

Crea-8 MasterPackage

Exclusive for Vista Insurance
Brokers

CHUBB®

Crea-8 MasterPackage

Policy Number

UKMSTD00508

Insured

Peak Hire Limited

Insured Address

Unit 6 Churchill Industrial Estate, Cheltenham, GL53 7EG United Kingdom

Period of Insurance

From: 27 April 2018

To: 26 April 2019

both days inclusive
(Local time at the address shown above)

Annual Premium

£2,193.06

Terrorism Premium

Nil

Total Premium

£2,193.06 plus £263.16 UK IPT

Sections Operative

The operative Sections of this policy are indicated in this Schedule. Unless a particular Section is identified as being operative, it is of no effect and no cover is granted under it.

		Operative
Section 1. Property damage		Yes
Section 2. Business interruption		No
Section 3. Terrorism	Pool Re	No
	Specified territory – Non-Pool Re (Wrap)	No
	Outside Specified Territory – Non-Pool	No
Section 4. Employers' liability		Yes
Section 5. Public and products liability		Yes
Section 6. Chubb basket	A) Employee fidelity	No
	B) Cancellation of event	No
	C) Marine cargo	No
	D) Abduction and extortion	Yes
	E) Impairment of computer services	Yes

Limits of liability

The limits of liability set out in this Schedule are the maximum amounts that the Company will pay in the event of a claim.

Sections 1 and 2 - Aggregate Liability

The aggregate liability in respect of any one **occurrence** insured by this policy shall not exceed the policy limit below

Aggregate Limit

Or

'the sums insured detailed in the Schedule below' – if a policy limit does not apply.

Section 1. Property Damage

	Index Linking	No		
Cover			Operative	Limit of Indemnity
Buildings			No	Not operative
Contents			No	Not operative
Production Equipment			No	Not operative
Hired in Equipment			Yes	£287,500 (£250,000)
Stock			No	Not operative

The following Limits of Liability shall apply in respect of any one occurrence.

A. Costs, fees and expenses:

Additional costs of construction – energy efficiency	Yes	£100,000
Claims preparation costs (property damage / business interruption / terrorism combined)	Yes	£50,000 and £100,000 in the aggregate
European union and public authorities requirements and sprinkler upgrade costs (including undamaged property)	Yes	The Buildings Limit of Indemnity
Fire brigade charges extinguishing expenses	Yes	£50,000
Loss prevention expenses	Yes	£10,000
Professional fees	Yes	Included in the Buildings Limit of Indemnity or £250,000 where there is no Buildings cover.
Removal of debris and cleaning / clearance of drains	Yes	10% of the declared value at each separate premises subject to a maximum any one occurrence of £250,000

B. Extensions:

Breakdown of computers	Yes	The EDP Sum Insured
Breakdown of machinery	Yes	£100,000
Capital additions	Yes	10% of the declared value at each separate premises subject to a maximum of £1,000,000
Confiscation and deprivation	Yes	£50,000 and in the aggregate
Contract works	Yes	£50,000
Customer goods	Yes	£100,000

Deterioration of refrigerated property	Yes	£10,000
Electronic data recompilation costs	Yes	£250,000
Fly tipping	Yes	£25,000
Greening	Yes	£25,000
Glass	Yes	15% of the declared value at each separate premises subject to a maximum of £250,000
Inadvertent errors and omissions (property damage / business interruption combined)	Yes	10% of the declared value at each separate premises subject to a maximum of £100,000
Involuntary betterment	Yes	£50,000
Leased premises	Yes	£250,000
Locks or electronic security systems	Yes	£10,000
Money	Yes	
i) consisting of crossed cheques, crossed national giro payment orders, crossed bankers' drafts, VAT Purchase invoices, crossed postal orders, crossed money orders, National Savings certificates, premium bonds, credit card and debit card vouchers and unused franking units	Yes	£250,000
ii) in transit to or from the described premises in the custody of any principal or authorised employee of the Insured or security carrier	Yes	£10,000
iii) in the premises during business hours	Yes	£10,000
iv) in the premises out of business hours secured in a locked safe or strongroom	Yes	£10,000
v) in the premises out of business hours not secured in a locked safe or strongroom	Yes	£1,000
vi) in the post or in the residence of any principal or authorised employee of the Insured	Yes	£1,000
vii) in bank night safe	Yes	£10,000
in respect of damage to any safe, strongroom, or franking machine or any case, bag or waistcoat designed for the carriage of money as a result of theft or attempted theft	Yes	The cost of repair or replacement.
in respect of damage to employees' clothing and personal effects due to the theft or attempted theft, by violence or threat of violence, of money	Yes	£500

Motor vehicles	Yes	£100,000
New acquisitions (property damage / business interruption combined)	Yes	£500,000
Personal accident (assault)		£30,000
Any bodily injury	Yes	£30,000
Temporary total disablement which entirely prevents the Insured Person from engaging in their usual occupation	Yes	£300 per week any one Insured Person not exceeding 104 weeks
Personal effects	Yes	£1,000 per person
Purchaser's interest	Yes	The Buildings Limit of Indemnity
Reinstatement to match	Yes	£50,000
Specified all risks	Yes	£2,500 any one item
Temporary removal	Yes	10% of the declared value or £100,000 whichever is the lower
Temporary removal of valuable papers	Yes	10% of the declared value at each separate premises subject to a maximum of £25,000
Theft damage to buildings	Yes	£50,000
Undamaged tenants improvements and betterments	Yes	£100,000
Unspecified locations	Yes	115% of the declared value

Chubbflex

Arson, theft, terrorism or criminal damage reward	Yes	£500,000 – subject to 10% of the declared value at each separate premises subject to a maximum of £100,000 in respect of Arson, theft, terrorism or criminal damage reward and Expediting costs and temporary repairs.
customer default on deferred payments		
Damage by emergency services		
Expediting costs and temporary repairs		
Fine art		
Incompatibility of computer system records		
Landscaping		
Loss of metered water		
Pairs and sets		
Processing water		
Research and development property		
Trace and access		
Unauthorised use of electricity, gas or water		

Section 2. Business Interruption

Not operative

Section 3. Terrorism

Not operative

Section 4. Employers' Liability

Yes £10,000,000 per occurrence (sublimited to £5,000,000 in respect of **terrorism**).

Section 5. Public and Products Liability

Public and products liability	Yes	£5,000,000 for each occurrence
a) Crisis response	Yes	£100,000 for each occurrence and in the aggregate.
b) Data breach and cyber attack	Yes	£100,000 for each data breach event and in the aggregate.
c) Environmental liability	Yes	£100,000 for any one pollution condition and in the aggregate
Reverse retroactive date		27 April 2017
d) Products recall expense	Yes	£50,000 for each occurrence and in the aggregate
Retroactive date		27 April 2017

Section 6. Chubb Basket

a) Employee fidelity	No	Not operative
b) Cancellation of event	No	Not operative
c) Marine cargo	No	Not operative
d) Abduction and extortion	Yes	£100,000 for each claim and in the aggregate
e) Impairment of computer services		
i) Insider attack	Yes	£50,000 for each occurrence
ii) Outsider attack	Yes	£5,000 for each occurrence and £25,000 in the aggregate

Territorial limits

Section 1-2 Property damage / business interruption United Kingdom

Specified all risks – Not operative

Section 3. a) Pool Re Not operative

b) Specified territory – Non-Pool Re (Wrap) Not operative

c) Outside Specified Territory – Non-Pool Not operative

Section 4. Employers' liability

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and elsewhere in the world in respect of any employee whilst temporarily outside of these territories provided that such employee normally resides within the territorial limits stated above.

Section 5. Public and product liability

United Kingdom

Section 6. Chubb Basket

Employee fidelity

Not operative

Cancellation of event

Not operative

Abduction and extortion

Worldwide excluding Afghanistan, Algeria, Burkina Faso, Colombia, the territory of Crimea, Cuba, Egypt, Georgia, Guatemala, India, Indonesia, Iran, Iraq, Israel, Kyrgyzstan, Lebanon, Libya, Malaysia, Mali, Mauritania, Niger, Nigeria, Pakistan, Peru, the Philippines, Russia, Saudi Arabia, Sri Lanka, Syria, Thailand, Turkey, Ukraine, Uzbekistan and Yemen

Marine cargo

Not operative

Impairment of computer services

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

Excess

In respect of Sections 1,2, and 3, the excesses detailed below apply to each and every **occurrence**. Under Section 2, waiting periods shall apply as set out below, and Indemnity will be provided only after such time period has elapsed. Indemnity will be provided only after such time period has elapsed. In respect of Sections 4,5 and 6, the excesses detailed below apply on an each and every claim or any series of claims arising out of one occurrence.

Where cover in respect of any one occurrence or claim (as applicable) is provided under more than one part of this policy, the highest Excess shall apply.

This first amount shall not erode the Limits of Liability shown in the schedule. Claims handling up to this sum shall be the responsibility of the Insured.

Cover	Amount
Section 1. Property damage	£250
Specified item	Not operative
Subsidence	£1,000
Section 2. Business interruption	Nil
Section 3. Terrorism	
A. Pool Re	Nil
B. Specified territory – Non-Pool Re (Wrap)	Nil
C. Outside specified territory – Non-Pool	Nil
Section 4. Employers' liability	Nil
Section 5. Public and products liability	£250
A. Crisis response	£1,000
B. Data breach and cyber attack	£1,000
C. Environmental liability	£1,000 per incident
D. Recall expense	£1,000
Section 6. Chubb Basket	
A. Employee fidelity	Nil
B. Cancellation of event	Nil
C. Marine Cargo	Nil
D. Abduction and extortion	£1,000
E. Impairment of computer services	£1,000

Additional terms and conditions

MP415

Amendments to Limits of Liability – Cornerstone

This Endorsement amends the limits set out in the Schedule under *Limit of Liability* in respect of any one **occurrence** as shown in the below Endorsement Schedule.

Endorsement Schedule

<i>Cover</i>	<i>Limit of Liability / Indemnity</i>
Section 1	
Loss prevention expenses	£25,000
Additional costs of construction - energy efficiency	£250,000
Deterioration of refrigerated property	£25,000
Involuntary betterment	£100,000
Inadvertent omissions	10% of the declared value at each separate premises subject to a maximum of £1,000,000
Locks or electronic security systems	£25,000
Temporary removal	£250,000
Temporary removal of valuable papers	£50,000
Theft damage to buildings	£100,000
Section 2	
Accountants' fees	£25,000
Section 6e	
Insider attack	£100,000
Outsider attack	£10,000 per occurrence and £50,000 in the aggregate

M327

Hired in plant and continuing hire charges

Under Section 1 – Property Damage of this Policy, in the event of **direct physical loss or destruction of or damage** to plant and equipment hired in by the Insured and for which it is responsible occurring during the Period of Insurance whilst situated anywhere within the Territorial Limits, the Company will pay to the Insured all sums which the Insured shall become legally liable to pay for:

1. **damage** to the plant and equipment hired in by the Insured; and
2. hiring charges levied upon the Insured in consequence of such **damage**.

The most the Company will pay under this Extension is £100,000 any one **occurrence**.

Commercial Package Insurance Policy

CHUBB®

MasterPackage

Contents	Page
Introduction	3
General Insuring Agreement	3
Definitions	3
General Provisions Applicable to All Sections of the Policy	3
Section 1. Property Damage	8
A. Costs, fees and expenses	8
B. Extensions	10
Chubbflex	18
Special Conditions - Valuation	20
Section 2. Business Interruption	23
Basis of Settlement	23
Extensions	26
Conditions applicable to sections 1 and 2	29
Section 3. Terrorism	31
A. Pool Re	31
B. Specified territory – Non-Pool Re (Wrap)	32
C. Outside specified territory – Non-Pool	32
Exclusions applicable to Section 1,2 and 3	33
Conditions applicable to Sections 1,2 and 3	38
Section 4. Employers’ Liability	42
Limits of Liability	42
Extensions	42
Exclusions	42
Special Conditions	43
Section 5. Public and Products Liability	44
Limits of Liability	44
Extensions	44
Exclusions	47
Special Conditions	50
Special Extension – Environmental liability	51
Extensions Applicable to sections 4 and 5	57
Claims Conditions applicable to Sections 4 and 5	59
Section 6 – Chubb Basket	60
Section 6A – Employee Fidelity	60
Limits of Liability applicable to Section 6A	60
Exclusions applicable to Section 6A	60
Conditions applicable to Section 6A	61
Section 6B – Cancellation of Event	63
Exclusions applicable to Section 6B	63
Section 6C – Marine Cargo	65

Marine Cover	65
Section 6D – Abduction And Extortion	67
Exclusions applicable to Section 6D	67
Section 6E Impairment of Computer Services	69
Special Conditions	69
Exclusions	70
Definitions applicable to all Sections of this Policy	71

Introduction

This is a Chubb MasterPackage insurance policy ('the Policy').

Please read the entire Policy carefully.

The operative Sections and sub-Sections of this Policy are as indicated in the Schedule. Unless a particular Section or sub-Section is identified in the Schedule as being operative, it is of no effect and no cover is granted under it.

General Insuring Agreement

In consideration of payment of the premium, and subject to the terms and conditions of this Policy, the Company and the Insured agree that the Company will provide insurance cover as set out in those Sections and sub-Sections identified as operative in the Schedule.

Definitions

'The Company' means Chubb European Group Limited

'Insured' means the party or parties described as such in the Schedule.

'Limit of Liability or Limit of Indemnity' means the limit or limits of liability stated in the Schedule to apply to any Section or sub-Section.

'Period of Insurance' means the period of time stated in the Schedule or any subsequent period for which the Insured shall have paid and the Company shall have accepted a renewal premium.

'Territorial Limits' means the territorial limits stated in the Schedule.

Other words with specific meaning appear in **bold print** and are further defined in the section entitled *Definitions*.

General Provisions Applicable to All Sections of the Policy

Alteration

The Insured shall give notice to the Company of any material alteration or change in circumstances affecting the risk covered and until the Company shall have agreed in writing to accept liability for such altered risk the Company shall not provide an indemnity in respect of liability arising from such altered circumstances.

Application of Excess

Save where provided to the contrary in any Section of this Policy, the applicable amount shown in the Schedule as an Excess is the amount of all damages, loss, costs and expenses for which the Insured is responsible in respect of each and every **occurrence** (in respect of Sections 1 and 2) or each and every claim (in respect of Section 3 to 6) before the Company is liable to make any payment under this Policy. The applicable Excess amount shall not erode the applicable Limit shown in the Schedule. Claims handling up to this Excess shall be the responsibility of the Insured.

Where cover in respect of any one **occurrence** or claim (as applicable) is provided under more than one Section of this Policy, the highest applicable Excess shall apply.

The Company may, at its discretion, pay any part or all of the Excess to settle any claim or proceedings, in which case the Insured shall promptly reimburse the Company for any such sum.

Arbitration

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to arbitration under ARIAS Arbitration Rules.

The Arbitration Tribunal shall consist of three arbitrators, one to be appointed by the claimant, one to be appointed by the respondent and the third to be appointed by the two appointed arbitrators.

The third member of the tribunal shall be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party-appointed arbitrators. The tribunal shall be constituted upon the appointment of the third arbitrator.

The arbitrators shall be persons (including those who have retired) with not less than 10 years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry.

Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time prior to the appointment by ARIAS (UK) the party or arbitrators in default may make such appointment.

The tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute.

The tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

The seat of arbitration shall be London.

The proper law of this contract shall be the law of England and Wales.

Assignment

Assignment of interest under this Policy shall not bind the Company without its prior consent.

Audits and Inspection

At any time during the Period of Insurance or thereafter, the Insured shall make available to the Company (and the Company shall have the right to audit, inspect and copy) any books, papers and other records of the Insured (including those of its agents and brokers) in connection with this Policy or the subject matter hereof.

Cancellation

The Company may cancel this Policy by sending not less than 60 days' notice thereof by recorded delivery letter to the Insured at the Insured's last known address. In such event the Company shall make a return of the proportionate part of the premium in respect of the unexpired Period of Insurance from the effective date of cancellation or if the premium has been based wholly or partly on any estimates the premium shall be adjusted in accordance with the Condition entitled *Premium Adjustment*.

Where any premium payable by direct debit instalments is not received, the Company will request payment for that unpaid premium in writing. If payment is not received within 15 days of that request, the Policy will be cancelled with effect from the date on which the initial unpaid direct debit was due.

Changes

This Policy may be changed only by a written endorsement issued by a duly authorised representative of the Company.

Choice of Law and Forum

This Policy of insurance shall be governed by and construed in accordance with the laws of England and Wales and the Commercial Court, Queen's Bench Division of the High Court of Justice, Royal Courts of Justice, The Strand, London WC2A 2LL shall have exclusive jurisdiction in respect of any dispute arising under or in connection with this Policy, including any dispute as to the formation or validity of the Policy.

Complaints Procedure

We are dedicated to providing you with a high quality service, and want to maintain this at all times. If you feel that we have not offered you a first class service, please contact the intermediary who arranged this insurance for you or the relevant Chubb contact dealing with your policy.

If you are dissatisfied with the final response to your complaint the Financial Ombudsman Service (FOS) may be approached for assistance in certain circumstances. A leaflet explaining their procedure is available on request. The FOS's contact details are:

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

Phone: 0800 023 4567

Email: complaint.info@financial-ombudsman.org.uk

This complaint procedure is without prejudice to your rights to take legal proceedings.

Contracting Parties and Rights of Action

A person or company who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Act 1999 in respect of this Policy. This Condition does not affect any right or remedy which exists or is available apart from that Act.

Currency

All payments under this Policy shall be made in Pound Sterling. If any calculation or payment is to be made in any other currency, then the rate of exchange to apply shall be that applicable on the date of settlement or, with respect to any other payments under this Policy the date of the Company's agreement to release such payment, as published in the Financial Times.

In no event will any conversion into or from another currency result in any increase in any of the Limits of Liability or Indemnity (as applicable).

Data Protection

The Company will use the information supplied during the formation and performance of this Policy for policy administration, customer services, the payment of claims and the production of management information for business analysis and for the purpose of complying with regulatory requirements

Where sensitive personal data has been disclosed, including any medical or criminal record information, the Company will also use this information for these purposes. The Company is entitled to ask about criminal convictions in relation to insurance risks. There is no obligation to provide the Company with details of any convictions which are spent under the terms of the Rehabilitation of Offenders Act 1974. The Company may also transfer certain information to countries that do not provide the same level of data protection as the UK for the above purposes. A contract will be in place to ensure the information transferred is protected.

The Company may record telephone calls for quality control, fraud prevention and staff training purposes.

When personal or sensitive data is supplied to the Company about third parties other than the Insured, both during the formation and performance of this policy, the Company assumes that those third parties consent to the supply of that information to the Company, to the Company processing this data, including sensitive personal data, and to the transfer of their data abroad. The Company will also assume that the supplier of the information is authorised to receive, on their behalf, any data protection notices.

The Company may share personal and sensitive information with the following organisations for the purposes described above:

1. Our connected companies, service providers, agents and subcontractors including loss adjusters and claims investigators;
2. Our reinsurers who use this information to assess the terms of specific policies and to administer our insurance;
3. Other insurance companies about other insurance policies you may have;
4. Employers' Liability Tracing Office, Tracing Services Limited, other tracing bodies and the Financial Conduct Authority and any regulatory body who supersedes it for the purpose of assisting individuals (with claims arising out of their course of employment in the United Kingdom for employers carrying on, or who carried on, business in the United Kingdom) to identify an insurer or insurers that provided employers' liability insurance;

5. The police, other insurance companies, fraud reference agencies and other representative bodies in relation to the prevention and detection of fraudulent claims or as part of our money laundering checks.

The Company works with the police, other insurance companies, fraud reference and detection agencies and other representative bodies to prevent and detect fraudulent or exaggerated claims. As part of this we will share information about your claims with providers of software designed to assist in the detection of fraudulent claims. The Company may also use commercially sensitive available databases to prevent money laundering.

Other companies may contact these bodies for information to help them make decisions about insurance or similar services they provide to you.

Individuals whose information has been supplied to the Company are entitled to a copy of that information on payment of a fee and to have any inaccuracies corrected. Such information is available by contacting the Data Protection Officer at One America Square, 17 Crosswall London, EC3N 2AD

We do not use personal information for marketing purposes, unless consent to do so has been received in writing from you.

First Named Insured

The person or organisation first named as the Insured in the Schedule is primarily responsible for the payment of all premiums. The first named Insured will act on behalf of all other persons or organisations indemnified under this Policy for the giving and receiving of all notices, the receipt of any return premiums that become payable under this Policy and the negotiation, agreement to and acceptance of endorsements.

Fraudulent Claims

If the Insured makes a fraudulent claim under this Policy:

1. the Company shall not be liable to pay the claim and any sums paid by the Company in respect of the claim shall be repaid to the Company immediately;
2. the Company may by giving notice in writing to the Insured at their last known address treat this Policy as having been terminated with effect from the time of the **Fraudulent Act**.

If the Company does treat this Policy as having been terminated

1. it may refuse all liability to the Insured under this Policy in respect of any **relevant event** occurring after the time of the **fraudulent act**; and
2. it need not return any of the premiums paid under this Policy;

provided that such termination does not affect the rights and obligations of the parties to this Policy with respect to any **relevant event** occurring before the time of the fraudulent act

For the purposes of this Condition:

Fraudulent act means the behavior that makes a claim fraudulent.

Relevant event means whatever triggers the Company's liability under this Policy.

Insurance Act 2015

The parties shall rely on the rights and remedies afforded under the Insurance Act 2015.

Interpretation

This Policy and the Schedule shall be read together as one document and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such specific meaning wherever it may appear.

Non-Contribution

If at the time of the happening of any occurrence covered by this Policy there is any other existing insurance whether effected by the Insured or not covering the same liability the Company shall not be liable to indemnify the Insured in respect of such liability except so far as concerns any excess beyond the amount which would have been payable under such other insurance had this Policy not been effected.

Premium Adjustment

If the first and renewal premiums under this Policy have been calculated (wholly or in part) upon estimates furnished by the Insured, the Insured shall keep proper records containing all particulars relative thereto and the Company shall be allowed to inspect such records at all reasonable times. The Insured shall within one month from the expiry of each Period of Insurance supply to the Company such particulars as the Company may require, whereupon the premium for such period shall be adjusted and the difference paid by or allowed to the Insured as the case may be, subject to any Minimum Premium specified in the Schedule.

Sanction Limitation

The Company shall not provide cover and the Company shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Subrogation

The Company shall be subrogated to all the Insured's rights of recovery against any person or organisation, before or after any payment under this Policy. The Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights. For the purposes of this condition, 'the Insured' shall include all persons and organisations indemnified under this Policy.

Survey

The Company or a representative of the Company is permitted to undertake a survey of the Insured's premises. If this option is exercised by the Company it shall produce a survey report for the Company.

Between inception of this Policy and the production of the survey report, the terms, Conditions and Exclusions of this Policy remain unaltered.

In the event that the survey report is unsatisfactory to the Company, the Company shall have the right to:

1. amend the Policy terms, Conditions or Exclusions and / or require completion of risk improvements issued in writing by the Company within a defined period.

If the Company elects to change the terms in accordance with 1) above, the Insured may:

- a) terminate the Policy within 30 days of receipt of the revised terms by giving notice in writing to the Company; or
 - b) continue the Policy at the revised terms for the remainder of the Period of Insurance
2. terminate the Policy by serving not less than 30 days' notice in writing to the Insured and the broker at the address of the Insured as shown in the Schedule of this Policy.

In the event of termination of the Policy under this Survey Condition:

- a) premium is due to the Company on a pro rata basis for the period that the Company is on risk; or
- b) if premium for the Period of Insurance has been paid to the Company, the Insured shall be entitled to pro rata return of premium for the unexpired Period of Insurance.

Section 1. Property Damage

The Company will pay for **damage** occurring during the Period of Insurance to **property insured** at or within 250 metres of the described **premises** caused by or resulting from a cause not otherwise excluded.

At the Company's option, the Company shall either:

1. pay the value of the **property insured** (or any part of it that sustains **damage**) at the time of the **damage** having regard to physical deterioration, physical depreciation, obsolescence or depletion; or
2. reinstate or replace the **property insured** (or any part of it that sustains **damage**).

The most the Company will pay under this Section or any extension is the applicable Limit of Liability shown in the Schedule.

Automatic reinstatement following Loss

Cover under Section 1 shall not be reduced by the amount of any loss provided that the Insured complies with any additional terms required by the Company and pays any additional premium due.

A. Costs, fees and expenses

Where shown in the Schedule as operative, the following extensions of cover are provided under Section 1 of this Policy, subject to any applicable Limit of Liability shown in the Schedule.

The Company will pay:

Additional costs of construction – energy efficiency

the additional costs of reinstatement following **damage** to **property insured** arising solely by reason of the necessity to comply with the application of the EC Directive on Energy Performance of Buildings 2002/91/EC (as enacted in applicable national law).

Cover under this Extension does not include costs in respect of work that this Insured has already planned to implement within the Period of Insurance.

Claims preparation costs

The Company will indemnify the Insured for necessary and reasonable costs incurred by the Insured or by the Insured's representatives in preparing and verifying details required by the Company in order to investigate any claim under this Policy for which the Company has accepted liability.

European union and public authorities requirements and sprinkler system upgrading costs (including undamaged property)

such additional costs of reinstatement of:

1. **property insured** that suffers **damage**; or
2. undamaged portions thereof;

as may be incurred solely by reason of having to comply with the requirements ('the Requirements') of:

1. European Union legislation (as enacted in applicable national law);
2. Building or other Regulations made pursuant to any Act of Parliament or By-Laws of any Public Authority; or
3. the Company requiring conformity to the applicable sprinkler rules of an automatic sprinkler installation which conformed to the applicable rules when installed but fail to conform to subsequent amendments to those rules.

This extension does not cover the:

1. costs incurred in complying with the Requirements:
 - a) in respect of **damage**:
 - i. occurring prior to the granting of this extension; or
 - ii. not insured by this Policy;
 - b) for which there is an existing requirement which has to be implemented within a given period; or
 - c) in respect of property entirely undamaged.
2. additional cost that would have been required to make good the property which has sustained **damage** to a condition equal to its condition when new had the necessity to comply with the Requirements not arisen.
3. amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the Requirements.

Undamaged Portions:

Notwithstanding the exception for property entirely undamaged (above), payment under this extension shall include the additional cost of reinstatement of undamaged portions of the **property insured** provided that the:

1. Company will not pay for such additional cost in respect of any **property insured**, which has not sustained **damage**.
2. amount recoverable shall not exceed in respect of undamaged portions of **property insured** (other than foundations), more than 15% of the total amount which the Company would have paid had the **property insured** been totally lost or destroyed.

Special Provisions:

The work of reinstatement must be commenced and carried out without unreasonable delay or within such time as the Company may permit in writing, and may be carried out wholly or partially upon another site (if the Requirements necessitate).

In no event will the Company pay more than the applicable Sum Insured shown in the Schedule for such **property insured**.

Fire brigade charges and extinguishing expenses

1. fire brigade charges;
2. charges made by any organisation responsible for preserving public safety;
3. refilling of gas flooding systems or fire extinguishing appliances, whether the discharge was accidental or not; and
4. the cost of replacement of sprinkler heads;

incurred by the Insured or for which the Insured is liable following **damage to property insured**.

Loss prevention expenses

the reasonable and necessary costs the Insured incurs to protect **property insured** and **research and development property** at the described **premises** from imminent **damage**.

Professional fees

for professional fees necessarily incurred by the Insured in the reinstatement of **property insured** (other than **stock** and **fine art**) following **damage**, provided that:

1. the Insured includes such costs in the values declared at inception; or

2. a Limit of Liability in respect of such fees is shown in the Schedule.

The Company will not pay professional fees incurred in preparing any claim under this Policy.

Removal of debris and cleaning / clearance of drains

the costs and expenses (unless separately insured) necessarily incurred by the Insured, with the consent of the Company, in:

1. removing debris, dismantling and/or demolishing, shoring up or propping up of the portion or portions of the **property insured** which have sustained **damage**; or
2. clearing, cleaning and repairing drains, gutters, sewers and the like blocked or damaged as a result of **damage** by a **defined peril**.

This extension does not cover costs or expenses:

1. incurred in removing debris except from the described **premises** and within 250 metres thereof; or
2. arising from pollution or contamination of property not insured by this Policy.

B. Extensions

Where shown in the Schedule as operative, the following extensions of cover are provided under Section 1 of this Policy, subject to any applicable Limit of Liability shown in the Schedule.

The Company will pay:

Breakdown of Computers

the cost incurred by the Insured in the repair or replacement of **electronic data processing equipment** following **computer breakdown**.

Breakdown of machinery

the cost incurred by the Insured in respect of loss of or **damage** to the machinery caused by the **breakdown** thereof.

Capital additions

for **damage** insofar as the same is not otherwise insured, to:

1. any newly acquired **contents** or newly constructed **buildings**;
2. alterations, additions and improvements to **buildings** subsequent to a certificate of completion; or
3. alterations, additions and improvements to **contents**;

at the described **premises**, but not in respect of any appreciation in value during the current Period of Insurance.

The Insured undertakes to give full particulars of the same as soon as practicable as of the commencement of the Company's liability and to effect specific insurance before the expiry of the Period of Insurance, paying any additional premium due on demand.

Confiscation and deprivation

for the direct physical loss of or damage to the Insured's **property** anywhere in the world excluding **specified territories**:

1. while at exhibitions, trade fairs, or shows; or
2. whilst in the custody of any outside salesman;

where the direct physical loss or damage to the Insured's **property** results solely and directly from **expropriatory conduct** or **deprivation**.

The Insured's property will be valued at **book value**.

Cover under this Extension does not apply to **expropriatory conduct** or **deprivation** arising from:

1. insolvency, bankruptcy or financial default of any party or person whatsoever;
2. wrongful or dishonest acts or omissions of the Insured or any **employee** of the Insured;
3. the application of existing laws in force in the host country prior to inception of this Policy, or laws being publicly considered by the Government of the host country;
4. any failure to have all arrangements, agreements, licences, permits and understandings applicable to the Insured's **property** duly and validly authorised and executed;
5. any failure by the Insured to comply in all respects with all contracts and laws of which the Insured should have reasonably been aware relating to itself or its property (unless prohibited from such compliance by a law, order, regulation or decree in force in the United Kingdom); or
6. **war** or **terrorism**.

