oil or water is discharged from a metered system, arising from unauthorised use by people taking possession, keeping possession or occupying **buildings** without **your** authority. Provided that **you** take all reasonable steps to terminate the unauthorised use as soon as it is discovered.

Undamaged portions of buildings cover

We will cover **you** for the costs and expenses necessarily incurred by **you** with **our** prior consent in replacing or modifying non **damaged** portions of the **buildings**.

Providing it is necessary to make those alterations and they are in keeping with the repairs, restoration or replacement of the **damaged** portion of the **buildings**.

The most **we** will pay **you** for this cover for the undamaged portions of the **buildings** (other than foundations) is 20% of the total cost of rebuilding had the **damaged buildings** been totally destroyed.

Value added tax (VAT) cover

We will cover **you** for VAT, paid by **you**, which is not recoverable.

Provided that

- 1 a** **your** liability for the tax arises as a result of the reinstatement or repair of the **buildings** following **damage**
- b** **we** have paid or have agreed to pay for the **damage**
- c** if any payment made by **us** is less than the actual cost of the reinstatement or repair of the **damage**, then any payment under

Section 1 – Buildings continued

this cover, resulting from that **damage**, will be reduced by the same proportion

- 2** **your** liability for VAT does not arise from the replacement **buildings** having a greater floor area, or being better or more extensive than the **damaged buildings**
- 3** where the **building** is reinstated on another site **our** liability will not be higher than the amount of VAT that would have been payable had the **buildings** been rebuilt on its original site
- 4** **our** liability does not include amounts **you** have paid as penalties or interest for non payment or late payment of VAT
- 5** **you** have taken all reasonable precautions to insure adequately for VAT liability at the start of this **policy** and at each subsequent renewal date.

For the purpose of any condition of average, reinstatement costs will be exclusive of VAT.

Our liability may be more than the sum insured for a **building** where the additional amount is solely as a result of VAT.

x What is not covered

Aircraft or aerial devices exclusion

We will not cover **you** for damage caused by or occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds but **we** will cover subsequent **damage** which itself results from a cause covered by this section.

Brittle articles exclusion

We will not cover **you** for damage to glass (other than fixed glass) china, earthenware, marble, curiosities, works of art or other fragile or brittle objects other than **damage** caused by a **defined peril** which is covered by this section.

Collapse exclusion

We will not cover **you** for damage to the **building** or structure caused by its own collapse or cracking other than for **damage** caused by a **defined peril** which is covered by this section.

Collusion exclusion

We will not cover **you** for damage by theft or attempted theft caused by or in conjunction with **you** or any of **your** partners, directors or **employed persons** or any member of **your** family or any other person lawfully at the **premises**.

Date recognition exclusion

We will not cover **you** for damage directly or indirectly caused by, contributed to or arising from the failure of equipment (including hardware and software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date. But **we** will cover subsequent **damage** which results from a **defined peril** covered by this section.

Electronic risks exclusion

We will not cover **you** for any losses directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

- 1** the alteration, modification, distortion, corruption of or damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software); or
- 2** any alteration modification distortion erasure, corruption of data processed by any such computer or other equipment or component or system or item

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

We will cover subsequent **damage** which is covered by this section, which itself results from a **defined peril** covered by this section, except for damage caused by malicious persons other than thieves.

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Excess exclusion

We will not cover **you** for the amount shown below for each and every loss at each **premises** after the application of all other terms and conditions of the **policy** including any condition of average:

- 1 damage** by fire, lightning, explosion, aircraft, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or earthquake £Nil
- 2 flood** £350
- 3 all other damage** £350.

Faulty or defective workmanship exclusion

We will not cover **you** for damage caused by or consisting of faulty or defective workmanship, operational error or omission by **you**, any **employed persons** or anyone on **your** behalf, other than for **damage** caused by a **defined peril** which is covered by this section.

Fraud and dishonesty exclusion

We will not cover damage which results from acts of fraud or dishonesty by **you**, **employed persons** or any other person who is responsible for the **buildings** or results from voluntarily parting with title or possession of any **buildings** as a result of a fraudulent scheme, trick, device or false claim. But **we** will cover subsequent **damage** which results from a **defined peril** covered by this section.

Miscellaneous damage exclusion

We will not cover **you** for damage caused by or consisting of

- 1** corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, **vermin** or insects
- 2** change in temperature, colour, flavour, texture or finish
- 3** 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
- 4** mechanical or electrical breakdown or derangement for the particular machine, apparatus or equipment where the breakdown or derangement originates

other than for **damage** caused by a **defined peril** which is covered by this section.

More specific insurance exclusion

We will not cover **you** for any **buildings** more specifically insured by **you** or on **your** behalf.

Other property exclusion

We will not cover **you** for damage to

- 1** property or structures in course of construction or erection and materials or supplies in connection with all such property
- 2** land, piers, jetties, bridges, culverts and excavations
- 3** trees or growing crops
- 4** pitch fibre pipes

unless specifically covered by this section.

Pollution or contamination exclusion

We will not cover **you** for any damage caused by pollution or contamination unless the **damage** is caused by

- 1** pollution or contamination which itself results from a **defined peril** provided that peril is covered by this section
- 2** any **defined peril** provided that peril is covered by this section, which itself results from pollution or contamination.

Property in the open exclusion

We will not cover **you** for damage to fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, **flood**, dust or theft.

Radioactive contamination exclusion

We will not cover damage, or any other loss or expense resulting or arising from **damage** to any **buildings**, or any consequential loss directly or indirectly caused by or contributed to by or arising from

- 1** ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 2** the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of that assembly.

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Steam pressure exclusion

We will not cover **you** for damage caused by or consisting of the bursting by steam pressure of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus where internal pressure is due to steam only belonging to **you** or under **your** control.

But **we** will cover subsequent **damage** which results from a cause covered by this section.

Subsidence exclusion

We will not cover **you** for damage caused by or resulting from

- 1 subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- 2 coastal or river erosion
- 3 normal settlement or bedding down of new structures.

This exclusion does not apply if Special clause 1 Subsidence cover is shown as covered in **your** schedule.

Terrorism and Northern Ireland exclusion

We will not cover **you** for loss, damage, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with

- 1 for England, Scotland, Wales, the Channel Islands and the Isle of Man
 - a any act of **terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - b any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**
- 2 for Northern Ireland
 - a any act of **terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - b any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**

- c riot, civil commotion and (except for **damage** or interruption to the **business** caused by fire or explosion) strikers, locked-out workers or persons taking part in labour disturbances or malicious persons.

If any of the points above are found to be invalid or unenforceable, the remainder shall remain in full force and effect.

In any action, lawsuit or other proceedings or where **we** state that any loss, damage, cost or expense is not covered by this section it will be **your** responsibility to prove that they are covered.

Unexplained loss exclusion

We will not cover **you** for damage caused by or consisting of disappearance, unexplained or inventory shortage, misfiling or misplacing of information.

War risks exclusion

We will not cover any claims caused by or happening through war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, civil rebellion, warlike operations, revolution, insurrection or military or usurped power, confiscation, nationalisation, requisition, seizure or destruction or damage to property by or under the order of any government or public or local authority.

Wear and tear, deterioration exclusion

We will not cover **you** for damage caused by or consisting of inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level or its own faulty or defective design or materials. But **we** will cover subsequent **damage** which itself results from a **defined peril** covered by this section.

Section conditions

These conditions of cover apply only to this section. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Change in tenancy condition

You must tell **us** of all changes in tenancy or occupation within the **buildings**.

If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

Construction of buildings condition

Unless otherwise stated the **buildings** described in **your** schedule must be of **standard construction**.

Contribution and average condition

If, at the time of the claim, there is any other policy covering the same **buildings**, **we** will only be responsible for **our** proportionate share.

If any other policy is subject to any average (under insurance) condition this **policy**, if not already subject to average, will be subject to average in the same way as the other insurance.

If any other policy has a condition that prevents it from paying its share, **our** share of the claim will be limited to the proportion that the sum insured bears to the value of the **buildings** insured.

Empty properties condition

1 **You** must tell **us** immediately **you** become aware

- a** that the **building** is **empty**
- b** of any damage to the **empty building** whether the damage is insured or not.