Nor does this Extension cover losses or damage resulting directly or indirectly from **business interruption**, delay, deterioration, loss of market or profits or other consequential loss.

For the purposes of this Extension only:

property means tangible property other than **money** or **securities**.

Contract works

Notwithstanding anything contained in *Excluded Property - Exclusion 9*, the costs incurred in respect of **damage** by any accidental cause not otherwise excluded, in respect of refurbishment and extensions to existing structures of or to:

1. the permanent and temporary works at the site of any constructional contract being carried out at a described **premises**;
2. the materials for use in connection with such contract whilst at the site thereof.

It is agreed that where work is carried out at any described **premises** insured by this Policy under a Joint Contract Tribunal building contract or any similar contract for minor construction, the Contractor and others named in the contract are deemed to be Joint Insured under this Extension to the extent required by that contract.

Expediting Costs

The Policy will also cover payment of:

1. the additional costs of overtime, weekend and shift working or bonus payments; and
2. plant hire charges or express delivery (including airfreight);

necessarily and reasonably incurred in expediting repair, replacement or rectification of the **damage** to the **contract works** but excluding costs incurred solely to expedite the completion of:

1. any construction, erection or installation of **contract works** not lost or **damaged**; and
2. the project at a faster rate than would have been attained if no **damage** had occurred.

Escalator Clause

This Policy shall also cover an increase in the Limit of Liability as shown in the Schedule by an amount not exceeding 25% should the original estimated contract price of any **contracts insured** (including the value of free issue materials) increase by such an amount provided that the Insured shall pay any additional premium required by the Company on demand.

Customer goods

for **damage** in respect of customers' goods for which:

1. the Insured have accepted responsibility for their own customer;
2. or the customers may be legally responsible; and
3. upon which work has to be, is being or has been done on by the Insured on their behalf; or
4. may be left with the Insured for storage or despatch, or otherwise temporarily in the Insured's custody;

shall be held to be insured by the item of this section covering **Stock**, except in so far as they shall be more specifically insured.

Deterioration of refrigerated property

for **damage** to refrigerated **contents** or **stock** at the described **premises** as a result of contamination, deterioration or putrefaction caused by:

1. a change in temperature as a result of:
 - a) **breakdown** of or **damage** to the refrigerator;
 - b) non operation of any thermostatic or automatic controlling devices pertaining to the refrigerator; or
 - c) accidental failure of the public supply of electricity;
2. action of refrigerant fumes escaping from the refrigerator.

The Company will also pay the costs reasonably incurred in the necessary transfer of refrigerated **contents** or **stock** to an alternative cold store.

Electronic data recompilation costs

the cost incurred by the Insured of reproducing any electronic data contained on any electronic data processing media. Such costs shall include all reasonable and necessary amounts, in recreating, gathering and assembling such electronic data.

Fly tipping

the costs incurred to remove property left at the described **premises** without the Insured's permission.

This extension does not cover loss resulting from interruption of or interference with the Insured's business.

An Excess of GBP 1,000 applies to this Extension or the PropertyDamage Excess, whichever is lower.

Greening

the reasonable additional costs incurred solely to minimise potential harm to the environment utilising the latest available technology, known as "**greening**".

This will not be considered as constituting a condition better than or more extensive than when new.

Where the cost of rebuilding, replacing, repairing or restoring is increased as a result of **greening** the Company will pay such additional costs provided that:

1. **greening** shall apply to the rebuilding, replacing, repairing or restoring of **buildings** and **contents** only; and
2. the Insured shall endeavour to work to a **greening** standard (where applicable) being the Building Research Establishments Environmental Assessment Methodology (BREEAM).

Glass

the costs incurred by the Insured:

1. in respect of replacement of glass following malicious scratching; and
2. as a result of **damage** to glass, necessitating the:
 - a) replacement of undamaged parts of the fixed glass solely to preserve the cosmetic integrity of the **building**;
 - b) boarding up and temporary glazing; or
 - c) removal and re-fixing of window fittings, whether damaged or not.

Inadvertent errors or omissions

for **damage** to property where the Insured:

1. has notified the Company of its intention to insure all premises in which it is interested and mistakenly believes that all such locations are insured; and
2. is found to have inadvertently omitted such premises from its insurance; or
3. there has been an inadvertent error in the values declared by the Insured.

The Company will deem the omitted locations to be insured within the terms of this Policy, provided that the Insured promptly:

1. pays premium attaching on all such omitted premises as from the inception of this Policy (or from the date of the Insured's interest in such premises if constructed, erected or purchased after inception of this Policy);
2. declares full details of the omitted premises to the Company as soon as it is aware of such omission; and
3. if requested by the Company, provides full details of the circumstances surrounding the inadvertent omission sufficient to prove the fact of the omission to the Company's satisfaction.

Involuntary betterment

in the event that new **contents** and **stock** of like kind and quality is not obtainable, **contents** and **stock** which is as similar as possible to that suffering **damage** and which is capable of performing the same function shall be deemed to be new **contents** and **stock** of like kind and quality and in no event shall this be considered as a betterment to the Insured.

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

1. new equipment installed to replace **damaged** equipment; and
2. undamaged existing equipment at the same or an interdependent location;

provided that:

1. **damage** was directly caused to the replaced equipment;
2. the Company shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the **damage** occurred;

3. the Company shall be liable only for the difference between:
 - a) the highest sales value of the undamaged existing equipment at the same or interdependent location; and
 - b) the installed cost of the technologically current equipment.
4. for the purposes of the application of any deductibles the **damage** and the necessity to replace incompatible equipment shall be regarded as one **occurrence**; and
5. the liability of the Company shall not exceed 10% of the agreed reinstatement value of the damaged **contents** and **stock** or the amount stated in the Schedule, whichever is less.

Leased premises

the costs necessary to protect the interest of the Insured as tenant in respect of **damage** to any **building** leased or rented by the Insured but only:

1. to the extent that the insurance provided by this Policy is broader in meaning or scope than any other policy of insurance covering such **building** arranged by or on behalf of the landlord or lessor (any such policy being hereafter referred to in this extension as the 'Underlying Policy');
2. in the event of the failure of the landlord or lessor to maintain insurance on such **building** or the failure of the Underlying Policy to operate due to any act or omission unknown to or beyond the control of the Insured.

This insurance shall not be brought into contribution with any cover granted by the Underlying Policy other than in respect of any excess over and above the sums insured, limits or cover applicable under such Underlying Policy.

Locks or electronic security systems

the costs incurred as a result of the necessary replacement or adjustment of locks or electronic security systems at the described **premises** following:

1. theft of keys or access cards; or
2. loss of keys or access cards;

anywhere within the Territorial Limits.

The Excess does not apply to this Extension.

Money

1. for **damage** to **money** belonging to the Insured or for which the Insured is responsible in the circumstances detailed in the Schedule under *Money* being lost destroyed or damaged by any cause whatsoever not otherwise excluded;
2. for **damage** to:
 - a) any safe, strong room, or franking machine the property of the Insured for which they are responsible; or
 - b) any case, bag or waistcoat designed for the carriage of **money**;
as a result of theft or attempted theft of **money** contained or thought to be contained therein;
3. for **damage** to clothing and personal effect of any person in the regular employ of the Insured being caused by theft or attempted theft, by violence or threat of violence, of **money**; or
4. any charges payable by the Insured as a consequence of a bank or other financial institution stopping payment of a **non-negotiable money** as a consequence of **damage** whilst in the post.

Motor vehicles

for **damage** to motor vehicles, the property of the Insured, licensed for road use and their contents while at a described **premises** and occasioned by or happening through:

1. fire;
2. lightning; or
3. explosion;

provided that:

1. the insurance provided under this Extension shall not be brought into contribution with any more specific insurance, except as regards any excess beyond the amount recoverable under such more specific insurance;
2. in the event of such **damage**, the liability of the Company shall be limited to the value of the property at the time of loss.

New acquisitions

for **damage** to any newly acquired or constructed **buildings** or **contents** (of a type not excluded by this Policy) at a new location. Such cover shall be effective from the date of acquisition or completion or from the date the Insured first acquires an insurable interest, whichever is the sooner.

The cover will end when:

1. the Insured provides full particulars of the same and the Company agrees to add such **property insured** to this Policy;
2. 90 days pass from the date of acquisition or completion; or
3. this Policy expires;

whichever occurs first.

The Company may charge additional premium from the date of acquisition or completion.

Personal accident (assault)

for **bodily injury** to any person (herein called the "Insured Person") in the regular employment of the Insured directly due to the theft or attempted theft, by violence or threat of violence, of **money** as defined in the Extension *Money* above. An Insured Person may only be entitled to claim one of the Limits of Liability detailed in the Schedule under this Extension.

Purchaser's interest

for **damage** to a **building** in which, at the time of **damage**, the Insured has contracted to sell its interest (where the purchase has not been but shall thereafter be completed). On completion of the purchase (if and so far as the property is not otherwise insured against such **damage** by the purchaser or on its behalf) and at the option of the Insured the purchaser shall be entitled to benefit under this Policy for such **damage** without prejudice to the rights and liabilities of the Insured or the Company until completion.

Reinstatement to match

the cost of replacement, repair or modification of undamaged parts of the **buildings** that form part of a suite, common design or function where **damage** is restricted to a clearly identifiable area or to a specific part thereof provided that:

1. the total liability of the Company shall not be increased beyond the amount that would otherwise have been payable for the replacement, repair, or restoration of the **property insured** suffering **damage** in its original form;

2. the Company shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the **damage**;
3. where such **property insured** suffers **damage** in part only, the Company will not pay more than the amount representing the cost which the Company would pay in the reinstatement if such **property insured** had been wholly destroyed; and
4. the total liability of the Company shall not be increased beyond the amount that would have been payable for replacement, repair or modification of the whole of the **building** forming a suite, common design or function if such **building** had been wholly destroyed.

Specified all risks

for **damage** to specified all risks items whilst in the possession of an **officer** of the Insured anywhere within the Territorial Limits.

Temporary removal

for **damage** to **property insured** (other than **stock**) whilst temporarily removed from the described **premises** for cleaning, renovation, repair or similar purposes, and during inland transit to and from such described **premises** within the Territorial Limits.

Temporary removal of valuable papers

for **damage** to **valuable papers** whilst temporarily removed to any **building** not occupied by the Insured and during inland transit.

Theft damage to buildings

for **damage** to **buildings** for which the Insured is liable (not otherwise insured by this Policy) caused by theft or attempted theft.

Transit

for **damage** to **contents** and **stock** whilst in transit by road, rail or inland waterway including loading and unloading and temporary housing in the course of transit within the Territorial Limits.

The Company will also pay the reasonable cost incurred in:

1. conveyance of **contents** and **stock** and its container to another vehicle following the disabling of the original conveying vehicle by its catching fire, collision or overturning including delivery to original destination or return to point of despatch;
2. reloading **contents** and **stock** and its container in the event of its falling from the conveying vehicle; and
3. clearance of the debris of **contents** and **stock** and its container provided that this cost is not recoverable under another policy or from any other source.

Undamaged tenants' improvements and betterments

the value of undamaged tenants' improvements and betterments when the Insured's lease is cancelled:

1. by the lessor; and
2. pursuant to a valid condition of the Insured's lease;

in consequence of **damage** to a **building** or **contents**.

Unspecified locations

for **damage** to **production equipment** and **hired in equipment** (for which values are attributed to described **premises**) whilst at any location or in transit thereto or therefrom.

This extension does not apply to the following locations:

1. at any newly acquired premises;
2. which are deeds or documents otherwise insured.

In the event of **damage to property insured** at the described **premises** the Insured may, entirely at its own discretion, apportion the Chubbflex Limit of Liability shown in the Schedule between the following:

1. Arson, theft, terrorism or criminal damage reward

a reward (of up to 10% of the value of a claim under this Section) for information leading to a conviction in respect of arson, theft, criminal damage or **terrorism** (if insured by Sections 1 and 2) involving **property insured**.

2. Customer default on deferred payments

in respect of **stock** sold and delivered or in transit to a **customer** where payment for such **stock** is to be made pursuant to a credit agreement or instalment or deferred payment plan, and in consequence of **damage** to such **stock**, the **customer** has refused to make payment, the Company will pay to the Insured the difference between the amount owed to the Insured less the market value of the **stock** following **damage**.

3. Damage by emergency services

damage to:

1. **property insured**; and
2. any landscaped areas;

(together with any remedial costs necessarily and reasonably incurred) caused by the emergency services.

4. Expediting costs and temporary repairs

the cost of:

1. making temporary repairs to; and
2. expediting the repair, reinstatement or replacement of;

property insured subsequent to **damage**, necessarily and reasonably incurred by the Insured with the consent of the Company.

5. Fine art

damage to **fine art**.

6. Incompatibility of computer system records

in the event of settlement of a claim resulting in the replacement of **property insured** under this Section with property that is incompatible with the Insured's undamaged **electronic data processing media**, the cost of:

1. modification to **electronic data processing equipment**; and
2. replacing or reinstating programs or **electronic data**;

necessarily and reasonably incurred with the consent of the Company to achieve compatibility.

7. Landscaping

damage to trees, shrubs, plants or turf used in landscaping the described **premises** caused by or resulting from a **defined peril**.

8. Loss of metered water

loss resulting from accidental escape of metered water from tanks, apparatus and pipes in consequence of **damage** to **property insured** to the extent that such loss is determined by measurement from the water authority meter for which the Insured is responsible.

The Insured must record the reading of the water at the described **premises** at intervals of not more than 7 days.

9. Pairs and sets

the reduced value of undamaged **stock, contents** or **production equipment** which forms part of a pair or set and following **damage** has become unmarketable as a complete product.

10. Processing water

the cost to the Insured to replace water that is used in the Insured's processing operations and contained in any:

1. above-ground tank;
2. processing equipment; or
3. any associated above-ground piping;

when such water has been released or rendered unusable for its intended purpose as a direct result of **damage** to such tank, equipment or piping.

11. Research and development property

the necessary and reasonable additional cost the Insured incurs to repair or replace **research and development property** in order to meet the last scheduled introduction date (prior to **damage**) for any new product which incorporates such **research and development property**.

12. Trace and access

the costs incurred with the consent of the Company to detect the point of escape of substances, which have caused or may reasonably be expected to cause **damage** to **property insured**.

13. Unauthorised use of electricity, gas or water

the costs incurred with the consent of the Company arising from the unauthorised use of electricity, gas or water for which the Insured is legally responsible by persons taking possession or occupying the described **premises** without the Insured's authority, provided always that all practicable steps are taken to terminate such unauthorised use as soon as discovered.

Special Conditions - Valuation

The maximum that the Company will pay for any **occurrence** under each of the following Special Conditions is the applicable Limit of Liability set out in the Schedule.

Reinstatement conditions

In the event of **damage to property insured** under Section 1 (other than **stock** and **fine art**), the basis upon which the amount payable under this Section is to be calculated shall be the cost:

1. where **property insured** is destroyed or lost – the rebuilding of the property if a **building** or in the case of other property its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new; or
2. where **property insured** is **damaged** – the repair of the **damage** and the restoration of the damaged portion of the property to a condition substantially the same as but not better than or more extensive than its condition when new.

Special Provisions:

1. The work of reinstatement may, at the Company's option, be carried out upon another site and in any manner suitable to the requirements of the Insured, provided that:
 - a) the amount that the Company will pay not being thereby increased; and
 - b) such work is commenced and carried out with reasonable despatch.
2. When any **property insured** is lost or damaged in part only, the amount that the Company will pay shall not exceed the sum representing the cost, which the Company could have been called upon to pay for reinstatement if such **property insured** had been wholly destroyed.
3. No payment beyond the amount which would have been payable under Section 1 of this Policy if this condition had not been incorporated will be made:
 - a) until the cost of reinstatement has actually been incurred; or
 - b) if the **property insured** at the time of its **damage** shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement;

in which case the rights and liabilities of the Company and the Insured in respect of the **damage** shall be subject to the terms and conditions of this Section as if this condition had not been incorporated.

Day one basis (Non-adjustable)

If the **buildings** or **contents** item in the Schedule shows a **declared value** and Sum Insured, then the insurance provided by this item on the said **buildings** or **contents** shall be on a Day One Reinstatement basis. The Limit of Liability is the **declared value** plus a percentage increase as shown in the Schedule.

Special Provisions:

1. The Insured having stated in writing the **declared value** of the said items the premium has been calculated accordingly.
2. At the inception of each Period of Insurance, the Insured shall notify the Company of the **declared value** of each of the said items. In the absence of such declaration, the last amount declared by the Insured shall be taken as the **declared value** for the ensuing annual period of insurance.
3. If at the time of **damage** the **declared value** of such items is less than the cost of reinstatement at the inception of the Period of Insurance the rights and liabilities of the Company and the Insured in respect of the **damage** will be subject to the terms and conditions of this Section as if this condition had not been incorporated therein, except that the Sums Insured shall be limited to 105% of the **declared value**.

Stock

In the event of **damage** to **stock** the basis upon which the amount payable by the Company is to be calculated shall be:

1. the cost to repair or replace **stock** at the time of such **damage** with material of like kind and quality less allowance for physical deterioration, physical depreciation, obsolescence or depletion; or
2. in the event that the **stock** cannot be repaired or is totally destroyed or lost, and the Insured elects not to replace the property, the Company will pay the:
 - a) outstanding capital value of the damaged or lost property as recorded in the Insured's books; or
 - b) cost of material of like kind and quality less allowance for physical deterioration, physical depreciation, obsolescence or depletion of the actual cash value;

whichever is less.

Vehicles and Personal Effects

In the event of **damage** to vehicles and employees', directors' or visitors' personal property (other than tools used on the Insured's behalf) the basis of valuation shall be the value of the property at the time of its loss or destruction or the amount of damage.

Contract price

The Basis of Valuation for **stock** sold but not delivered shall be the contract price where the:

1. contract of sale is cancelled solely arising from **damage**; and
2. Insured retains responsibility for the **stock**.

Brands or trademarks

The salvage value of **stock** bearing a brand or trademark or which in any way carries or implies the guarantee of the responsibility of the manufacturer or Insured shall be determined after removal at the Company's expense in the customary manner of all such brands or trademarks or other identifying characteristics. Salvage, if any, shall be dealt with in agreement with the Insured.

Computer betterment

In the event of **damage** to **electronic data processing equipment** necessitating replacement and **electronic data processing equipment** of like kind and quality is not obtainable the Company will pay for new **electronic data processing equipment** which is:

1. as similar as possible to that which has sustained **damage**; and
2. capable of performing the same function.

For the purposes of the Reinstatement Conditions this shall not be considered as betterment to the Insured.

Machinery betterment

In the event of **damage** to machinery forming part of **contents** necessitating complete replacement and such machinery cannot be replaced with property of equivalent function, manufacturing tolerance or production throughput, the Company will pay for new machinery provided that:

1. the cost of the new machinery is no greater than the declared value for this property; and
2. any additional capital cost to ensure compatibility with existing equipment is borne by the Insured.

For the purposes of the Reinstatement Conditions, the Company will not regard this as betterment to the Insured and will not reduce any claims settlement in proportion.

Fine art

In the event of **damage** to **fine art** the basis upon which the amount payable under Section 1 is to be calculated shall be the cost of:

For **collections** the lesser of the:

1. assigned value set out in the Schedule or on file with the Company; and
2. cost to restore or repair the item plus any depreciation in value remaining after restoration or repair.

For **unscheduled collections** the lesser of the:

1. cost to restore or repair the item plus any depreciation in value remaining after restoration or repair; and
2. market value of the item on the date of **damage**.

For **collections of others** the lesser of the:

1. amount for which the Insured is legally liable; and
2. applicable Sums Insured in the Schedule.

For **collections** which are described as a part of a pair or set, the:

1. stated value of the entire pair or set; or
2. cost to repair the pieces and if the pair or set with the repaired pieces has a lower market value than it had prior to the **damage** the Company will reimburse the difference; or
3. stated value of the pieces prior to the **damage** when the pieces cannot be found or repaired and if the remaining pieces have a reduced market value the Company will reimburse the difference;

after consultation with the Insured.

In no event will the Company pay more than the stated value of the pair or set as shown in the Schedule.

Designation

For the purpose of determining the heading under which any property is insured, the Company agrees to accept the designation under which such property had been entered in the Insured's books.

Section 2. Business Interruption

The Company will pay the amount of loss resulting from interruption of or interference with the business carried on by the Insured at the described **premises** consequent upon **damage** to:

1. **property insured** at or within 250 metres of the described **premises**; or
2. property of a type insured by this Policy while in use at the described **premises**;

caused by or resulting from a cause not otherwise excluded that occurs during the Period of Insurance.

In providing cover under this Section 2 the Company requires the Insured to show that a policy of insurance in respect of such **damage** is in force. Thereafter, the Company will adjust a claim under this Section as if the **damage** were insured under this Policy, notwithstanding that the terms of the actual policy in force may be more onerous or less advantageous to the Insured.

Loss shall be calculated:

1. in accordance with the Basis of Settlement;
2. subject to the Maximum Indemnity Period; and
3. subject to the Limit of Liability;

shown as applicable in the Schedule.

Basis of Settlement

Gross profit

Loss will be calculated by:

1. applying the **rate of gross profit** to the difference between **turnover** during the **indemnity period** and the **standard turnover**;
2. adding the **increased cost of working** incurred during the **indemnity period**, but only to the extent that the reduction in **gross profit** is reduced; and
3. subtracting any sum saved during the **indemnity period** in respect of such of the charges and expenses of the Insured's business payable out of **gross profit** as may cease or be reduced in consequence of the **damage**.

If the Insured holds a salvage sale during the **indemnity period**, the **turnover** from the salvage sale shall be deducted from any reduction in **turnover**.

Gross revenue

Loss will be calculated by:

1. determining the difference between **gross revenue** during the **indemnity period** and the **standard gross revenue**;
2. adding the **increased cost of working** incurred during the **indemnity period**, but only to the extent that the reduction in **gross revenue** is reduced; and
3. subtracting any sum saved during the **indemnity period** in respect of such of the charges and expenses of the Insured's business payable out of **gross revenue** as may cease or be reduced in consequence of the **damage**.

Increased cost of working

Loss will be calculated by determining the additional expenditure necessarily and reasonably incurred for the sole purpose of minimising any interruption to or interference with the Insured's business during the **indemnity period** provided that it does not exceed the:

1. sum produced by applying the **rate of gross profit** to the amount of the reduction in **turnover**; or
2. amount of the reduction in **gross revenue**;

thereby avoided.

Additional increase in cost of working

Loss will be calculated by determining the additional increase in cost of working in excess of the amount payable under the *Gross Profit, Gross Revenue, Increased Cost of Working, Rent Receivable or rent Payable* Basis of Settlement (as applicable) as shown in the Schedule, necessarily incurred during the **indemnity period** for the sole purpose of avoiding or diminishing:

1. the reduction in **turnover** if the Basis of Settlement is *Gross Profit*;
2. the reduction in **gross revenue**;
3. a reduction in **rent receivable**; or
4. a reduction in **rent payable**;

in order to resume or maintain normal business operations.

Research establishment expenditure

Loss will be calculated as follows:

1. in respect of **annual research establishment expenditure** only, for each working week in the **indemnity period** during which the research in consequence of the **damage** is:
 - a) totally interrupted or totally given over to the re-working of projects affected by the **damage**, the **insured amount per week**;
 - b) partially interrupted or partially given over to the re-working of projects affected by the **damage**, an equitable proportion of the **insured amount per week** based upon the time rendered ineffective by reason of the **damage**.
2. the **increased cost of working** reasonably and necessarily incurred solely in consequence of the **damage** in order to minimise the interruption but the amount payable under this heading shall not exceed the amount that would have been payable for loss in respect of research expenditure if no such **increased cost of working** had been incurred.
3. adding any reduction in the amount of grants, endowments and other financial contributions made to the Insured pursuant to written agreements, in effect at the inception of this Policy, to further **research and development operations**, provided that the Insured:
 - a) reports the value of such agreements to the Company prior to the inception of this Policy;
 - b) reports the value of any agreements executed after inception of this Policy within 90 days of their execution;
 - c) reports any amendment to such agreements that change the value of such agreements within 90 days of the execution of such amendments; and
 - d) continues the **research and development operations**.

Less any sum saved during the **indemnity period** in respect of **research establishment expenditure** as may cease or be reduced in consequence of the **damage**.

Rent payable

The Company will pay the amount of **rent payable** by the Insured in respect of the **building** or parts of the **building** whilst unfit for occupation following **damage**.

Under *Conditions Applicable to Sections 1-3*, for the purpose of the condition entitled *Average / Index Linking*, if at the time of **damage** the Sum Insured on any item is less than the amount of **rent payable** (during the period to which the item relates) then the Insured shall be considered as being its own insurer for the difference and shall bear a rateable share of the loss accordingly. The amount payable by the Company in respect of such **damage** shall be proportionately reduced.

The period of rent insured is shown in the Schedule.

Rent receivable

Loss will be calculated by:

1. determining the difference between **rent receivable** during the **indemnity period** and the **standard rent receivable**;
2. adding the **increased cost of working** incurred during the **indemnity period**, but only to the extent that the reduction in **rent receivable** is reduced; and
3. subtracting any sum saved during the **indemnity period** in respect of such of the charges and expenses of the Insured's business payable out of **rent receivable** as may cease or be reduced in consequence of the **damage**.

Flexible first loss limit

Loss will be calculated as any combination of **gross profit**, **gross revenue** and additional increase in cost of working during the **indemnity period**.

Extensions

A. Extensions (following damage)

Where shown in the Schedule as operative, cover under Section 2 is extended as shown below.

The Company will pay:

Accountants' fees

the reasonable charges payable by the Insured to its professional accountants for:

1. producing such particulars or details or any other proofs, information or evidence as may be required by the Company under the terms of this Policy; and
2. reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.

Book debts

for loss to the Insured's books of account or other business books or records from **business interruption** resulting in the inability to trace or establish outstanding debit balances in whole or in part.

Loss will be calculated as the total of:

1. sums due to the Insured from **customers**;
2. subtracting the amount of any such sum evidenced by records not damaged or otherwise established or collected by the Insured; and
3. adding an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

On hire purchase and deferred payment accounts receivable, unearned interest and service charges shall be deducted.

Contractual penalties

the fines and damages that the Insured is legally liable to pay for breach of a written contract for non-completion or late completion of orders incurred solely in consequence of **damage** during the Period of Insurance.

Intergroup dependency – business interruption at a non-damaged premises

for interruption of or interference with the business carried on by the Insured at another described **premises** under this Policy and within the Territorial Limits, during the **indemnity period** solely in consequence of **damage** during the Period of Insurance.

Loss will be calculated using the applicable and operative Basis of Settlement provisions in this Section 2 in effect at the respective described **premises** affected.

This extension does not cover loss caused by **flood**, windstorm and earthquake outside the United Kingdom.

Loss of attraction

loss resulting from the interruption of or interference with the business caused by **loss of attraction** in consequence of damage to property in the vicinity of the described **premises**.

A Maximum Indemnity Period of 3 months applies.

B. Extensions (following damage; locations not occupied by the insured)

Where shown in the Schedule as operative, cover under Section 2 is extended to include loss resulting from **business interruption** to property: (a) of a type insured by this Policy; and (b) at the locations described below:

Denial of access

any property within one mile of any described **premises**, which shall prevent or hinder the use of the described **premises** or access thereto.

This extension shall not apply to property of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunication services.

Failure of utilities

property at any:

1. generating station or sub-station of any electricity supply undertaking;
2. land based premises of any gas supply undertaking or of any natural gas producer linked directly therewith;
3. water works and pumping stations of any water supply undertaking; or
4. land based premises of any telecommunications undertaking;

within the United Kingdom.

For the avoidance of doubt this Extension does not apply to **damage** at or to any over-head and underground communication, transmission or distribution equipment conveying services to the described **premises** other than underground telecommunication cables.

Outsourced activities

locations owned or occupied by the suppliers of **outsourced services**.

This Policy shall not indemnify the Insured arising from any:

1. contractual remedy or future discounts or savings allowed in the costs for the **outsourced services**;
2. costs associated with the change in the nature or extent of the **outsourced services**;
3. additional costs in transferring **outsourced services** to another supplier if the contract is scheduled to expire within the **indemnity period**; or

This extension does not cover loss caused by **flood**, windstorm and earthquake outside the United Kingdom.

Property in transit

property insured whilst in transit by road, rail or inland waterway within the Territorial Limits including **property insured** whilst temporarily housed in the course of transit for the purpose of storage, making up, packing or processing.

Suppliers and customers

the premises of any of the Insured's direct suppliers, manufacturers or processors of components, goods or materials (excluding the supply undertakings for gas, electricity, water and telecommunications services), and premises of the Insured's **customers**.

For the purposes of this extension, suppliers of Specified Suppliers, manufacturers or processors and **customers** of Specified Customers of the Insured shall be considered Unspecified Suppliers or Unspecified Customers.

This extension does not cover loss caused by **flood**, windstorm and earthquake outside the United Kingdom.

Unspecified locations

any location not shown in the Schedule at which the Insured's property is stored or in transit thereto or therefrom.

This extension does not apply to locations of **customers** or suppliers.

C. Extensions (non damage)

Where shown in the Schedule as operative, cover under Section 2 is extended to include loss resulting from the interruption of or interference with the Insured's business, by reason of the following:

Denial of access (non damage)

access to or use of the described **premises** being hindered or prevented due to the premises of property in the vicinity of the described **premises** but in no event more than 1 mile therefrom or any rights of way being:

1. unlawfully occupied by third parties, except in the course of a dispute between an employer and employee or group of workers;
2. thought to contain or actually containing a harmful device, provided that the police have been immediately informed; or
3. closed down or sealed off by the police or other emergency service following danger or disturbance.

This Policy shall not indemnify the Insured for:

1. loss resulting from **damage** to property;
2. loss arising from any cause within the control of the Insured;
3. loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear; and
4. loss caused by or resulting from **terrorism** regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in sequence to the loss.

A Maximum Indemnity Period of 3 months applies.