- 2** **You** must ensure that the **building** is inspected internally and externally at least once a week by **you** or on **your** behalf and a written record of the inspection must be maintained by **you**.
- 3** **You** must ensure that all refuse, waste materials and any combustible residual tenants contents be removed from the interior of the **building** and no accumulation of refuse and waste is allowed in the adjoining yards or space owned by **you**.
- 4** **You** must secure the **building** and put all protective, locking devices and any alarm protection into effective operation.
- 5** **You** must ensure that the gas and electricity supplies are turned off at the mains (except electricity needed to maintain any fire or intruder alarm systems).
- 6** Any **empty building** or **empty** portion of the **building** must have all water supplies including sprinkler systems drained and isolated from the mains.
- 7** **You** must implement any additional protections that **we** may require within the time scale **we** specify.
- 8** All damage to the **building** must be rectified immediately.
- 9** Letterboxes must be sealed.
- 10** The final exit door of the **building** must be secured by an appropriate mortice deadlock which has five or more levers and conforms to British Standard (BS) 3621 or European Norm (EN) 1303 together with a matching metal box striking plate, installed in accordance with the manufacturers recommendations.

If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

Explosion condition

You must ensure that any vessel, machinery or apparatus or its contents belonging to **you** or under **your** control, which need examination to comply with any statutory regulations, will have a contract providing the required inspection.

If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

Section 1 – Buildings *continued*

Fire extinguishing appliances condition

Fire extinguishing equipment must be

- 1** maintained in efficient working order. Any proposed changes, repairs or alterations to any sprinkler or alarm system must be agreed with **us**
- 2** routinely tested and any defects promptly rectified.

If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

Flat roof condition

Any flat portions of the roof of the **buildings** are to be inspected once every two years by a competent roofing contractor and any recommendations implemented.

If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

Payments on account condition

In the event of **damage we** can, at **our** option, make monthly payments to **you** if required.

Reinstatement condition

If any **building** is to be reinstated or replaced by **us**, then **you** will at **your** own expense provide all the plans, documents, books and information that may be needed. **We** will not be required to reinstate the **building** exactly but only as circumstances permit and in a reasonable manner. **We** will not pay more than the sum insured for any one **building**.

Workmen's condition

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

Section 2 – Rental income

Contents of this section

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Your schedule will show if this section is covered.

Meanings of defined terms

You can find the meanings for words in bold blue on page 5. There are some words that may only appear in this section or are defined differently and their meanings are shown here.

Notes

- 1 For the purpose of these definitions any adjustments implemented in current cost accounting will be disregarded.
- 2 To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section will be exclusive of such tax.
- 3 Adjustments will be made as necessary for trends of the **business** and for variations and other circumstances affecting the **business**, either before or after the **damage**, or which would have affected the **business** had the **damage** not occurred so that the adjusted figure represents as closely as possible the results which would have been obtained during the relative period after the **damage**.

Annual rental income

The **rental income** during the 12 months immediately before the date of the **damage**.

Damage/damaged

Accidental loss or destruction or damage to **premises** used by **you** for the purpose of the **business**.

Indemnity period

The period during which the **business** is affected beginning when the **damage** occurred and ending not later than the maximum indemnity period shown in **your** schedule.

Standard rental income

The **rental income** during the period in the 12 months (or a proportionately increased multiple, if the **indemnity period** exceeds 12 months) immediately before the date of the **damage** which corresponds with the **indemnity period**.

✓ What is covered

Loss of rental income cover

We will cover **you** for loss of **rental income** if the **premises** covered under Section 1 – Buildings is **damaged** during the **period of insurance** and as a result **your business** is interrupted or interfered with.

We will pay **you**

- 1 the difference between **your rental income** and the **standard rental income** during the **indemnity period** due to the **damage**
- 2 additional expenditure necessarily and reasonably incurred. This will include the cost of re letting the **premises** and the associated legal fees in trying to avoid or limit the loss of **rental income** that, without the expenditure, would have taken place during the **indemnity period** because of the **damage**. The amount **we** pay will not exceed the amount of the loss of **rental income** avoided plus 5% of the sum insured for **rental income** for the **premises**

less any **business** expense saved because of the **damage** during the **indemnity period**.

Provided that

- 1 **we** have made a payment or accepted liability under Section 1 – Buildings of this **policy**
- 2 if the sum insured detailed in **your** schedule is less than **your annual rental income**, or a multiple of it where the maximum indemnity period shown in **your** schedule exceeds 12 months, then the amount **we** will pay **you** will be proportionately reduced
- 3 **our** liability under this section will not exceed the sum insured shown in **your** schedule adjusted for any payment made under the Rent review cover.

Extensions of cover

Advance rental income cover

Where **rental income** is covered for new property developments or properties that are being redeveloped, **you** must show that **rental income** would have been earned had

the **damage** not occurred. **You** will need to support a claim for loss of **rental income** by submitting reasonable evidence of the amount of the **rental income** and the date from which it would have been earned.

We will consider

- 1 the actual negotiations with prospective tenants both before and after the **damage**
- 2 the demand for similar accommodation in the local area
- 3 the general level of rents applying.

If required, the advice of a professional valuer acceptable to both **you** and **us** will be sought and those fees will be included in the amount payable under this cover.

Alternative trading cover

If during the **indemnity period** accommodation is provided other than at the **premises**, for the benefit of the **business**, either by **you** or by others on **your** behalf, the money paid or payable for the accommodation will be taken into account in arriving at the **rental income** during the **indemnity period**.

Boiler explosion cover

We will cover **you** for loss of **rental income** caused by **damage** resulting from the explosion of any boiler or economiser at the **premises** belonging to **you** or under **your** control.

Bomb scare or unlawful occupation cover

We will cover **you** for interruption of or interference with the **business** due to

- 1 the suspected or actual presence of an incendiary or explosive device on or within 5 miles of **your premises**
- 2 the **premises** or other property within 5 miles being occupied by members of a terrorist or criminal organisation or other unlawful occupants.

But **we** will not cover

- a any incident involving interference or interruption with the **business** that is less than 48 hours

Section 2 – Rental income continued

- b** any period other than the actual period of prevention or hindrance of access to the **premises**
- c** eviction costs.

This cover will apply for a period of 3 months beginning with the occurrence of the loss, during which the results of **your business** are affected as a result of the interruption or interference.

Buildings awaiting sale cover

If at the time of the **damage you** have contracted to sell **your** interest in the **premises** or have accepted a written offer to purchase **your** interest in the **premises** subject to contract, and the sale is cancelled or delayed solely due to the **damage**, **we** will pay at **your** option

- 1** during the period before the date when the **premises** would have been sold the actual amount of the reduction in **rental income** solely as a result of the **damage**
- 2** during the period starting with the date when the **premises** would have been sold and ending with the actual date of sale, or when the **indemnity period** ends if earlier, the loss of interest which is
 - a** the interest incurred on capital borrowed (solely to offset, in whole or part, the loss of use of the sale proceeds) for the purpose of financing the **business**
 - b** the investment interest **you** have lost on any balance of the sale proceeds (after deduction of any capital borrowed in **2a** above)

less any amount received in **rental income** and

- 3** the additional expenditure being
 - a** the expenditure needed, and reasonably incurred as a result of the **damage**, solely to avoid or minimise the loss payable under **1** or **2** above, but not more than the amount of loss avoided by the expenditure
 - b** the additional legal fees and other expenditure required as a result of the cancellation or delay due to the

damage. This amount will not be more than the amount of the expenditure incurred immediately before the **damage** under **3a** above or £50,000, whichever is less.

Provided that

- 1** **we** have made a payment or accepted liability under Section 1 – Buildings of this **policy**
- 2** **you** have made all reasonable efforts to complete the sale of the **premises** as soon as possible after the **damage**.

Denial of access cover

We will cover **you** for loss of **rental income** resulting from interruption of or interference with the **business** caused by **damage** by a cause covered under Section 1 – Buildings to property within a 5 mile radius of **your premises** which prevents or hinders the use of **your premises**, or access to it, regardless of whether **your premises** is **damaged**. This does not include any damage to property from which **you** obtain electricity, gas, water or telecommunications services which prevent or hinder the supply of these services.

Failure of public supply cover

We will cover **you** for loss of **rental income** following interruption of or interference with the **business** caused by **damage** by a cause covered under Section 1 – Buildings to property at any

- 1** public electricity generating station or sub station
- 2** land based premises of the public gas supply or of any natural gas producer linked directly to them
- 3** water works and pumping stations of the public water supply
- 4** land based premises of the public telecommunications network

from which **you** obtain electricity, gas, water or telecommunications services within the **policy territories**.