Restrictions on the use of premises

the intervention of a public body authorised to restrict or deny access to the described **premises** arising from:

1. a) **notifiable disease** attributable to food or drink supplied from the described **premises**; or
b) the discovery of an organism likely to cause **notifiable disease** at the described **premises**;
2. the discovery of vermin or pests at the described **premises**;
3. an accident causing defects in the drain or other sanitary arrangement at or within 250 metres of the described **premises**;
4. an enforcement action taken in the United Kingdom under the Food Safety Act 1990 against products of the Insured which subsequent analysis establishes are not contaminated and are safe for human consumption;
5. the malicious deposit at the described **premises** of radioactive isotopes that will cause **bodily injury**; or
6. murder, manslaughter, suicide or grievous **bodily injury** at or within 250 metres of the described **premises**.

Cover under this extension includes expenses incurred to clean air conditioning and water supply equipment and the removal or disposal of contaminated **stock**.

For the purposes of subparagraph 4. above, the amount payable under this extension shall be the sale value of all products of the Insured which cannot be produced or sold in consequence of the enforcement action, less any sum:

1. saved in respect of such of the charges and expenses of the Insured's business as may cease or be reduced in consequence of the enforcement action; and
2. payable to the Insured as compensation under the terms of the Food Safety Act 1990 (and any subsequent amendments) or otherwise.

The amount payable will be reduced by any sum saved in respect of such of the charges and expenses of the Insured's business as may cease or be reduced in consequence of the enforcement action and any amount awarded as compensation within the terms of United Kingdom legislation.

A Maximum Indemnity Period of 3 months applies.

Conditions applicable to sections 1 and 2

Departmental clause

If the Insured's business is conducted in departments the provisions of the Gross Profit Basis of Settlement shall apply separately to each department affected by the **damage**, provided that the trading results of each department are independent and separately ascertainable.

Alternative trading

If goods shall be sold or services rendered elsewhere than at the described **premises** for the benefit of the Insured's business either by the Insured or by others on its behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the:

1. **turnover**, if the applicable Basis of Settlement is *Gross Profit*; or
2. **gross revenue**, if the applicable Basis of Settlement is *Gross Revenue*;

during the **indemnity period**.

Professional accountants

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company for the purpose of investigating or verifying any claim under this Policy may be produced by professional accountants if at the time they are regularly acting as such for the Insured, and their report shall be prima facie evidence of the particulars and details to which such report relates.

Payments on account

In the event of loss the Company may, at its discretion and if requested by the Insured, make payments on account during the indemnity period.

Value added tax

To the extent that the Insured is accountable to the tax authorities for value added tax the Policy shall be exclusive of such tax.

Accumulated stocks

In adjusting any loss, account shall be taken, and an equitable allowance made, if any reduction in **turnover** due to the **damage** is postponed by reason of the **turnover** being temporarily maintained from accumulated stocks of finished goods.

Premium adjustment

If Premium is shown in the Schedule as adjustable, the first and annual premiums are provisional and are based upon the **estimated gross profit** or **estimated gross revenue**.

Not later than 6 months after the expiry of each Period of Insurance the Insured shall provide the Company with a declaration, confirmed by the Insured's auditors, of **gross profit** or **gross revenue** earned during the financial year most nearly concurrent with such Period of Insurance.

If any **damage** has occurred giving rise to a claim for loss of **gross profit** or **gross revenue** (as applicable) that is indemnified under this Policy, the above mentioned declaration shall be increased by the Company for the purposes of premium adjustment by the amount by which the **gross profit** or **gross revenue** was reduced during the financial year solely in consequence of the **damage**.

If the declaration (adjusted as provided for above, and proportionally increased where the Maximum Indemnity Period exceeds 12 months) is:

1. less than the **estimated gross profit** or **estimated gross revenue** for the relevant period, the Company will allow a pro rata return premium not exceeding 50% of the premium paid on the **estimated gross profit** or **estimated gross revenue**.
2. greater than the **estimated gross profit** or **estimated gross revenue** for the relevant period, the Insured shall pay a pro rata addition to the premium paid on the **estimated gross profit** or **estimated revenue**.

Non-adjustable policies

Where the Policy is shown in the Schedule as non-adjustable under Section 2 the Insured shall, no later than 6 months after expiry of each Period of Insurance, provide the Company with a declaration, confirmed by the Insured's auditors, of **gross profit** or **gross revenue** earned during the financial year most nearly concurrent with such Period of Insurance.

Section 3. Terrorism

Notwithstanding anything contained in Sections 1 and 2 of this Policy to the contrary, in consideration of the payment of the **terrorism premium** and its Insurance Premium Tax in respect of the Period of Insurance:

A. Pool Re

In the event that Her Majesty's Government or Her Majesty's Treasury or any other authorised authority issues a Certificate certifying an event or **occurrence** to have been an **act of terrorism** (defined for the purposes of this Section below) or in the event that Her Majesty's Government or Her Majesty's Treasury or any other authorised authority refuses to issue a Certificate certifying an event or **occurrence** to have been an **act of terrorism**, and that refusal is reversed by the decision of a validly constituted Tribunal, the Company agrees to indemnify the Insured up to the Limits of Liability stated in the Schedule against **damage** and/or **business interruption** proximately caused by such **act of terrorism** provided that:

1. such **damage** and/or **business interruption** occurs in the **specified territory**;
2. in any action, suit or other proceedings where the Company alleges that any **damage** and/or **business interruption** is not covered by this Section the burden of proving that such **damage** and/or **business interruption** is covered shall fall upon the Insured;
3. the insurance effected by this Section excludes any losses whatsoever:
 - a) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power;
 - b) directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:
 - i. the alteration, modification, distortion, corruption of or **damage** to any computer or other equipment or component or **system** or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software); or
 - ii. any alteration, modification, distortion, erasure, corruption of data processed by any such computer or other equipment or component or **system** or item;

whether the property of the Insured 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**;

4. the insurance effected by this Section excludes:
 - a) any type of property which has been specifically excluded in Sections 1 and 2 of this Policy;
 - b) any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**.
5. save for the exclusions listed in subparagraphs 3. and 4. above no other exclusions in Sections 1-3 of this Policy shall apply to the insurance effected by part A. of this Section. All the other terms, limits, definitions and conditions of Sections 1 and 2 of this Policy shall apply to the insurance effected by part (A) of this Section except for:
 - a) any commitment regarding the Period of Insurance;
 - b) any terms in Sections 1 and 2 of this Policy which provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance; or
 - c) any extension of described **premises** to locations outside the **specified territory**.

B. Specified territory – Non-Pool Re (Wrap)

In the event that Her Majesty's Government or Her Majesty's Treasury or any other authorised authority refuse to issue a Certificate certifying an event or **occurrence** to have been an **act of terrorism**, and such refusal is upheld by the decision of a validly constituted Tribunal, this Section amends the insurance provided by Sections 1 and 2 of this Policy in respect only of **damage** and/or **business interruption** occurring in the **specified territory** the exclusion in respect of **terrorism** in Sections 1 and 2 of this Policy shall not apply in respect of such event or **occurrence**.

Provided that under part B. of this Section the terms, definitions, exclusions, provisions and conditions of Sections 1 and 2 of this Policy shall apply.

Definitions Applicable to Section 3A and 3B only:

Act of terrorism

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

Terrorism premium

means any premium paid in respect of this extension of cover.

C. Outside specified territory – Non-Pool

Under this Section, the Company will pay for **damage to property insured** and resulting **business interruption** occurring during the Period of Insurance directly caused by, resulting from, or arising out of or in connection with **terrorism** in the territories listed in the Schedule.

In no event shall the Company's liability exceed the Limit of Liability shown in the Schedule.

In addition to the Exclusions Applicable to Sections 1 and 2 of this Policy, this Section shall not cover:

1. **damage to property insured** and resulting **business interruption** at locations not a described **premises**;
2. **business interruption** arising from **damage** at or to or any enforced or voluntary restriction in the use of the locations of any third party which acts as a supplier, **customer** or utility to the Insured including transmission and distribution supply infrastructure;
3. costs incurred by the Insured to comply with any public or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any **property insured**;
4. **damage** and resulting **business interruption** caused by or contributed to by or arising from or occasioned by or resulting from **damage** to any computer or other equipment or component or **system** or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the Insured or not, where such **damage** is caused by **virus or similar mechanism** or **hacking** or **denial of service attack**; including consequential loss directly or indirectly caused by or arising from **virus or similar mechanism** or **hacking** or **denial of service attack**; or
5. **damage to property insured** and resulting **business interruption** which is insured by any government compensation compulsory insurance pool or national catastrophe scheme.
6. loss or increased cost as a result of threat or hoax;
7. **damage** directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment;

8. **damage** arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused;
9. **damage** arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind; or
10. **damage** by seizure or legal or illegal occupation unless **damage** is caused directly by an act of **terrorism** or an act of sabotage.

Exclusions applicable to Section 1,2 and 3

The following exclusions apply to Sections 1,2 and 3 of this Policy except where expressly varied below.

A. Excluded Causes

Sections 1,2 and 3 of this Policy does not cover loss or destruction of or damage directly or indirectly caused or occasioned by or arising from:

1. 1.1 inherent vice, latent defect, gradual deterioration, wear and tear, frost or any other gradually operating cause;
- 1.2 corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, marring, scratching, vermin or insects;
- 1.3 change in temperature, humidity, colour, flavour, texture or finish;
- 1.4 changes in the water table level;
- 1.5 theft or attempted theft from yards or gardens at the described **premises**, unless involving forcible and violent entry into or exit therefrom;
- 1.6 **asbestos** material removal or modification, unless:
 - a) the **asbestos** forms part of **property insured** and itself suffers **damage** caused by or resulting from a cause not otherwise excluded; or
 - b) as a result of any governmental direction or request declaring that asbestos material in or part of or utilised in any undamaged portion of the **property insured** can no longer be used for the purpose for which it was intended or installed and must be removed or modified;
- 1.7 settling, cracking, shrinkage, or expansion of car parks, yards, pavements, foundations, walls, floors, ceilings or swimming pools;
- 1.8 joint leakage, failure of welds, cracking, fracturing, nipple leakage, implosion, collapse or overheating of: boilers, economisers, superheaters, pressure vessels, tubes or pipes, or any range of steam and feed piping in connection therewith;
- 1.9 **computer breakdown** where there is no annual maintenance contract in place with either manufacturer or supplier; or
- 1.10 all other mechanical or electrical **breakdown** or derangement of the particular machine, apparatus or equipment except when and to the extent insured under the Extension entitled *Breakdown of machinery*; or
- 1.11 the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services;

but this shall not exclude subsequent **damage** or **business interruption** resulting therefrom due to a cause not otherwise excluded.

2. 2.1 faulty or defective workmanship, design or materials, misapplication of tools, operational error or omission on the part of the Insured or any of its **employees**;

- 2.2 the **property insured**, and the contents of any machinery, undergoing any process, test or commissioning or being actually worked upon;
- 2.3 the correction of defects in design or content of any computer records or program and any costs and expense associated therewith;
- 2.4 subsidence, ground heave or landslide:
 - a) to any **property insured** which stands on made up ground or mine workings;
 - b) to any **property insured** occurring as a result of construction, demolition, excavation or ground works at a neighbouring site;
 - c) at any site at which the **property insured** stands which has previously incurred any such damage; or
 - d) which originated prior to the inception of this Policy;

but this shall not exclude subsequent **damage** or **business interruption** resulting from a **defined peril**.

- 3. 3.1 loss of market or delay;
- 3.2 any wilful act or neglect of the Insured;
- 3.3 the Insured or any **officer** of the Insured parting with title or possession of any property if induced to do so by any fraudulent scheme, trick or pretence, misrepresentation (whether verbal or not) or concealment;
- 3.4 acts of fraud or dishonesty by any **officer** or authorised representative or agent of the Insured or any other person to whom the Insured entrusts **property insured** or **money**;
- 3.5 unexplained disappearance, inventory shortage, misfiling or misplacing of information;
- 3.6 a safe or strong room being opened by the use of a key or combination code through the key or combination having been left at the described **premises** outside **business hours**;
- 3.7 by theft or attempted theft from any vehicle whilst the vehicle is unattended by the driver or mate unless all windows, doors and other means of access are fully closed, fastened and, where possible, locked and all keys are removed from the vehicle to a place of safety;
- 3.8 war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation, confiscation, requisition, seizure, or destruction by the government or any public authority;
- 3.9 or in connection with any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence of loss including any cost or expense of whatsoever nature directly or indirectly incurred by the Insured;
- 3.10 any action taken in controlling, preventing, suppressing or in any way relating to **terrorism**;
 in respect of exclusions 3.9 and 3.10 above, if the Company alleges that by reason of this exclusion any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the Insured.
- 3.11 any act of riot or civil commotion in Northern Ireland, except in respect of **damage** to any **property insured** and **business interruption** caused by or resulting from fire or explosion;
- 3.12 any act of strikers, locked out workers or persons taking part in labour disturbances or malicious persons in Northern Ireland;
- 3.13 malicious damage or vandalism (except in respect of **damage** to any **property insured** and **business interruption** caused by or resulting from fire or explosion), bursting, overflowing, freezing, discharging or leaking of water tanks, apparatus, pipes, heating, cooling or fire protection systems when the

described **premises** are empty or disused for a continuous period of 30 days or more unless otherwise agreed by the Company; or

- 3.14 pollution or contamination, except in respect of **damage** to the **property insured** caused by or resulting from:
- a) pollution or contamination which itself results from a **defined peril**; or
 - b) a **defined peril** which itself results from pollution or contamination.

Nor do Sections 1, 2 and 3 of this Policy cover loss, destruction of or damage:

- 4. 4.1 caused by or resulting from distortion, erasure, corruption or alteration of **electronic data** from **malicious programming** or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, but this shall not exclude subsequent **damage** or **business interruption** caused by or resulting from fire or explosion and otherwise to the extent insured under Section 6E;
- 4.2. to **property insured** or any loss or expense whatsoever resulting or arising therefrom or any **business interruption** or any liability whatsoever directly or indirectly caused by or contributed to by or arising from any **nuclear source**;
- 4.3. to any **building** or other structure caused by or resulting from its own cracking or collapse unless resulting from a **defined peril**; or
- 4.4. to **property insured**:
 - a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat;
 - b) resulting from its undergoing any process of production, packing, treatment, servicing or repair except in respect of **damage** to any **property insured** and **business interruption** caused by or resulting from fire or explosion; or
 - c) resulting from the solidification of molten material except in respect of subsequent **damage** to any **property insured** and **business interruption** caused by or resulting from a **defined peril**.

Nor do Sections 1, 2 and 3 of this Policy cover:

- 5. 5.1 **damage** to and the cost necessary to replace, repair or rectify **contract works**:
 - a) which are in a defective condition due to a defect in design, plan, specification, materials or workmanship of such contract works or any part thereof;
 - b) which rely for their support or stability on subparagraph a) above; or
 - c) lost or damaged to enable the replacement, repair or rectification of **contract works** excluded by subparagraphs a) and b) above.

Exclusions 5.1.a and 5.1.b above shall not apply to other **contract works** which are free of the defective condition but are damaged in consequence thereof

For the purposes of the Extension entitled *Contract Works* and not merely this exclusion, the **contract works** shall not be regarded as lost or damaged solely by virtue of the existence of any defect in the design, plan, specification, materials or workmanship in the **contract works** or any part thereof.