Section 2 – Rental income continued

Loss of attraction cover

We will cover **you** for any loss that would be covered by this section if **we** insured the buildings under Section 1 resulting from interruption of or interference with the **business** as a result of **damage** to property in a five mile radius of the **premises** which deters any potential tenants whether **your premises** or property are **damaged** or not.

The most **we** will pay for this cover in any one **period of insurance** will not exceed £250,000.

Loss of investment income cover

If as a result of **damage we** are paying loss of **rental income** and the payment is made later than the date when **you** would normally have expected to receive the rent from the lessee, **we** will pay a further amount representing the investment interest **you** would have lost during the period of the delay.

Managing agents cover

We will cover **you** for loss of **rental income** resulting from interruption of or interference with the **business** as a result of **damage** by a cause covered under Section 1 – Buildings to property at **your** managing agents' premises.

Murder, suicide or disease cover

We will cover **you** for interruption of or interference with the **business** during the **period of insurance** following

- 1 the occurrence of any of the following specified human infectious or human contagious diseases suffered by any person at **your premises** or within a 25 mile radius of it
 - Acute Encephalitis
 - Acute Poliomyelitis
 - Anthrax
 - Chicken pox
 - Cholera
 - Diphtheria
 - Dysentery
 - Legionellosis

- Legionnaires Disease
- Leprosy
- Leptospirosis
- Malaria
- Measles
- Meningococcal Infection
- Mumps
- Ophthalmia Neonatorum
- Paratyphoid fever
- Plague
- Rabies
- Rubella
- Scarlet Fever
- Smallpox
- Tetanus
- Tuberculosis
- Typhoid Fever
- Viral Hepatitis
- Whooping Cough
- Yellow Fever

- 2 murder, suicide or rape at **your premises**
- 3 injury or illness sustained by any person arising from poisoning directly caused by the consumption of food or drink provided at **your premises**
- 4 **vermin** at **your premises** that prevents the use of the buildings by order of a public authority
- 5 the closing of the whole or part of **your premises** by order of a competent public authority as a result of a defect in the drains or other sanitary arrangements at **your premises**.

This cover will apply for a period of up to 3 months beginning with the occurrence of the loss, during which the results of the **business** are affected as a result of murder, suicide, rape, disease or **damage**.

Payment of rates cover

The cover for **rental income** also includes the costs of local authority rates on **empty premises** provided that those costs

Section 2 – Rental income continued

- 1 are incurred by **you** solely as a result of the lessee being able to determine or frustrate the lease following **damage** covered by this **policy**
- 2 are not payable for any portion or portions of the **premises** that were untenanted at the time of the **damage**, unless a tenancy agreement had been signed within three months of the date of **damage** and subsequently cancelled solely as a result of **damage** occurring.

We will not cover more than

- a £25,000 for any one loss
- b £50,000 in total for all losses occurring during any one **period of insurance**.

We will not cover any claim if the **premises** are unfit for occupation as a result of an act or omission by **you** (or someone acting on **your** behalf) which has resulted in a valuation officer reinstating the **premises** on the rating list.

Professional accountants cover

We will cover **you** for the reasonable charges that **you** have to pay

- 1 to professional accountants for producing the particulars or details or any other proofs, information or evidence that **we** may require under the Claims procedures condition and reporting that these particulars or details are in accordance with **your** accounting records, other **business** books or documents
- 2 to **your** lawyers for determining **your** contractual rights under any rent cessor clause or insurance break clause contained in the lease.

We will not cover fees for any other purposes or for the preparation of any claim.

Reinstatement of sum insured after loss cover

In the event of loss, the sum insured by this section will be automatically reinstated from the date of the loss, unless **we** or **you** give written notice to the contrary.

Provided that in the event of reinstatement **you** will always

- 1 pay the necessary premiums that may be required for the reinstatement, from the date of reinstatement
- 2 complete/include any additional risk improvements which **we** may reasonably require.

Relocation of tenants to own premises cover

If following **damage** **your** tenant is relocated to an **empty** building of **yours**, **your** claim for any loss of **rental income** in relation to that **damaged** building will not be reduced provided that the building used to relocate the tenants to is covered by Section 1 – Buildings of this **policy**.

Rent abatement (cessor clause) cover

If following **damage** **we** are paying **you** for loss of **rental income** and a pre-existing cessor clause in the lease enables a lessee to cease paying rent, which but for the **damage**, that lessee would normally pay, **we** will pay that rent as part of the loss.

We will not pay **you** beyond the date when the terms of the cessor clause in the lease determine that the lessee should begin to pay such rent again.

Rent free period cover

If at the time of **damage** any **premises** are subject to a rent free period under the terms of the lease, then the **indemnity period** stated in **your** schedule will be adjusted by adding the unexpired portion of the rent free period to the number of years shown in **your** schedule.

Provided that **our** liability does not exceed the sum insured or any limit of liability stated in **your policy** whichever, is the less.

Rent review cover

Where the **rental income** is subject to a rent review during the **period of insurance** then the sum insured by this section will automatically be increased to reflect the revised amount up to a maximum increase of 200% of the **rental income** sum insured stated in **your** schedule. **We** will not charge extra premium for increases

Section 2 – Rental income continued

during the current **period of insurance** provided that prior to renewal **you** tell **us** of the revised **rental income** for the next **period of insurance**.

Subrogation waiver cover

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

- 1 any company standing in relation of parent to subsidiary (or subsidiary to parent) to **you**
- 2 any company which is a subsidiary of a parent company of which **you** are a subsidiary

in each case as defined by current law at the time of the **damage**

- 3 any tenant provided that
 - a the **damage** did not result from a criminal, fraudulent or malicious act of the tenant
 - b the tenant contributes to the cost of insuring the **premises** against the event which caused the **damage**.

Transfer of interest cover

If at the time of **damage you** have entered into a contract to sell **your** interest in the **premises**, and the sale has not, but is subsequently completed, the purchaser will have the full protection of this section on exchange of contracts, provided it is not covered by any other insurance.

× What is not covered

Erasure of data exclusion

We will not cover **you** for any losses directly or indirectly caused by or arising from

- 1 erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances, civil commotion or malicious persons

- 2 other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **defined peril** covered by Section 1 – Buildings.

Public services exclusion

We will not cover loss of **rental income** resulting from damage caused by or resulting from the deliberate act of the supplier in withholding the supply of water, electricity, gas or fuel supply or telecommunication services.

But **we** will pay **you** for

- 1 **damage** which results from a **defined peril** covered under Section 1 – Buildings
- 2 subsequent **damage** which itself results from a cause not excluded elsewhere in the **policy**.

Section conditions

These conditions of cover apply only to this section. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Contribution and average condition

If, at the time of the claim, there is any other policy covering the same **rental income**, **we** will only be responsible for **our** proportionate share.

If any other policy is subject to any average (under insurance) condition, this **policy** if not already subject to average, will be subject to average in the same way as the other insurance.

If any other policy has a condition that prevents it from paying its share, **our** share of the claim will be limited to the proportion that the sum insured bears to the amount of **rental income** for the **indemnity period** shown on **your** schedule.

Section 2 – Rental income continued

Empty buildings cover condition

Where **you** are insured for **rental income** from a **premises** that is **empty**, in the event of **damage you** need to provide evidence of what **you** would have earned from **rental income** and the date from when **you** would have earned it.

We will take into account

- 1** negotiations with prospective tenants before and after the **damage**
- 2** demand for similar accommodation in the locality
- 3** the general level of rents.

If required the advice of a professional valuer acceptable to both **you** and **us** will be obtained and those fees will be included in the amount payable under this cover.

New business condition

For the purpose of any claims arising before the end of the first year of trading of the **business** at the **property**, the definitions for **annual rental income** and **standard rental income** will have the following meanings and not as previously stated.

Annual rental income

The proportional equivalent for a period of 12 months of the **rental income** earned during the period between the start of the **business** and the date of the **damage**.

Standard rental income

The proportional equivalent for a period equal to the **indemnity period** of the **rental income** earned during the period between the start of the **business** and the date of the **damage**.

Payments on account condition

In the event of **damage we** can, at **our** option, make monthly payments to **you** if required.

Value added tax (VAT) condition

Where **you** are responsible to the tax authorities for VAT all items in this section will be treated as excluding VAT.

Section 3 – Public liability

Contents of this section

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Your schedule will show if this section is covered.

Meanings of defined terms

You can find the meanings for words in bold blue on page 5. There are some words that may only appear in this section or are defined differently and their meanings are shown here.

Asbestos

Asbestos in any form, asbestos fibres or particles or derivatives of asbestos or any material containing asbestos.

Bodily injury

Death, bodily injury, illness or disease.

Claim costs

Costs and expenses

- 1** of any claimant which **you** become legally liable to pay
- 2** incurred with **our** prior written consent, to investigate or defend a claim against **you** including solicitors fees at
 - a** any coroner's inquest or fatal accident inquiry
 - b** summary court proceedings.

Clean up costs

Costs and expenses of remediation of environmental damage or environmental harm.

Electronic data

Facts, concepts or information in a form usable for communications, interpretation or processing by electronic or electro-mechanical data processing or electronically controlled equipment which includes programmes, software, firmware, operating systems or other coded instructions for the processing or manipulation of data.

Section 3 – Public liability *continued*

Employed person

- 1 Anyone under a contract of service or apprenticeship with **you**.
- 2 Anyone who is
 - a employed by **you** or on **your** behalf on a labour only basis
 - b self employed
 - c hired to **you** or borrowed by **you** from another employer
 - d a voluntary helper or taking part in a work experience or training scheme and under **your** control or supervision.

Enforcing authority

Any government or statutory authority, implementing or enforcing environmental protection legislation in the **policy territories**.

Event

Claim or series of claims against **you** as a result of or attributable to a single source or the same original, repeated or continuing cause.

Financial loss

Loss not accompanied by or as a result of **bodily injury, personal injury or property damage** that **you** have caused to anyone who has a lease agreement with **you** in connection with the **business** arising out of a defect or the unsuitability of the property let, or **your** failure or partial failure to let the property or provide the agreed services.

Manslaughter costs

Costs and expenses of legal representation in connection with any criminal inquiry into or court proceedings brought for manslaughter, corporate manslaughter, corporate homicide or culpable homicide.

Nuisance or trespass

Nuisance, trespass to land or trespass to goods, or interference with any easement.

Offshore

On or working from, or travelling by sea or air, to, from or between an offshore rig, platform or similar offshore installation.

Personal injury

Personal injury or infringement of a person's legal right other than

- 1 **bodily injury**
- 2 a right arising from title to, or an interest in property.

Pollutants

Any solid liquid or gaseous pollutant contaminant or irritant substance or any biological agent that is a danger to human health.

Principal

Employer who has engaged **you** to act on their behalf, under a contract for the performance of work by **you**, in connection with the **business**.

Property damage

Loss of or damage to property that **you** do not own or possess and is not in **your** custody or under **your** control.

Safety legislation costs

Costs and expenses of legal representation in connection with an alleged breach of statutory duty under Health and Safety, Consumer Protection or Food Safety legislation, enacted within the **policy territories**.

Sudden incident

Sudden identifiable unintended and unexpected incident that does not originate from a gradual, continuous or repetitive cause.

Terrorist act

Any act of a person or group directed towards the overthrowing or influencing of any government or putting any section of the public in fear by threat, force or violence or other means.

Section 3 – Public liability *continued*

✓ What is covered

We will cover the amount of damages which **you** are legally liable to pay in respect of

- 1 **bodily injury**
- 2 **personal injury**
- 3 **property damage**
- 4 **nuisance or trespass**

occurring during the **period of insurance** in connection with the **business**.

If legal liability to pay damages in respect of **property damage** or **nuisance or trespass** arises from a release or escape of **pollutants** into the atmosphere or onto land, water, buildings or any structure, the cover will only apply to a **sudden incident** which happens at a specific time and place during the **period of insurance** within the **policy territories** and all **property damage** or **nuisance or trespass** will be considered as having occurred at the time of the **sudden incident**.

Claims costs cover

We will cover **claim costs** in connection with a claim for which an award of damages or **clean up costs** is paid or may be payable under this section, but **we** will not pay **claim costs** for any part of a claim not covered by this section.

Compensation for court attendance cover

We will compensate **you** at the rate of £500 per day, for each day that **we** request any director, partner or **employed person** to attend court as a witness in connection with a claim, for which an award of damages is paid or may be payable under this section.

Contingent motor liabilities cover

We will cover the amount of damages which **you** are legally liable to pay and **claim costs** in respect of accidental

- 1 **bodily injury**
- 2 **property damage**

occurring during the **period of insurance** and arising out of

- a the use by an **employed person** of their own motor vehicle within the European Union in connection with the **business**
- b the movement of any motor vehicle, not owned by, or provided by **you**, or an **employed person** that is preventing access to, or causing an obstruction at **your premises**

and the Road Traffic Act exclusion in this section will not apply to that liability.

We will not pay

- 1 for loss of or damage to any motor vehicle referred to in **a** or **b** above
- 2 unless the motor vehicle is being driven with **your** permission and **you** have taken reasonable steps to ensure that the person driving holds a valid licence to drive the motor vehicle
- 3 where cover is provided by another insurance policy.

Cross liabilities cover

Any person, firm, company or organisation covered by this section, is entitled to the cover as if a separate **policy** had been issued to each and where **you** are a membership organisation, the cover will apply to each member as if a separate **policy** had been issued to each member.

However the amount payable by **us** in total, on behalf of all entitled to cover, shall not in any circumstances exceed the limit of indemnity shown in **your** schedule.

Data Protection cover

We will cover the amount of compensation which **you** are legally liable to pay in respect of **personal injury** occurring during the **period of insurance**, arising from holding personal data, or, as a result of any loss, misuse or unauthorised disclosure of personal data held by **you** in the course of the **business**.

We will only pay

- 1 amounts of compensation which **you** are ordered to pay, or which **you** might reasonably be expected to pay by a court having jurisdiction

Section 3 – Public liability *continued*

- 2 if **you** are registered or are in the process of registration (and the application has not been refused or withdrawn) under Data Protection legislation

within the **policy territories**.

We will not cover

- 1 fines or penalties imposed by a court
- 2 the costs of any appeal against the refusal of an application for registration or alteration, in connection with the Data Protection legislation or any enforcement, de-registration or prohibition notice
- 3 the cost of replacing, reinstating, rectifying or erasing any personal data
- 4 refund of monies paid to **you** by any claimant
- 5 compensation costs and expenses covered by any Legal Expenses insurance.

The maximum **we** will pay for compensation, costs and expenses in total, as a result of all occurrences during any one **period of insurance**, is £1,000,000.

Defective premises Act cover

We will cover the amount of damages which **you** are legally liable to pay in respect of accidental **bodily injury** or **property damage**, occurring during any one **period of insurance**, arising out of premises **you** have disposed of, but had previously owned in connection with the **business**.

We will not cover

- 1 loss of or damage to the land or premises disposed of or in connection with the cost of rectifying any defect or alleged defect in them
- 2 any liability for which **you** are covered under any other insurance policy.

Environmental clean up cover

We will cover the amount of **clean up costs** which **you** are legally liable to pay, under a notice or order imposed upon **you** by an **enforcing authority**, arising from a release or escape of **pollutants**, onto or into land, surface water or ground water.

The cover will only apply to a **sudden incident** which happens at a specific time and place during the **period of insurance** in connection with the **business**, within the **policy territories**.

The maximum **we** will pay for all **clean up costs**, as a result of one **sudden incident** or all such incidents happening during any one **period of insurance**, is £1,000,000.

Where a claim for damages arises in addition to **clean up costs** as a result of the same **sudden incident**, the maximum **we** will pay for the total amount of damages and **clean up costs** added together, will not exceed the public liability limit of indemnity shown in **your** schedule.

We will not cover any part of a claim for **clean up costs**

- 1 at, in or upon property that is or was, owned by **you**, or in **your** possession, or in **your** custody or under **your** control
- 2 to achieve an improvement or alteration in the condition of the land, or any surface or ground water beyond that
 - a necessary to meet the standards required by law at the start of remediation
 - b existing at the time of a **sudden incident** for which a claim is made under this section.

Financial loss liability property owner's cover

We will cover the amount of damages which **you** are legally liable to pay in respect of a claim first made against **you** during the **period of insurance** for **financial loss**, so long as **we** are notified during the same **period of insurance** or within seven days of expiry.

Any circumstances notified in accordance with the **policy** conditions where a claim is made against **you** after expiry of the **period of insurance**, will be considered as a claim first made against **you** during the **period of insurance** when **you** first told **us** of the circumstances.

We will not cover claims caused by or arising from circumstances known to **you**, or of which

Section 3 – Public liability *continued*

you should have been aware, prior to the start of this section of the **policy**.