- 5.2 **damage to contract works** arising from any multiple lifting operation(s) where two or more lifting machines are used for the purpose of lifting or lowering a load.
- 5.3 fines, penalties or liquidated damages in respect of non-completion or non-compliance with contract provisions.
- 5.4 **damage** to:

- a) any constructional plant and equipment (including temporary buildings).
- b) personal tools and effects the property of the Insured's or contractors' (including sub-contractors of any tier) **employees**.

5.5 **damage** to property forming or which formed part of any structure prior to the commencement of the **contract works**.

Nor do Sections 1 , 2 and 3 of this Policy cover:

- 6. 6.1 **damage** caused by faulty, inadequate or defective installation;
- 6.2 **damage** for which a supplier, contractor or repairer is responsible either by law or under contract;
- 6.3 **damage** caused by failure of machinery to perform in accordance with plans or specifications; or
- 6.4 any rate, tax, duty, development or other charge or assessment arising out of capital appreciation as a result of complying with any regulations or requirements.

Nor do Sections 1 , 2 and 3 of this Policy cover **damage to contents, production equipment, hired in equipment and stock** in transit:

- 7. 7.1 by air or sea;
- 7.2 resulting from atmospheric or climatic conditions unless reasonable precautions have been taken to protect **contents** and **stock** against such conditions;
- 7.3 arising as a result of packing being inadequate to withstand normal handling during transit or due to insufficient labelling or incorrect addressing;
- 7.4 carried by the Insured for hire or reward unless the Insured is contractually responsible for **damage** occurring to such **contents** and **stock**; or
- 7.5 which is **contract works** property.

B. Excluded Property

Sections 1, 2 and 3 of this Policy do not cover:

- 1. water, air, land (including top-soil back-fill drainage or culverts), roads, runways, railway lines, dams, reservoirs, storage lakes, canals, rigs, wells, tunnels, docks, piers, jetties, excavations, wharves, mines, property underground and off-shore property;
- 2. animals, growing crops, trees and other vegetation, including lawns and shrubs, except to the extent insured under **Chubbflex**;
- 3. jewellery, precious stones, bullion, furs, curiosities and relics;
- 4. **fine art**, except to the extent insured under **Chubbflex** or more specifically endorsed;
- 5. overhead electrical and telecommunication transmission and distribution lines, overhead transformers or other similar overhead communication, transmission or distribution equipment and their supporting structures other than those within 250 metres of the described **premises**;
- 6. **money**, except to the extent insured under the Extension entitled *Money*;
- 7. vehicles required to be licensed for road use (including accessories thereon), railway locomotives or rolling stock, watercraft, aircraft or spacecraft (including but not limited to satellites) except to the extent insured under the Extension entitled *Motor Vehicles*;
- 8. property in transit, except to the extent insured under the Extension entitled *Transit*;

9. property or structures in the course of construction or erection and materials, or supplies in connection therewith, except when and to the extent insured under the Extension entitled *Contract Works*. This does not include **production equipment** or **hired in equipment** whilst in the process of installation or rigging;
10. property that, at the commencement of loss, destruction of or damage, is insured by or would but for the existence of this Policy be insured by any marine policy or policies, including the risks of loading or unloading from any vessel, railway wagon or conveyance;
11. explosives and contraband;
12. property that is or becomes empty or disused for a continuous period in excess of sixty (60) days unless inspected at least once in every 7 days, unless agreed by the Company; or
13. property more specifically insured elsewhere.

Conditions applicable to Sections 1,2 and 3

In addition to the *General Provisions* the following Conditions apply to each Section of Sections 1,2 and 3 of this Policy except where expressly provided to the contrary.

Action by the insured

In the event of **damage** for which a claim is or may be made under this Policy the Insured shall:

1. notify the Company promptly;
2. notify the police authority immediately it becomes evident that any **damage** has been caused by theft or attempted theft or by malicious persons;
3. carry out and permit to be taken any action which may reasonably be practicable to prevent, minimise or check any further **damage** or interruption or interference with the Insured's business; and
4. deliver to the Company at the Insured's expense:
 - a) full information in writing of the circumstances, nature and amount of **damage**;
 - b) details of any other insurance on any **property insured**;
 - c) all such proofs and information relating to the claim as may be reasonably required; or
 - d) if demanded, a statutory declaration of the truth of the claim and of any matters connected with it;

in any event within 30 days after such **damage** (7 days in the case of **damage** caused by theft or attempted theft, riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons) or such further time as the Company may allow.

If the event is one in consequence of which a claim may be made under Section 2 of this Policy, the Insured shall, not less than 30 days after the expiry of the **indemnity period** or within such further time as the Company may allow, deliver to the Company:

1. written particulars of its claim together with details of all other insurances covering property used by the Insured at the described **premises** for the purpose of the Insured's business or any part of it or any resulting **business interruption**; and
2. such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Company for the purpose of investigating or verifying the claim together with, if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

If the terms of this condition have not been complied with any payment already made on account in respect of the claim shall be repaid to the Company forthwith and the Company shall have no further obligation to make payment with respect to that claim.

Alteration

Section 2 of this Policy will be avoided if after the commencement of this insurance:

1. the Insured's business is wound up or carried on by a liquidator or receiver or permanently discontinued;
2. the interest of the Insured ceases other than by death; or
3. any alteration is made either in the Insured's business or in the described **premises** or property therein whereby the risk of loss destruction or **damage** is increased;

unless agreed in advance by the Company in writing.

Sections 1-3 of this Policy shall be avoided in respect of any **property insured** altered after the commencement of this insurance:

1. by removal;
2. whereby the risk of **damage** is increased; or
3. whereby the interest of the Insured ceases except by will or operation of law;

unless agreed in advance by the Company in writing.

Average / Index Linking

If “index linking” is shown as operative in the Schedule the **declared value** for **buildings** and **contents** and Sum Insured for **stock** at the commencement of the Period of Insurance shall be calculated by the Company applying an index to the amounts declared for the preceding Period of Insurance.

If the Insured does not elect “index linking”, the following condition of Average shall apply:

In respect of items of stock:

If at the time of **damage** the Sum Insured on any item is less than the value of the property covered by such item then the Insured shall be considered as being its own insurer for the difference and shall bear a rateable share of the loss accordingly. The amount payable by the Company in respect of such **damage** shall be proportionately reduced.

In respect of electronic data processing equipment:

If at the time of any loss of **electronic data processing equipment** any such insured property is subject to a maintenance agreement and such maintenance agreement reimburses the Insured for any incurred loss, this Policy shall provide indemnity within the terms of the Policy only after such maintenance agreement shall have been exhausted.

In respect of Section 2 – Business Interruption

Where any Sum Insured by **gross profit** or **gross revenue** (not on a declaration linked basis of cover) be less than the sum produced by applying the **rate of gross profit/revenue** to the **turnover** in the 12 months immediately preceding the **damage** (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months) the amount payable shall be proportionately reduced.

In respect of all other items:

If at the time of reinstatement the sum representing 80% of the cost which would have been incurred in reinstating the whole of the property to which any **declared value** is applicable exceeds such **declared value** at the commencement of any **damage**, then the Company’s liability shall not exceed that proportion of the amount of the **damage** which said **declared value** shall bear to the sum representing the total cost of reinstating the whole of such property at that time.

Company’s right following a claim

On the happening of **damage** in respect of which a claim is made, the Company and any person authorised by the Company may, without thereby incurring any liability or diminishing any of the Company’s rights under this Policy, enter, take or keep possession of the described **premises** where such **damage** has occurred and take possession of or require to be delivered to the Company any **property insured** and deal with such property for all reasonable purposes and in any reasonable manner.

No **property insured** may be abandoned to the Company whether taken possession of by the Company or not.

In the event of a claim arising for which the Company shall be liable under this Policy the Company shall be entitled (but not obliged) to:

1. undertake in the name of and on behalf of the Insured the absolute conduct and control of any proceedings and settlements of the same;
2. take proceedings at its own expense and for its own benefit but in the name of the Insured to recover compensation or secure any indemnity from any third party in respect of anything covered by this Policy; and

3. pay to the Insured in respect of any claim or claims the maximum liability of the Company as stated in the Schedule, or such lesser sum for which the said claim or claims can be settled (subject to deduction in either case of any sum or sums already paid on account of such claim or claims) and thereafter the Company shall be under no further liability in respect of said claim or claims except for payment of costs and expenses incurred prior to the date of such payment and for which the Company may be liable hereunder.

Contribution

If at the time of any **damage** resulting in a loss insured by this Policy there is any other insurance effected by or on behalf of the Insured covering any of the property lost, destroyed or damaged or any loss or any part of it, the liability of the Company hereunder shall be limited to its rateable proportion of such loss or **damage**.

If any such other insurance shall be subject to any average (underinsurance) condition, this Policy if not already subject to any such condition of average, shall be subject to average in like manner.

If any such other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing rateably, the liability of the Company under this Policy shall be limited to that proportion of the **damage** which the Sum Insured under this Policy bears to the value of the **property insured**.

Fire extinguishing appliance

The Insured shall keep the fire extinguishing appliances in working order during the Period of Insurance of this Policy.

Fire protection devices

In respect of any automatic sprinkler or automatic fire alarm installations or any other fire protection in the described **premises**, the Insured shall so far as its responsibility extends take all reasonable steps to maintain:

1. the installation(s) including the automatic alarm signal in efficient condition; and
2. ready access to the water supply control facilities.

Non-invalidity

This insurance shall not be invalidated by any act or omission or by any alteration whereby the risk of **damage** is increased, unknown to or beyond the control of the Insured, providing that the Insured, immediately it becomes aware of any such thing, shall give notice to the Company and pay an additional premium if required.

Property in transit

1. The Insured shall take all reasonable measures to maintain vehicles in a roadworthy condition.
2. The Insured will notify the carrier of the goods of **damage** within the time limits stipulated in the applicable carriage contract.

Reinstatement

If any **property insured** is to be reinstated or replaced by the Company, the Insured shall, at its own expense, provide all such plans, documents, books and information as may reasonably be required. The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any item insured more than its Sum Insured or the Limits of Liability (whichever is less).

Salvage

If any **property insured** is recovered by the Insured or the Company after a loss payment is made, the party making the recovery must give the other parties prompt notice.

If any recovered property has a salvage value, the Company shall control the disposition of such salvage.

When **property insured** is recovered the Insured may keep the:

1. recovered property and return the loss payment to the Company; or
2. loss payment and the Company will keep the recovered property.

When any recovered **property insured** which the Insured chooses to keep is in need of repair the Company will pay for the repairs subject to the applicable:

1. Limit of Liability shown in the Schedule; and
2. Basis of Settlement conditions.

If any recovered property has a salvage value or if there is any money recovered through subrogation such recoveries shall be applied net of the expense of such recovery in the following order:

1. first to the Insured for any uninsured loss or **damage** from an insufficient limit of liability;
2. second to the Company for any amounts paid in settlement of the Insured's claims; and
3. third to the Insured for any deductible amount that the Insured paid or penalties the Insured paid as a result of coinsurance.

The Company shall determine the amount of loss or **damage** on the basis that it would have been settled had the amount of the recovery been known at the time the loss was originally determined.

If there are expenses:

1. in recovering any lost or damaged **property insured**; or
2. as a result of subrogation;

the Company shall share the expense with the Insured and any company which provided excess insurance in proportion to their respective shares. If there is no recovery and proceedings are conducted solely by the Company, the Company shall bear the expenses of the proceedings.

Statutory regulations

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

Subrogation waiver

In the event of a claim arising under this Policy, the Company agrees to waive any rights, remedies or relief to which it might become entitled by subrogation against any company:

1. standing in the relation of parent to subsidiary or subsidiary to parent to the Insured current at the time of the **damage**; or
2. which is a subsidiary of a parent company of which the Insured are themselves a subsidiary current at the time of the **damage**.

Workmen

Workmen are permitted in or about any of the described **premises** for the purposes of carrying out minor alterations, repairs, decoration and maintenance without prejudice to this insurance.

Section 4. Employers' Liability

The Company agrees to indemnify the Insured in the terms of this Policy and subject to the Limits of Liability against all sums which the Insured shall become legally liable to pay as damages in respect of **bodily injury** sustained by any **employee** caused during the Period of Insurance within the Territorial Limits and arising out of and in the course of employment by the Insured in the **business**.

The Company will also pay **costs and expenses** in respect of any occurrence to which this Policy applies.

Limits of Liability

Under Section 4 of this Policy the maximum amount as stated in the Schedule which the Company shall be liable to pay as damages and **costs and expenses** in respect of any one claim against the Insured or series of claims against the Insured arising out of any one occurrence and for the purpose of such Limit of Liability the Insured shall be deemed to include all parties entitled to indemnity under this Policy regardless of whether such parties are designated as the Insured.

Extensions

The Insurance provided by this Section is extended to include the following:

Unsatisfied court judgments

In the event of a judgment for damages being obtained by any **employee** or the personal representatives of any:

1. **employee** in respect of **bodily injury** to the **employee** caused during the Period of Insurance and arising out of and in the course of employment by the Insured in the **business** against any company or individual other than the Insured operating from premises within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in any court situate in the aforesaid territories, and
2. remaining unsatisfied in whole or in part 6 months after the date of such judgment;

then subject otherwise to the terms exclusions limitations and conditions applicable to Section 4 of this Policy the Company will at the request of the Insured pay under Section 4 to the **employee** or the personal representatives of the **employee** the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

1. there is no appeal outstanding;
2. if any payment is made under the terms of this Extension the **employee** or the personal representatives of the **employee** shall assign the judgment to the Company; and
3. all reasonable steps necessary have been taken to recover monies due from the party against whom the judgment was obtained.

Exclusions

Section 4 of this Policy does not apply to liability:

Employees offShore

to any **employee** arising while **offshore**.

Employee passengers

for which compulsory motor insurance or security is required under any road traffic legislation in force within any member country of the European Union.

Radioactive contamination

of whatsoever nature directly or indirectly caused by 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; or
2. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

but in respect of **bodily injury** sustained by any **employee** this Exclusion shall apply only when the Insured under a contract or agreement has either undertaken:

1. to indemnify another party; or
2. to assume the liability of another party;

in respect of such **bodily injury**.

Terrorism

caused by or arising from:

1. any **terrorism**; and/or
2. **bodily injury**, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **terrorism**;

provided that this Exclusion shall only apply in respect of payments of amounts in excess of GBP 5,000,000 for any one claim or series of claims arising out of any one occurrence.

If the Company alleges that by reason of this Exclusion any liability is not covered by this Policy, the onus of proving to the contrary shall be upon the Insured.

Special Conditions

Non-Avoidance

The indemnity granted by Section 4 of this Policy is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in Great Britain Northern Ireland the Isle of Man or the Channel Islands but the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law.

Section 5. Public and Products Liability

The Company agrees to indemnify the Insured in the terms of this Policy and subject to the Limits of Liability against all sums which the Insured shall become legally liable to pay as damages in respect of accidental:

1. **bodily injury** occurring;
2. **damage** occurring;
3. **trespass nuisance or obstruction** occurring; or
4. **personal and advertising injury** offences committed;

during the Period of Insurance within the Territorial Limits and arising in connection with the **business**.