The Cross liabilities cover does not apply.

The exclusions under the heading – What is not covered, of this section of the **policy** apply to this cover clause in so far as they can, together with the following exclusions.

We will not cover claims caused by or arising from

- 1** **your** liability under a contract or agreement that is greater than the liability **you** would have had in the absence of such agreement in respect of any
 - a** representation, promise, or express warranty or guarantee that property or services meet a tenant specification
 - b** express contractual penalty or acceptance of liquidated damages
 - c** restriction as to **your** rights of recovery from another party
- 2** any diminution in the value of property
- 3** the failure or partial failure of any managing agent to properly fulfil their obligations under any contract with **you**
- 4** breach of duty by **your** directors or officers or trustees
- 5** the holding of personal data or as a result of any loss, misuse or unauthorised disclosure of personal data held by **you** or on **your** behalf
- 6** pollution or contamination of the atmosphere, land or water or any buildings or structure or any environmental damage or harm
- 7** fines, penalties or awards of compensation imposed by a criminal court
- 8** any fraudulent or dishonest act or omission, inducing breach of contract or interfering with trade or **business**
- 9** trading losses or trading liabilities
- 10** financial default or insolvency.

The maximum **we** will pay for all damages and **claims costs** for all claims made against **you** during any one **period of insurance** is £250,000.

We will not pay for the first 10% of any damages or **claims costs** arising from one **event** subject to

- 1** a minimum amount of £2,500
- 2** a maximum amount of £10,000.

Libel and slander cover

We will cover the amount of damages which **you** are legally liable to pay in respect of a claim first made against **you** during the **period of insurance** for

- 1** libel in any written material produced
- 2** slanders expressed

by **you** in the course of the **business**, so long as **we** are notified during the same **period of insurance** or within seven days of expiry.

Any circumstances notified in accordance with the **policy** conditions where a claim is made against **you** after expiry of the **period of insurance**, will be considered as a claim first made against **you** during the **period of insurance** when **you** first told **us** of the circumstances.

We will not cover claims caused by or arising from circumstances known to **you**, or of which **you** should have been aware, prior to the start of this section of the **policy**.

The Defamation and discrimination exclusion in this section does not apply to claims made against **you** under the terms of this cover clause, but **we** will not cover any false statement made maliciously.

The maximum **we** will pay for all damages and claims costs as a result all occurrences during any one **period of insurance** is £250,000.

We will not pay for the first 10% of any damages or **claims costs** or £1,000 (whichever is the greater) arising from one **event**.

Manslaughter costs cover

We will cover **manslaughter costs** in respect of any death occurring during the **period of insurance**, in circumstances where there is also a claim or potential claim against **you** for damages covered by this section.

Section 3 – Public liability *continued*

You must obtain **our** prior consent to legal representation and **we** will only agree to payment on a fee basis agreed by **us**.

If a claim for damages is settled or is withdrawn **we** will have no further liability other than in respect of costs and expenses of legal representation incurred before the date of the claim payment or withdrawal of the claim.

If at any time a claim for damages remains unsettled and **you** wish to appeal against conviction, **we** will agree to costs and expenses of legal representation if, in the opinion of Counsel (appointed by mutual consent), such an appeal is more likely to succeed than not and the total amount of damages and claimants costs are likely to exceed the total cost of legal representation.

If **we** have consented to legal representation at court proceedings, **we** will also pay the legal costs of prosecution awarded against **you**, or any person entitled to cover under this section, in connection with the proceedings.

The maximum **we** will pay for **manslaughter costs** and costs awarded against **you**, or any person entitled to cover under this section, in total, as a result of all occurrences during any one **period of insurance**, is £1,000,000.

We will not pay

- 1** fines, penalties or awards of compensation imposed by a criminal court
- 2** costs and expenses of implementing any remedial order or publicity order
- 3** costs and expenses of an appeal against any fine, penalty, compensation award, remedial order or publicity order
- 4** costs and expenses incurred as a result of the failure to comply with any remedial order or publicity order
- 5** costs and expenses covered by any Legal Expenses insurance
- 6** costs and expenses of any investigation or prosecution brought other than under the laws of the **policy territories**.

Personal liability cover

If no other insurance is in force, at **your** request, the cover provided by this section will apply to the legal liability of

- 1** any director or **employed person** of **yours** whilst
 - a** performing their normal duties in connection with the **business**
 - b** work is being carried out on behalf of a director or officer by an **employed person** with **your** consent
 - c** acting in a personal capacity, during the course of a trip or journey arranged for the purpose of the **business**
- 2** the spouse, civil partner, domestic partner or any children accompanying a director or **employed person** in the course of a **business** trip or journey.

The cover provided by this section will also apply to **your** personal representative, or the personal representative of any other deceased person entitled to cover.

Principals liability cover

At **your** request, **we** will cover the legal liability of any **principal** arising from the performance of **your** work for the **principal**.

We will not provide cover beyond the requirements of **your** contract with the **principal**.

Property in your care cover

The cover provided by this section will apply to the vehicles or personal effects of **employed persons** or visitors while on **your premises** whether or not they are in **your** possession or custody or under **your** control at the time of the occurrence of loss or damage.

Safety legislation costs cover

We will cover **safety legislation costs** in respect of any **bodily injury** or **property damage** occurring during the **period of insurance**, in circumstances where there is also a claim or potential claim against **you** for damages covered by this section.

Section 3 – Public liability continued

You must obtain **our** prior consent to legal representation and **we** will only agree to payment on a fee basis agreed by **us**.

If a claim for damages is settled or is withdrawn **we** will have no further liability other than in respect of costs and expenses of legal representation incurred before the date of the claim payment or withdrawal of the claim.

If at any time a claim for damages remains unsettled and **you** wish to appeal against conviction, **we** will agree to costs and expenses of legal representation, if in the opinion of Counsel (appointed by mutual consent), that such appeal is more likely to succeed than not and the total amount of damages and claimants costs are likely to exceed the total cost of legal representation.

If **we** have consented to legal representation at court proceedings, **we** will also pay the legal costs of prosecution awarded against **you**, or any person entitled to cover under this section, in connection with the proceedings.

The maximum **we** will pay for **safety legislation costs** and costs awarded against **you**, or any person entitled to cover under this section, in total, as a result of all occurrences during any one **period of insurance**, is £1,000,000.

We will not pay

- 1 fines, penalties or awards of compensation imposed by a criminal court
- 2 costs and expenses of an appeal against improvement or prohibition notices
- 3 costs and expenses on indictment for manslaughter, corporate manslaughter, corporate homicide or culpable homicide, other than **safety legislation costs** already incurred
- 4 costs and expenses covered by any Legal Expenses insurance
- 5 costs and expenses of any investigation or prosecution brought other than under the laws of the **policy territories**.

Limit of indemnity

- 1 The public liability limit of indemnity shown in **your** schedule is the maximum amount **we** will pay for all damages arising from one **event**.

- 2 The public liability limit of indemnity is also the maximum amount **we** will pay for all damages as a result of all occurrences during any one **period of insurance** caused by or originating from release or escape of **pollutants**.
- 3 If **you** become legally liable for **bodily injury** or **personal injury** as a result of the growth of biological agents in water systems, water installations or cooling systems the maximum amount **we** will pay for all damages and **claims costs** as a result of all occurrences during any one **period of insurance** is £1,000,000.
- 4 The maximum amount **we** will pay for all damages as a result of all occurrences during any one **period of insurance**, arising directly or indirectly in connection with a **terrorist act** is £2,000,000.
- 5 If **we** cover more than one person, firm, company or organisation, the amount payable by **us** in total, on behalf of all entitled to cover, shall not in any circumstances exceed the limit of indemnity shown in **your** schedule.
- 6 **We** will pay **claim costs** in addition to the limit of indemnity applicable to the claim or claims, except if an action for damages is started or brought in the United States of America or Canada.
- 7 If an action for damages is started or brought in the United States of America or Canada, **we** will not pay more than the limit of indemnity shown in **your** schedule, for the total of all damages and **claim costs** arising from the action.
- 8 In respect of any claim or claims, **we** may at any time pay the limit of indemnity applicable, after deducting any amounts already paid, or any lesser amount for which a settlement can be made. **We** will not then be liable to make any further payment in respect of the claim or claims. If **we** have agreed to pay **claim costs** in addition to the limit of indemnity, **we** will pay the costs incurred before the date of the claim payment.

✗ What is not covered

Aircraft and watercraft exclusion

We will not cover claims caused by or arising from **you** owning, possessing or using any

- 1 type of aircraft or spacecraft
- 2 watercraft or hovercraft exceeding 8 metres in length that is ordinarily capable of movement by mechanical power and which is under **your** control.

Asbestos exclusion

We will not cover claims caused by or arising from

- 1 inhalation or ingestion of **asbestos**
- 2 exposure to or fear of the consequences of exposure to **asbestos**
- 3 the presence of **asbestos** in any property or on land
- 4 investigating, managing, removing, controlling or remediation of **asbestos**.

Contractual liability exclusion

We will not cover claims

- 1 where the terms of any contract or agreement made by **you**, prevent **us** from taking over the full defence or settlement of the claim
- 2 to pay liquidated damages, or any contractual fines or amounts payable under contractual penalty clauses.

Defamation and discrimination exclusion

We will not cover claims caused by or arising from

- 1 libel or slander except to the extent provided under - What is covered
- 2 false statement
- 3 discrimination of any kind.

Deliberate act exclusion

We will not cover claims

- 1 caused by or arising from any deliberate act, error or omission
 - a where the results are intended or expected, or are reasonably foreseeable by **you**
 - b by anyone other than **you**, so far as cover is requested for their own liability
- 2 for **clean up costs** in circumstances where **you** have knowingly
 - a deviated from any regulatory notice, order or protection ruling
 - b omitted to inspect, maintain or perform necessary repairs to plant or machinery for which **you** are responsible.

Electronic data exclusion

We will not cover claims caused by or arising from

- 1 authorised or unauthorised transmission of **electronic data**
- 2 the content of any website, **your** email, intranet or extranet
- 3 loss, distortion, erasure, corruption or alteration of **electronic data** or any loss of use resulting in reduction of functionality
- 4 failure of electronic, electromechanical data processing or electronically controlled equipment or **electronic data** to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

Employee injury exclusion

We will not cover claims for **bodily injury** sustained by any **employed persons** arising out of and in the course of their employment with **you**.

Employment dispute exclusion

We will not cover claims caused by or arising from a dispute with, or proceedings brought by, any person for

- 1 their existing, past or prospective contract of employment with **you**
- 2 a breach of employment related legislation.

Section 3 – Public liability *continued*

Intellectual property exclusion

We will not cover claims caused by or arising from passing off or infringement of trade name, registered design, unregistered design, copyright or patent right.

Overseas establishment exclusion

We will not cover claims caused by or arising from any associated or subsidiary company of **yours**, or any of **your** branch offices, or any representative of **yours** with power of attorney, registered, having premises or resident outside the **policy territories**.

Professional duty exclusion

We will not cover claims caused by or arising from any breach of professional duty in relation to advice, instruction, consultancy, design, formula, specification, inspection, survey, valuation, certification, testing or supervision undertaken or given for a fee.

Punitive damages exclusion

We will not cover claims to pay any award of punitive, exemplary or aggravated damages or additional damages resulting from the multiplication of compensatory damages, by a court of law outside the **policy territories**.

Radioactive contamination exclusion

We will not cover claims caused by or arising from any type of nuclear radiation, nuclear material, nuclear waste, nuclear reaction or radioactive contamination.

Road Traffic Act exclusion

We will not cover claims caused by or arising from the ownership, possession or use by **you** or on **your** behalf of any motor vehicle, trailer or mobile plant in circumstances where compulsory insurance or security is required by Road Traffic Legislation or where cover is provided (or would be provided but for breach of the terms of cover) by another insurance.

War risk exclusion

We will not cover claims caused by or arising from war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation or nationalisation or requisition, or loss of or damage to property by or under the order of any government or public or local authority.

Section conditions

These conditions of cover apply only to this section. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Legionella precautions condition

If **you** own or are responsible for water systems, water installations or cooling systems, a written risk assessment must be undertaken and controls put in place to prevent the growth of biological agents that may cause disease or illness.

If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

Section 4 – Employers’ liability

Contents of this section

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Your schedule will show if this section is covered.

Meanings of defined terms

You can find the meanings for words in bold blue on page 5. There are some words that may only appear in this section or are defined differently and their meanings are shown here.

Bodily injury

Death, bodily injury, illness or disease.

Claim costs

Costs and expenses

- 1 of any claimant which **you** become legally liable to pay
- 2 incurred with **our** prior written consent, to investigate or defend a claim against **you** including solicitors fees at
 - a any coroner’s inquest or fatal accident inquiry
 - b summary court proceedings.

Contractual liability

Legal liability assumed by **you** under the express or intended terms of any contract or agreement that restrict **your** right of recovery, or increase **your** liability at law beyond that applicable in the absence of those terms.

Employed person

- 1 Anyone under a contract of service or apprenticeship with **you**.
- 2 Anyone who is
 - a employed by **you** or on **your** behalf on a labour only basis
 - b self employed
 - c hired to **you** or borrowed by **you** from another employer
 - d a voluntary helper or taking part in a work experience or training scheme and under **your** control or supervision.

Section 4 – Employers' liability *continued*

Manslaughter costs

Costs and expenses of legal representation in connection with any criminal inquiry into, or court proceedings brought for manslaughter, corporate manslaughter, corporate homicide or culpable homicide.

Offshore

On or working from, or travelling by sea or air, to, from or between an offshore rig, platform or similar offshore installation.

Principal

Employer who has engaged **you** to act on their behalf, under a contract for the performance of work by **you**, in connection with the **business**.

Safety legislation costs

Costs and expenses of legal representation in connection with an alleged breach of statutory duty under Health and Safety, Consumer Protection or Food Safety legislation, enacted within the **policy territories**.

Terrorist act

Any act of a person or group directed towards the overthrowing or influencing of any government or putting any section of the public in fear by threat, force or violence or other means.

✓ What is covered

We will cover the amount of damages which **you** are legally liable to pay in respect of **bodily injury** to any **employed person** resident in the **policy territories**, caused during the **period of insurance** and arising out of and in the course of their employment by **you** in connection with the **business**.

Claim costs cover

We will cover **claim costs** in connection with a claim for which an award of damages is paid or may be payable under this section, but **we** will not pay **claim costs** for any part of a claim not covered by this section.

Compensation for court attendance cover

We will compensate **you** at the rate of £500 per day, for each day that **we** request any director, partner or **employed person** to attend court as a witness in connection with a claim, for which an award of damages is paid or may be payable under this section.

Manslaughter costs cover

We will cover **manslaughter costs**, in respect of any death occurring during the **period of insurance**, in circumstances where there is also a claim or potential claim against **you** for damages covered by this section.

You must obtain **our** prior written consent to legal representation and **we** will only agree to payment on a fee basis agreed by **us**.

If a claim for damages is settled or withdrawn, **we** will have no further liability other than in respect of costs and expenses of legal representation incurred before the date of the claim payment or withdrawal of the claim.

If at any time a claim for damages remains unsettled and **you** wish to appeal against conviction, **we** will agree to costs and expenses of legal representation, if in the opinion of Counsel (appointed by mutual consent), that such appeal is more likely to succeed than not and the total amount of damages and claimants costs are likely to exceed the total cost of legal representation.

If **we** have consented to legal representation at court proceedings, **we** will also pay the legal costs of prosecution awarded against **you**, or any person entitled to cover under this section, in connection with the proceedings.

The maximum **we** will pay for **manslaughter costs** and costs awarded against **you**, or any person entitled to cover under this section, in total, as a result of all occurrences during any one **period of insurance**, is £1,000,000.

We will not pay

- 1 fines, penalties or awards of compensation imposed by a criminal court
- 2 costs and expenses of implementing any remedial order or publicity order

Section 4 – Employers' liability *continued*

- 3 costs and expenses of an appeal against any fine, penalty, compensation award, remedial order or publicity order
- 4 costs and expenses incurred as a result of the failure to comply with any remedial order or publicity order
- 5 costs and expenses covered by any Legal Expenses insurance
- 6 costs and expenses of any investigation or prosecution brought other than under the laws of the **policy territories**.

Overseas employees cover

If **bodily injury** is caused during the **period of insurance**, to any person under a contract of service or apprenticeship arising out of and in the course of their employment by **you** in connection with the **business** and who is resident outside the **policy territories**, **we** will cover the amount of damages which **you** are legally liable to pay by a court of law having jurisdiction within the **policy territories**.