The Company will also pay **costs and expenses** in respect of any occurrence to which this Policy applies.

Limits of Liability

Under this Section 5 the maximum amount as stated in the Schedule which the Company shall be liable to pay as damages as a result of any one occurrence or of any series of occurrences arising directly or indirectly from one source or original cause.

For the purpose of this Definition, occurrence or occurrences also means offence or offences provided always that the liability of the Company:

1. for all damages payable in respect of all **bodily injury** and **damage** occurring during any one Period of Insurance and caused by **products** shall not exceed the Limit of Liability for Section 5 stated in the Schedule;
2. for all damages payable in respect of all **personal and advertising injury** offences committed during any one Period of Insurance shall not exceed the Limit of Liability for Section 5 stated in the Schedule.

Extensions

The Insurance provided by this Section is extended to include the following:

Damage to leased or rented premises

Notwithstanding subparagraph 2 of the exclusion entitled *Custody or Control* of this Section 5, legal liability for damages to premises (including fixtures and fittings) leased or rented to the Insured provided that this Extension shall not apply in respect of:

1. liability assumed under any contract or agreement unless such liability would have attached in the absence of such contract or agreement; or
2. **damage** to any such premises which is insured under any property or fire insurance policy arranged by the Insured or under which the Insured is entitled to indemnity in respect of such **damage**.

Data breach and cyber attack

The Exclusion entitled *Data risk and cyber liability* under Section 5 does not apply in respect of:

1. damages incurred by any third party as a result of:
 - a) any **data breach event** relating to that third party's **personal data**; or
 - b) the Insured's unlawful or unauthorised disclosure of **data** belonging to that third party.
2. a) **damage** (which does not include **data**); or
b) **bodily injury**:

incurred by any third party and directly arising from:

- i) unauthorised access or access by **malware** to;
- ii) the presence of **malware** on;
- iii) the spread of **malware** by;
- iv) the unauthorised use of;
- v) the malicious use of; or
- vi) malicious interference with or any distributed denial of service attack against;

any **computer system** operated or controlled by the Insured or sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by the Insured.

The liability of the Company under this Extension shall not exceed the Limits of Liability shown in the Schedule in respect of all occurrences happening during any one Period of Insurance.

Data protection act

Personal and advertising Injury also means damage or distress occurring as a result of an offence under Section 13 of the Data Protection Act 1998 committed during the Period of Insurance within the Territorial Limits and arising in connection with the **business** provided that this Extension shall not apply to liability:

1. in respect of the costs and expenses of rectifying or erasing Data or Personal Data;
2. arising from fraud or dishonesty; or
3. arising from any agreement to store process or supply Data or Personal Data for a fee or by reciprocal arrangement.

“Data” and “Personal Data” have the meanings defined in the Data Protection Act 1998.

Defective premises act

The Company will indemnify the Insured in the terms of this Section against legal liability incurred by the Insured by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises which have been disposed of by the Insured.

Provided that this Extension shall not apply in respect of the cost of remedying any defect (or alleged defect) in such premises.

Crisis response

The Company will indemnify the Insured for **crisis response expenses** due to **bodily injury or damage** caused by any **occurrence** to which Section 5 of this Policy applies that are paid or incurred by the Insured within the Territorial Limits during the Period of Insurance and first reported in writing to the Company during the same Period of Insurance or within 30 days of expiry thereof.

The liability of the Company under this Extension to pay **crisis response expenses** shall not exceed the Limits of Liability shown in the Schedule.

Motor contingent liability

The exclusions entitled *Aircraft Watercraft Vehicles (point 2)* and *Data Risk and Cyber Liability* of this Section do not apply in respect of legal liability of the Insured named in the Schedule arising from the use in connection with the **business** of any motor vehicle not the property of nor provided by the Insured provided that this Extension shall not apply in respect of:

1. **damage** to any such vehicle or its contents;

2. liability arising while such vehicle is being:
 - a) driven by the Insured;
 - b) driven with the general consent of the Insured or of the representative of the Insured by any person who to the knowledge of the Insured or of such representative does not hold a valid licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a license; or
 - c) used elsewhere that are within the member countries of the European Union.

Subparagraph 4. of the Extension entitled *Indemnity to Others* does not apply to this Extension.

Personal overseas liability

The Company will indemnify in the terms of Section 5 of this Policy the Insured and at the request of the Insured any director partner or **employee** of the Insured or spouse of any such person against legal liability for damages in respect of **bodily injury** or **damage** arising from personal activities while temporarily outside the Territorial Limits in connection with the **business** provided that this Extension shall not apply in respect of:

1. liability arising from the ownership or occupation of any land or building; or
2. liability insured by any other policy of insurance;

and that any such director partner **employee** or spouse shall as though he/they were the Insured be subject to the terms of this Policy in so far as they can apply.

Product recall expenses

Notwithstanding the Exclusion entitled *Damage to Products* under Section 5 of this Policy the Company will indemnify the Insured against costs which the Insured shall have paid as **products recall expense** caused by any **occurrence** of which the Insured first became aware during the Period of Insurance and which was first reported in writing to the Company during the same Period of Insurance, arising from any **products**.

The liability of the Company shall not exceed the Limits of Liability shown in the Schedule.

The amount payable in respect of each **occurrence** is limited to the **net loss** in excess of the Excess shown in the Schedule.

All **products recall expense** incurred in the simultaneous recall of different types, classes or models of the same product shall be considered as arising out of one **occurrence**.

The liability of the Company in respect of all amounts paid or payable for **products recall expense** arising from all **occurrences** reported to the Company during the same Period of Insurance shall not exceed the Limit of Liability in the aggregate for any one Period of Insurance stated in the Schedule.

Residual employers' liability

Notwithstanding the Exclusion entitled *Employees* of this Section, liability in respect of **bodily injury** sustained by any **employee**:

1. which is insured or normally insured by an employers' liability and/or workers compensation and/or public liability policy in the territory in which the **employee** is employed in which case the indemnity provided by this Extension shall only apply to amounts in excess of:
 - a) USD1,000,000 in respect of any occurrence in the United States of America or any territory within its jurisdiction; or
 - b) GBP500,000 in respect of any occurrence elsewhere in the world; or
 - c) the limit of indemnity provided by such policy; or
 - d) the applicable minimum limit required by law;

whichever is greater.

2. arising from the exercise of subrogation rights against the Insured by any state social security or similar scheme.

This Extension shall not apply to liability for **bodily injury** to **employees** who are employed by the Insured in Great Britain Northern Ireland the Isle of Man or the Channel Islands.

Vendors indemnity

At the request of the Insured the Company will indemnify in the terms of Section 5 of this Policy any person or organisation (herein referred to as "vendor") but only with respect to **bodily injury** or **damage** arising out of the Insured's **products** distributed or sold in the regular course of the vendor's **business** provided that:

1. this Extension shall not apply in respect of liability arising from:
 - a) any express warranty unauthorised by the Insured;
 - b) any physical or chemical change in the form of the **products** made intentionally by the vendor;
 - c) repacking unless unpacked solely for the purpose of inspection demonstration testing or the substitution of parts under instruction from the Insured and then repacked in the original container;
 - d) demonstration installation servicing or repair operations except demonstration performed at the vendor's premises in connection with the sale of the **products**; or
 - e) **products** which after distribution or sale by the Insured have been labelled or re-labelled or used as a container part or ingredient of any other thing or substance by or for the vendor.
2. this Extension shall not apply to any person or organisation from whom or which the Insured has acquired such **products** or any ingredient part or container entering into accompanying or containing such **products**;
3. such vendor shall as though he/they were the Insured be subject to the terms of this Policy in so far as they can apply; and
4. the Limit of Liability shall not be increased hereby.

Exclusions

Section 5 of this Policy does not apply to liability:

Advice

arising out of the provision of or failure to provide any instruction advice information or professional service in return for a fee.

Aircraft products

arising from **products** knowingly supplied for use or installation in or on any aircraft or aerospace device which could affect the navigation flying capabilities or safety of such aircraft or device.

Aircraft watercraft vehicles

arising from or caused by the ownership possession control or use by or on behalf of the Insured of:

1. any aerospace device or any airborne or waterborne craft or vessel (other than manually propelled waterborne craft) or the loading or unloading of such craft or vessel; or
2. any mechanically propelled vehicle or trailer attached thereto:

- a) in circumstances for which insurance or security is required in accordance with any road traffic legislation in force within the member countries of the European Union; or
- b) whilst being used on any public road in any other country whether or not insurance in respect of liability therefor is compulsory;

or the loading or unloading of such vehicle or trailer attached thereto provided that if there is no indemnity afforded by any motor or other insurance policy this Exclusion shall not apply to liability arising from:

- a) the act of loading or unloading or the bringing to or taking away of a load from such vehicle or trailer; or
- b) the operation of plant as a tool of trade within the member countries of the European Union but only insofar as such liability is not the subject of compulsory insurance or security in accordance with any road traffic legislation in force in such countries.

Asbestos

for any loss demand claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

The Company shall have no duty of any kind with respect to any such loss demand claim or suit.

Custody or control

in respect of **damage** to property:

1. belonging to the Insured;
2. in the custody or control of the Insured or any **employee** or agent of the Insured other than:
 - a) personal effects (including motor vehicles) belonging to visitors directors partners and **employees** of the Insured;
 - b) premises (including their contents) not leased or rented to the Insured but temporarily occupied by the Insured for the purpose of carrying out work.
3. being that particular part of such property worked upon to the extent that the **damage** results from such work.

Contractual liability

assumed under any contract or agreement in respect of:

1. **damage** to contract or temporary works to be executed by the Insured and/or their sub-contractors and/or to any materials plant tools and other property for use in connection therewith;
2. **bodily injury** or **damage** arising from or caused by **products**; or
3. **personal and advertising injury**;

unless such liability would have attached in the absence of such contract or agreement or such liability arises from an applicable statutory implied condition or warranty relating to the fitness for purpose or quality or safety of any **products**.

Damage to products

in respect of **damage** to or any costs or expenses claimed or incurred for repair removal replacement recall disposal or loss of use of any **products** out of which the occurrence arises.

Data risk and cyber liability

directly or indirectly arising from or in connection with:

1. the modification, corruption, loss, destruction, theft, misuse, illegitimate access, unlawful or unauthorised processing or disclosure of **data** or the loss, destruction or theft of any computer, electronic device, hardware or component thereof which contains **data**; or
2. a) unauthorised access or access by **malware** to:
 - b) the presence of **malware** on;
 - c) the spread of **malware** by;
 - d) the unauthorised use of;
 - e) the malicious use of; or
 - f) malicious interference with or any distributed denial of service attack against;

any computer system:

 - i) owned, operated, controlled, leased or used; or
 - ii) sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed

by or on behalf of the Insured.

Employees

in respect of **bodily injury** sustained by any **employee** arising out of and in the course of employment by the Insured in the **business**.

Fines or penalties

for fines liquidated damages or under any penalty clause.

Personal and advertising injury

in respect of **personal and advertising injury**:

1. arising out of oral or written publication of material:
 - a) if the first oral or written publication of the same or similar material took place prior to the commencement date of this Policy; or
 - b) which to the knowledge of the Insured is false.
2. arising out of a breach of contract other than misappropriation of advertising ideas under an implied contract;
3. arising out of the failure of goods products or services to conform with advertised quality or performance;
4. arising out of the wrong description of the price of goods products or services; or
5. committed by an Insured whose business is advertising broadcasting publishing or telecasting;

provided that this subparagraph 5. above does not apply to the offences described subparagraphs 1. and 2. in the definition entitled *Personal Injury and Advertising Injury*.

Pollution

arising out of the discharge dispersal release escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water however this Exclusion does not apply to **bodily injury** or **damage** if such discharge dispersal release or escape is sudden and accidental.

Radioactive contamination

of whatsoever nature directly or indirectly caused by 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; or
2. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

War

directly or indirectly occasioned by happening through or in consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power.

Exclusions specific to Products Recall Expense:

The Extension entitled *Products Recall Expenses* shall not apply to **products recall expense** as a result of:

1. a) a wish to recall other **products** which are similar to the **products** giving rise to an **occurrence**;
b) the **products** being of the same trade or brand name but of different batches that that which has been determined as being a likely cause of loss under this Extension, if the Insured has represented at the time of the application of this Extension that the **products** are identifiable by batch, code or other means.
2. inherent deterioration decomposition or transformation of the **products**, or the **products** reaching the end of the period within which use or consumption or storage is recommended;
3. loss of customer faith or approval or any costs incurred to regain customer faith or approval or other consequential loss arising therefrom;
4. changes in the condition of the **products** or any part thereof if such changes are deliberately caused by the act or omission of any person and whether occurring before or after the release of such **products** by the Insured;
5. any pre-existing condition of the **products** which could possibly become a cause of loss under the Extension entitled *Product Recall Expense* and of which the Insured had prior knowledge;
6. circumstances arising from any deliberate act by the Insured;
7. any **occurrence** arising from **products** which were sold or supplied prior to the retroactive date shown in the Schedule;
8. withdrawal of any **products** without the reasonably held belief that its use or consumption or storage would or could result in either **bodily injury** or **damage**;
9. use of materials after they have been banned or declared unsafe by any authorised governmental entity;
10. acts or omissions of any of the Insured's **employees** and of which any of the Insured's officers or directors had prior knowledge; or
11. the express conditions of any contract or agreement entered into by the Insured which imposes costs or expenses for the recall or replacement of the **products** which would not have been incurred in the absence of such contract or agreement.

Special Conditions

USA/Canada –

With regard to Section 5 of this Policy it is hereby agreed between the Company and the Insured that in respect of occurrences happening in or claims or legal proceedings brought or originating in the United States of America or Canada or in any other territory within the jurisdiction of either such country:

1. the liability of the Company under Section 5 of this Policy in respect of all damages payable together with all **costs and expenses** shall not exceed the Limit of Liability for Section 5 stated in the Schedule;
2. regardless of any of the other provisions of this Policy, this insurance does not apply to punitive or exemplary damages; and
3. regardless of the Exclusion entitled *Pollution* of this Section 5, this insurance does not apply to
 - a) liability arising out of the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water;
 - b) any cost or expense arising out of any governmental demand or request that an Insured test for assess monitor clean-up remove contain treat de-toxify or neutralise any irritants contaminants or pollutants;and the Company shall not have the duty to defend any claims or suits seeking to impose any such liability cost or expense or any other relief.

It is further agreed between the Company and the Insured that the premium for this insurance has been calculated accordingly.

Special Extension – Environmental liability

Environmental liability

This is a claims made and notified special extension.

Notwithstanding the Exclusion entitled *Pollution* of Section 5 and subject otherwise to the terms Exclusions and Conditions of this Section.

A. Remediation of New Pollution Conditions

The Company will pay on behalf of the Insured subject to the **limit of liability of this Extension** the **remediation costs** and **regulatory authority costs** which arise out of any **new pollution condition** on at under or migrating from any property owned or leased by the Insured where such **remediation costs** and **regulatory authority costs** result from **regulatory action** first imposed on the Insured during the Period of Insurance and notified to the Company during the same Period of Insurance or within 60 days of expiry thereof.