We will not pay

- 1 for any action or recovery brought or commenced
 - a in a court of law outside the **policy territories**
 - b in connection with any workmen's compensation or other social insurance, or arising from **your** failure to meet legal obligations or to pay adequate contributions for that insurance
- 2 where an insurance policy covering legal liability for **bodily injury** caused to **employed persons** is arranged outside the **policy territories**.

Personal liability cover

If no other insurance is in force, at **your** request, the cover provided by this section will apply to the legal liability of

- 1 any director or **employed person** of **yours** whilst
 - a performing their normal duties in connection with the **business**

- b work is being carried out on behalf of a director or officer by an **employed person** with **your** consent
 - c acting in a personal capacity, during the course of a trip or journey arranged for the purpose of the **business**
- 2 the spouse, civil partner, domestic partner or any children accompanying a director or **employed person** in the course of a **business** trip or journey.

The cover provided by this section will also apply to **your** personal representative or the personal representative of any other deceased person entitled to cover.

Principals liability cover

At **your** request, **we** will cover the legal liability of any **principal** arising from the performance of **your** work for the **principal**.

We will not provide cover beyond the requirements of **your** contract with the **principal**.

Safety legislation defence cover

We will cover **safety legislation costs** in respect of any **bodily injury** occurring during the **period of insurance**, in circumstances where there is also a claim or potential claim against **you**, for damages covered by this section.

You must obtain **our** prior consent to legal representation and **we** will only agree to payment on a fee basis agreed by **us**.

If a claim for damages is settled or is withdrawn, **we** will have no further liability other than in respect of costs and expenses of legal representation incurred before the date of the claim payment or withdrawal of the claim.

If at any time a claim for damages remains unsettled and **you** wish to appeal against conviction, **we** will agree to costs and expenses of legal representation, if in the opinion of Counsel (appointed by mutual consent), that such appeal is more likely to succeed than not and the total amount of damages and claimants costs are likely to exceed the total cost of legal representation.

Section 4 – Employers' liability *continued*

If **we** have consented to legal representation at court proceedings, **we** will also pay the legal costs of prosecution awarded against **you**, or any person entitled to cover under this section, in connection with the proceedings.

The maximum **we** will pay for **safety legislation costs** and costs awarded against **you**, or any person entitled to cover under this section, in total, as a result of all occurrences during any one **period of insurance**, is £1,000,000.

We will not pay

- 1 fines, penalties or awards of compensation imposed by a criminal court
- 2 costs and expenses of an appeal against improvement or prohibition notices
- 3 costs and expenses on indictment for manslaughter, corporate manslaughter, corporate homicide or culpable homicide, other than **safety legislation costs** already incurred
- 4 costs and expenses covered by any Legal Expenses insurance
- 5 costs and expenses of any investigation or prosecution brought other than under the laws of the **policy territories**.

Unsatisfied court judgements cover

We will at **your** request pay an **employed person** the amount awarded to that person by a court of law for **bodily injury**, against any company, partnership or individual conducting a business within the **policy territories**, if such award remains unpaid six months after the date of the judgement.

We will only provide cover if

- 1 there is no outstanding appeal
- 2 the **bodily injury** was sustained during the **period of insurance** by the **employed person** while working in connection with the **business**
- 3 the judgement was obtained in a court within the **policy territories**
- 4 the **employed person** or their personal representative assigns the amount awarded under the judgement to **us**.

Limit of indemnity

- 1 The employers liability limit of indemnity shown in **your** schedule is the maximum **we** will pay for the total of all damages and **claims costs** and will apply to any one claim or series of claims by one or more of the **employed persons** arising from one occurrence.
- 2 The limit of indemnity in respect of **terrorist act** is £5,000,000 and will apply exclusively to any one claim or series of claims by one or more of the **employed persons** arising directly or indirectly in connection with a **terrorist act**.
- 3 In respect of any claim or claims, **we** may at any time pay the limit of indemnity applicable, after deducting any amounts already paid, or any lesser amount for which a settlement can be made. **We** will not then be liable to make any further payment in respect of the claim or claims.

X What is not covered

Offshore exclusion

We will not cover claims for **bodily injury** to any **employed person** while **offshore**.

Radioactive contamination exclusion

We will not cover claims for

- 1 **contractual liability**
- 2 which **your principal** has a legal liability caused by or arising from any type of nuclear radiation, nuclear material, nuclear waste, nuclear reaction or radioactive contamination.

Road Traffic Act exclusion

We will not cover claims for **bodily injury** to an **employed person** in circumstances where it is necessary to arrange compulsory motor insurance or security, under any Road Traffic Legislation.

Section conditions

These conditions of cover apply only to this section. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Right of recovery condition

The cover provided under this section is in line with any law relating to the compulsory insurance of liability to people employed within the **policy territories**. **You** must repay **us** all amounts **we** pay which **we** would not have been liable to pay but for the law.

Section 5 – Terrorism

Contents of this section

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Your schedule will show if this section is covered.

Meanings of defined terms

You can find the meanings for words in bold blue on page 5. There are some words that may only appear in this section or are defined differently and their meanings are shown here.

Consequential loss

Loss, resulting from interruption of or interference with the **business** as a result of **damage** to property used by **you**, at the **premises**, for the purpose of the **business**.

Damage

Accidental loss or destruction or damage.

Denial of service attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

Hacking

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

Phishing

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

Terrorism

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

Virus or similar mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. The meaning of virus or similar mechanism includes but is not limited to, trojan horses worms and logic bombs.

✓ What is covered

We will extend the cover provided under the following sections, where **your** schedule shows these as covered, to include **damage** caused by **terrorism**.

- 1 Buildings
- 2 Rental income

Terrorism supplementary covers

If **your** schedule shows that this section is covered for **your** other **premises** then this section will also extend to cover the Supplementary covers. If cover under this section is restricted to **buildings** only for **your** other **premises** then cover under the Supplementary covers will also be restricted to **buildings** only.

✗ What is not covered

Electronic risks exclusion

We will not cover any losses directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

- 1 the alteration, modification, distortion, corruption of or damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software); or

- 2 any alteration modification distortion erasure, corruption of data processed by any such computer or other equipment or component or system or item

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

Excluded property exclusion

We will not cover **you** for any losses directly or indirectly caused by or resulting from loss destruction or damage to any

- 1 property located outside England, Wales and Scotland or in the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987
- 2 nuclear installation or nuclear reactor
- 3 property which is specifically excluded elsewhere in this **policy**.

Other insurances exclusion

We will not cover **you** for any property which is insured by or would but for the existence of this **policy**, be insured by any form of transit, aviation or marine policy.

War risks exclusion

We will not cover any claims caused by or happening through riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

Section conditions

These conditions of cover apply only to this section. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Limit of liability condition

Our liability for all losses from any one event and in total in any one **period of insurance** will not exceed

- 1** the total sums insured under each section
- 2** the sum insured for any one item
- 3** any specific limit of **our** liability shown in the **policy** sections
- 4** the sum insured (or limit) remaining after deduction for any other **damage** occurring during the same **period of insurance**.

whichever is the less as shown in **your** schedule.

Proof of cover condition

In any action, lawsuit or other proceedings or where **we** state that any loss, damage, costs or expense is not covered by this section, it will be **your** responsibility to prove that they are covered.

Supplementary covers

Automatic (newly acquired properties) cover

We will provide automatic cover under Section 1 – Buildings and Section 2 – Rental income for premises newly acquired by **you** in the **policy territories** to the extent that **your** interest is not protected by any other more specific insurance provided that

- 1 as soon as reasonably possible **you** notify **us** in writing of each premises acquired and arrange specific cover with **us**
- 2 this cover will operate for a maximum period of 30 days from the date that **you** acquired **your** interest in the premises
- 3 the most **we** will pay for any one claim for buildings and rental income is £5,000,000 for any one premises
- 4 for any premises purchased for renovation, refurbishment or redevelopment the Day one average cover will not apply and the basis of settlement will be the **alternative basis of settlement**
- 5 the insurance under this extension shall be subject to all the terms, provisions, clauses, conditions and exclusions of the **policy**
- 6 if cover is provided under this extension then cover is not provided under the Capital additions cover at the same time for the same premises.

Capital additions cover

We will cover **you** under Section 1 – Buildings and Section 2 – Rental income for

- 1 any newly acquired and/or newly erected buildings or buildings under construction (excluding any buildings which a building contractor is responsible for) which is not insured elsewhere
- 2 alteration, additions and improvements to **buildings**, but not for any appreciation in value

anywhere in the **policy territories**.

Provided that

- a **you** give **us** details in writing of the additions as soon as possible but in any event within 30 days and **you** will ensure specific insurance is arranged with **us** from the date **you** became responsible
- b the most **we** will pay for any one claim for buildings and rental income is £5,000,000 for any one premises
- c the provisions of this cover will be fully maintained in addition to any specific insurance effected under **a** above
- d if cover is provided under this extension then cover is not provided under the Automatic (newly acquired properties) cover at the same time for the same property.

Failure of other insurances cover

We will cover **you** under Section 1 – Buildings and Section 2 – Rental income for

- 1 **damage** to buildings
- 2 loss of rental income following **damage** to buildings

where **you** have an insurable interest, but under the terms of the lease the responsibility for arranging adequate insurance cover rests with a third party lessee or third party lessor.

Provided that

- a there is a valid, enforceable lease in force
- b **you** could not have prevented such failure

provided that **we** will only cover

- i the excess beyond the amount payable under such insurance in the event of failure of the third party's insurance
- ii claims arising directly from a contingency specified in the lease, but not for more than the cover provided by this **policy**.

Our liability for buildings cover and rental income will not exceed £5,000,000 in total at any one premises.

Supplementary covers *continued*

Special condition applicable to Failure of other insurances cover.

You must have procedures in place to check that lessees or lessors have arranged adequate insurance cover.

If **you** discover a failure to insure or to insure for reinstatement value, **you** must immediately arrange insurance cover.

Inadvertent omission cover

Provided that **you** have notified **us** of **your** intention to cover any building within the **policy territories** which is owned or leased by **you** or where **you** are under a contract to purchase or lease a building, **we** will cover **you** under Section 1 – Buildings and Section 2 – Rental income for buildings and rental income that has been inadvertently omitted.

We will provide cover within the terms of this cover, subject to payment of the premium for all the premises inadvertently omitted from the start date of this **policy**.

But **we** will not cover

- 1 buildings which due to the terms of a lease, mortgage or other agreement should have been insured with another insurer
- 2 buildings for which at the time of loss there is an existing policy covering the same **damage**
- 3 buildings not insured due to **your** failure to renew an existing policy.

The most **we** will pay for any one claim at any single premises is £5,000,000.

Multiple insureds cover

This section of **your policy** covers the joint insured parties for **buildings** and **rental income** as detailed below for each party's respective rights and interests.

- 1 Where more than one insured party is shown in **your** schedule and each insured party operates as a separate and distinct entity then the cover provided by this section will apply to each insured party as if a separate **policy** had been issued to each. Provided that **our** total liability to all insured parties together does not exceed the sum

insured including any inner limits shown in the section.

- 2 Any payment or payments that **we** make to any or all insured parties will reduce **our** liability by the amount of the payment to all insured parties for any loss covered by the **policy** and (if applicable) in the **period of insurance**.
- 3 Each of the insured parties will comply with the contractual rights and agreements entered into by each insured party and the contractual remedies following loss or **damage**.
- 4 **We** will not pay any claim to an insured party if **we** find that the insured party has not complied with **our** Fair presentation of risk condition or where the insured party has committed fraud or not complied with a **policy** condition each being a vitiating act. A vitiating act (as explained in this multiple insureds cover) committed by one insured party will not affect the rights of the other insured parties who have not committed a vitiating act.

Reduction in freehold or leasehold value following alteration in planning consent cover

We will cover **you** for the reduction in freehold or leasehold value that **you** incur following **damage** to any **building** and the existing area of the **building** or use of the **building** and land is restricted. Provided that this is as a result of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament or with bye-laws of any municipal or local authority.

For the purposes of this cover the reduction in freehold or leasehold value is the amount that would have been achieved by the sale of **your** freehold or leasehold interest immediately before the **damage** less the sum which would be achieved by the sale of **your** freehold or leasehold interest either

Supplementary covers *continued*

- a** immediately following completion of rebuilding repairs or restoration
- or
- b** if the local authority withholds its permission for the work to be carried out at the time the local authority tells **you** their decision.

We will not provide cover if **you** have not made every effort to regain the original planning consent.

The amount payable will need to be substantiated by **you** and agreed with **us** and any amounts already recovered for the **damage** under this **policy** and from any other source will be taken into consideration.

The most **we** will pay for any one claim for **buildings** and **rental income** is £500,000 for any one **premises** in addition to the agreed sum insured for the **premises**.

Special clauses

Applicable only if the clause number is shown on **your** schedule.

1 Subsidence, ground heave and landslip

If this cover is shown as covered on **your** schedule, the Subsidence exclusion under the heading 'What is not covered' does not apply.

We will cover **you** for **damage** to the **buildings** caused by subsidence, ground heave or landslip of any part of the site on which the **buildings** stands, but **we** will not cover

- a** the first £1,000 of each and every loss in respect of Section 1 at each separate **premises** as ascertained after the application of any condition of average
- b** damage to yards, car parks, roads, pavements, walls, gates and fences unless damage occurs to a building covered under Section 1 – Buildings at the same time by subsidence, ground heave or landslip
- c** damage caused by or consisting of
 - i** the normal settlement or bedding down of new structures
 - ii** the settlement or movement of made-up ground
 - iii** coastal or river erosion
 - iv** defective design or workmanship or the use of defective materials
 - v** fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- d** damage which originated before the start of this cover
- e** damage resulting from
 - i** demolition, construction, structural alteration or repair of any **building**or
 - ii** ground works or excavation at the **premises**.

Making a complaint

AXA Insurance aims to provide the highest standard of service to every customer. If **our** service does not meet **your** expectations, **we** want to hear about it so **we** can try to put things right.

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

How to make your complaint

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

If **your** complaint relates to a claim on **your policy**, please contact the department dealing with **your** claim. If **your** complaint relates to anything else please contact the agent or AXA office where **your policy** was purchased. Telephone contact is often the most effective way to resolve complaints quickly.

Alternatively **you** can write to **us** at

AXA Insurance Commercial complaints

AXA House
4 Parklands
Lostock
Bolton
BL6 4SD

Tel: 01204 815359

Email:

commercial.complaints@axainsurance.co.uk

When **you** make contact please tell **us** the following information:

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

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

Beyond AXA

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

The FOS is an independent body that arbitrates on complaints about general insurance products. The FOS can only consider **your** complaint if we have given **you our** final decision.

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

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Tel: 0800 023 4567*

Tel: 0300 123 9123**

Fax: 020 7964 1001

Email:

complaint.info@financialombudsman.org.uk

Web: www.financial-ombudsman.org.uk

Our promise to you

We will

- Acknowledge written complaints promptly.
- Investigate **your** complaint quickly and thoroughly.
- Keep **you** informed of progress of **your** complaint.
- Do everything possible to resolve **your** complaint.
- Learn from **our** mistakes.
- Use the information from complaints to continuously improve **our** service.

Telephone calls may be recorded and monitored.

* free for people phoning from a 'fixed line' (for example, a landline at home)

** free for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02

Legal and tax advice complaints

If **you** have a complaint about the telephone legal or tax advice services **you** should contact Arc Legal Assistance Ltd who will liaise with Irwin Mitchell Solicitors:

Arc Legal Assistance Ltd
The Gatehouse, Lodge Park
Lodge Lane
Colchester
Essex
CO4 5NE

Tel: 0344 770 9000

If **you** are unhappy with the written response from Arc Legal Assistance Ltd, **you** may contact the Legal Ombudsman at:

PO Box 6806
Wolverhampton
WV1 9WJ

Tel: 0300 555 0333

Web: www.legalombudsman.org.uk

The Legal Ombudsman will only consider matters which have been submitted to it within the earliest of the following timescales:

- a** within one year from the act/omission complained of
- b** within one year from when the client should reasonably have known there was cause for a complaint, without taking advice from a third party and;
- c** within six months of the client receiving a written reply from Arc Legal Assistance Ltd concerning the complaint.

Financial Services Compensation Scheme (FSCS)

AXA Insurance UK plc are covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme in the unlikely event **we** cannot meet **our** obligations to **you**. This depends on the type of insurance, size of the **business** and the circumstances of the claim. Further information about the compensation scheme arrangements is available from the FSCS (www.fscs.org.uk).

The European Commission has also provided an Online Dispute Resolution Service for logging complaints. To use this service please go to: <http://ec.europa.eu/odr>

This document is available in other formats.

If you would like a Braille, large print or audio version, please contact your insurance adviser.

www.axa.co.uk

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Property Protector
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