B. Remediation of Unknown Historic Contaminated Land (applicable only to England, Scotland and Wales)

The Company will pay on behalf of the Insured subject to the **limit of liability of this Extension** the **remediation costs** and **regulatory authority costs** which arise following a **contaminated land notice** served in England, Scotland or Wales, which **contaminated land notice** arises out of an **unknown historic pollution condition** and where such **contaminated land notice** is sent to the Insured during the Period of Insurance and the Insured notifies the Company of the **contaminated land notice** during the same Period of Insurance or within 60 days of expiry thereof.

Words and phrases used in this Special Extension have the same meaning as defined in the Policy save where set out below:

Exclusions applicable to this Special Extension only:

The Company will not be liable under this Special Extension for **remediation costs** or **regulatory authority costs**:

Advice

arising out of the provision of or failure to provide any instruction advice information or professional service in return for a fee.

Aircraft, watercraft, vehicles

arising from or caused by the ownership possession control or use by or on behalf of the Insured beyond the boundaries of any property owned or leased by the Insured of:

1. any aerospace device or any airborne or waterborne craft or vessel or the loading or unloading of such craft or vessel; or
2. any mechanically propelled vehicle or trailer attached thereto.

Asbestos or Lead

arising out of or related in any way to asbestos or asbestos-containing materials, or lead or lead-containing materials, on or in structures and the **Company** shall have no duty of any kind with respect to any such liability.

Capital improvement

arising from any **pollution condition** discovered in the course of replacement, repair or capital improvement activities at any property owned or leased by the Insured.

Contractual liability

assumed under any contract or agreement unless such liability would have attached in the absence of such contract or agreement.

Custody or control

in respect of loss of damage to loss of use of or diminishment in value of property belonging to the Insured or in the custody or control of the Insured or any **employee** or agent of the Insured other than in respect of **remediation costs**.

Employees

in respect of **bodily injury** sustained by any **employee** or former **employee** arising out of and in the course of employment by the Insured in the **business**.

Excess

for the amount of the Excess shown in the Schedule.

Fines and Penalties

for fines penalties or sanctions whether civil or criminal for noncompliance with law liquidated damages punitive or exemplary damages or under any penalty clause.

Fungi

arising out of or in any way related to, in whole or in part, the actual alleged or threatened inhalation of ingestion of contact with exposure to existence of or presence of any **fungi** regardless of whether any other cause event material or product contributed concurrently or in any sequence to **bodily Injury** or property **damage**.

This Exclusion shall also apply to any costs or expense arising out of the testing for monitoring cleaning up removing containing treating detoxifying neutralising remediation or disposing of or in any way responding to or assessing the effects of **fungi** by any Insured or by any other person or entity.

Known historic pollution conditions

arising from any **historic pollution condition** which is not an **unknown historic pollution condition**.

Intentional non-compliance

arising from the intentional disregard of or knowing wilful or deliberate non-compliance with any statute regulation **contaminated land notice** administrative complaint notice of violation notice letter instruction of

any **regulatory authority** or executive judicial or administrative order by the Insured or by any **responsible official**.

Material change in use

arising from any change in the **business** during the Period of Insurance:

1. which results in more stringent remediation requirements for any properties owned leased or controlled by the Insured than those applicable at inception of this Special Extension;
2. where such change would have materially affected the terms and conditions of this Special Extension applicable at inception of this Special Extension.

Non-aggregation

any of which are the subject of indemnity under Section 5 of this Policy or would be but for the Limit of Liability applicable thereto or any other Premises Pollution Liability or Contractors Pollution Liability policy issued by the Company.

Offshore facilities

arising from any **pollution condition** on at under or migrating from any property or structure owned, leased, operated or controlled by the Insured which is situated offshore.

Planning

arising from any permission, obligation or condition required by any competent authority under any **planning permission** and/or **planning laws**.

Primary, complementary and compensatory remediation

incurred in respect of injury to or damage sustained by or destruction of land, water protected species or natural habitats for which the Insured is legally responsible under legislation in any Member State of the European Union which implements the European Union Environmental Liability Directive 2004/35/EC.

For the avoidance of doubt, this includes primary, complementary and compensatory remediation as defined in Annex II of Directive 2004/35/EC.

However this Exclusion does not apply to liability which would have attached in the absence of implementation of such Directive.

Products pollution

arising from anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the Insured including containers, packaging or labelling and which is not in the possession of the Insured at the time of the occurrence.

Radioactivity

notwithstanding any other provisions of this Policy, arising from any **pollution condition** arising from any ionising radiations, radioactivity, or radioactive substances.

Site investigation

arising from any **pollution condition** discovered during or as a result of any site investigation or associated activities undertaken for the purpose of an application to a **regulatory authority** by the Insured:

1. to obtain or maintain a permit to operate an installation, facility or equipment at any property owned or leased by the Insured; or
2. to develop or undertake construction activity at any property owned or leased by the Insured.

Underground storage tanks

arising from any **pollution condition** which emanates from any tank or associated piping and appurtenance which tank has more than 10% of its volume below ground the presence of which was known to a **responsible official** prior to the commencement of the **reverse retroactive date**.

Conditions applicable to this Special Extension only:

Claims procedure – Environmental liability

The following is applicable to this Special Extension only.

In the event of any occurrence giving rise to or which may give rise to a claim under this Special Extension

1. the Insured shall:
 - a) give immediate written notice thereof (and full particulars of the occurrence) to the Company;
 - b) notify the Company in writing immediately he/they shall have knowledge of any impending prosecution inquest or fatal accident inquiry in connection with any occurrence for which there may be liability under Sections 4 and 5;
 - c) forward to the Company immediately on receipt every claim notice letter verbal notice of claim or other originating process or any other document served on the Insured; and
 - d) give all such information and assistance as the Company may require within such time limits as are specified by the Company
2. the Insured or any other party who may be entitled to indemnity under this Policy shall NOT negotiate admit liability or make any promise payment or settlement without the Company's written consent.
3. the Insured shall not incur any **remediation costs** without the written consent of the Company, except in the event of an imminent and substantial threat to human health or the environment.
4. the Company shall be entitled:
 - a) the Company shall be entitled if and so long as it desires to take over and have the sole conduct and control of any claim, remediation and legal proceedings or alternative dispute resolution relating thereto in the name of the Insured and shall have full discretion in the settlement of any claim.
 - b) to prosecute in the name of the Insured but for the Company's benefit any claim for compensation or indemnity.

Inspection and Audit

The Company shall have the right but not the duty to inspect any property under the ownership or control of or leased to the Insured for the purposes of the **business** and to take samples therefrom. Such right and any resultant findings shall not imply that such property is safe or in compliance with any law.

The Company shall have the right but not the duty to examine and audit the Insured's books and records during the Period of Insurance and within 3 consecutive years commencing from the cessation of this Policy.

Definitions applicable to this Special Extension only:

Contaminated land

means contaminated land as defined under Part 2A of the Environmental Protection Act 1990 but not to the extent that Part 2A of the Environmental Protection Act 1990 applies to land contaminated by ionising radiations, radioactivity or radioactive substances.

Contaminated land notice

means a formal notification or other written correspondence from a **regulatory authority** pursuant to Part 2A of the Environmental Protection Act 1990 to the Insured identifying any property owned or leased by the Insured as **contaminated Land**.

Environmental law

means any law other than **planning laws** or **planning permission**, governing the liability of the Insured with respect to **pollution conditions**.

Excess

For the amount of the Excess shown in the Schedule.

Fungi

means any type or form of fungus including mould or mildew and any mycotoxins spores scents or by-products produced or released by fungi.

Historic pollution condition

means a **pollution condition** which first commenced prior to the **reverse retroactive date**.

Limits of liability of this Extension

means the Limit of Liability means the maximum amount stated in the Schedule to this Special Extension as the Limit of Liability for any one **pollution condition** which the Company shall be liable to pay in respect of **remediation costs** and **regulatory authority costs** arising from any one such **pollution condition**, provided always that the liability of the Company for all **remediation costs** and **regulatory authority costs** pertaining to all **pollution conditions** during any one Period of Insurance shall exceed the limit of liability in the aggregate for any one Period of Insurance state in the Schedule to this Special Extension.

New pollution condition

means a sudden and accidental **pollution condition** which first commences in its entirety subsequent to the **reverse retroactive date**.

Planning laws

means any law governing the liabilities and/or obligations of the Insured in respect of the development, change of use, construction or demolition of any land, buildings or structures contained therein or thereon.

Planning permission

means a consent, authorisation, permission, permit or licence (whether in outline or in full) issued pursuant to **planning laws**.

Pollution condition

means the discharge dispersal release escape migration or seepage of any solid liquid gaseous or thermal irritant pollutant or contaminant including smoke soot vapours fumes acids alkalis chemicals **fungi** hazardous substances hazardous materials and waste materials into or upon land or buildings or structures thereon the atmosphere surface water or groundwater.

Regulatory action

means any action taken or any liability imposed by any Regulatory Authority under **environment law**.

Regulatory authority

means any legal body, authority, agency or other person and/or any court of law or tribunal (other than any competent authority under any **planning permission** or any **planning laws**) in each case having authority under **environment law**.

Regulatory authority costs

means:

1. costs and expenses recoverable by any **regulatory authority** from the Insured; or
2. costs and expense incurred with the written consent of the Company.

Remediation costs

means reasonable expenses incurred with the written consent of the Company in the investigation quantification monitoring abatement removal disposal treatment neutralisation or immobilisation of **pollution conditions** to the extent required by **environment law**.

Responsible official

means any **employee** or former **employee** of the Insured who is or was responsible for environment matters control or compliance at any property owned or leased by the Insured or any officer director or partner of the Insured.

Reverse retroactive date

means the date expressed as such in the Schedule.

Unknown historic pollution condition

means an **historic pollution condition** which was not known to any **responsible official** prior to the **reverse retroactive date**.

Extensions Applicable to sections 4 and 5

Acquisitions

The Company will indemnify in the terms of this Policy any company or other business entity either acquired or created by the Insured during the Period of Insurance from the date of such acquisition or creation provided that:

1. the business of such company or entity is not materially different from the **business**;
2. the Insured supplies to the Company full details of such company or entity within 30 days of its acquisition or creation;
3. the aggregate annual turnover of all such companies or entities acquired or created during any one Period of Insurance shall not exceed 10% of the annual turnover of the Insured as declared to the Company at the beginning of such Period of Insurance;
4. if after the date of acquisition or creation separate insurance covering the same liability remains in force subject to a limit of indemnity lower than that which applies to this Policy the liability of the Company in respect of such company or entity shall not exceed the difference between the relevant limit of indemnity under such separate insurance and the relevant Limit of Liability applicable to this Policy; and
5. the Company shall have the right to charge an additional premium and to alter the terms conditions and exclusions of this Policy in respect of such company or entity from the date of its acquisition or creation.

In respect of any such company or entity which does not meet provisos 1. to 4. above:

1. the Company will not provide an indemnity until full details of such company or entity have been submitted to and accepted by the Company and the Insured has agreed to pay any additional premium and accept any change in the terms conditions and exclusions required by the Company; and
2. the Company reserves the right to decline cover for such company or entity.

Claims preparation costs

The Company will indemnify the Insured for necessary and reasonable costs incurred by the Insured or by the Insured's representatives in preparing and verifying details required by the Company in order to investigate any claim under this Policy for which the Company has accepted liability provided always that the liability of the Company for all such costs under this Extension shall not exceed GBP 50,000 in respect of any one claim and GBP 100,000 in respect of all claims during any one Period of Insurance.

Cross liabilities

Where more than one party comprises the Insured any claim by one Insured against any other Insured shall be treated as though the party so claiming is not an insured party provided that the Limit of Liability shall not be deemed to be increased hereby.

This Extension does not apply in respect of **personal and advertising injury**.

Indemnity to principals and others

The Company will also indemnify in the terms of this Policy:

1. in the event of the death of the Insured his/her legal personal representative in respect of liability incurred by the Insured; or
2. any principal with whom the Insured has entered into an agreement to the extent required by such agreement but only in respect of liability for which the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured;

and at the request of the Insured:

3. any officer or member of the Insured's catering sports social and welfare organisations and fire first-aid or ambulance services;

4. any director partner or employee of the Insured in respect of liability for which the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured; or
5. any director partner or employee of the Insured in respect of liability for private work undertaken by Employees with the consent of the Insured;

provided that:

- a) such person(s) shall not be entitled to indemnity under any other policy;
- b) such principal/person(s) shall as though he/they were the Insured be subject to the terms of this Policy in so far as they can apply; and
- c) the Limit of Liability shall not be increased hereby.

Legal defence costs

The Company will indemnify the Insured or, at the request of the Insured, any **employee** director or partner of the Insured, against legal costs and expenses incurred with the prior approval of the Company in the defence of any criminal proceedings brought for a breach of:

1. the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978;
2. Part II of the Consumer Protection Act 1987; or
3. the Food Safety Act 1990;

committed during the Period of Insurance in the course of the **business**, including legal costs and expenses incurred with the prior approval of the Company in an appeal against conviction arising from such proceedings provided that this Extension shall not apply to:

1. fines or penalties imposed by any court; or
2. proceedings consequent upon any deliberate act or omission.

Manslaughter defence costs

The Company will indemnify the Insured, and at the request of the Insured, any party entitled to indemnity under this Policy in respect of legal costs and expenses incurred with the written consent of the Company;

1. in defending a charge of manslaughter (including a charge of corporate manslaughter or corporate homicide brought under the Corporate Manslaughter and Corporate Homicide Act 2007) where the death in connection with which such charge arises is likely to result in a claim under this Policy; or
2. in appealing against conviction on such charge and/or the imposition of a remedial or publicity order under the Corporate Manslaughter and Corporate Homicide Act 2007 in connection with such charge provided that in the opinion of a Queen's Counsel or similar legal authority (to be mutually agreed upon by the Insured and the Company) such appeal could be contested with the probability of success.

All payments made by the Company under this Extension shall be subject to the Limit of Liability stated in the Schedule. In respect of this Extension the Limit of Liability shall be inclusive of all such amounts.

Claims Conditions applicable to Sections 4 and 5

The following Conditions apply to Sections 4 and 5.

Claims procedure

In the event of any occurrence giving rise to or which may give rise to a claim under this Policy;

1. the Insured shall:
 - a) give immediate written notice thereof (and full particulars of the occurrence) to the Company;
 - b) notify the Company in writing immediately he/they shall have knowledge of any impending prosecution inquest or fatal accident inquiry in connection with any occurrence for which there may be liability under Sections 4 and 5;
 - c) forward to the Company immediately on receipt every claim notice letter verbal notice of claim or other originating process or any other document served on the Insured; and
 - d) give all such information and assistance as the Company may require within such time limits as are specified by the Company.
2. the Insured or any other party who may be entitled to indemnity under this Policy shall NOT negotiate admit liability or make any promise payment or settlement without the Company's written consent.
3. the Company shall be entitled:
 - a) if and so long as it desires, to take over and to have the sole conduct and control of any claim and legal proceedings or alternative disputes resolution relating thereto in the name of the Insured and shall have full discretion in the settlement of any claim; and
 - b) to prosecute in the name of the Insured but for the Company's benefit any claim for compensation or indemnity.

Claims procedure – Products recall expense

In addition to the conditions contained in *Claims procedure* above, in the event of any claim being made under the Extension entitled *Product Recall Expense* in respect of which the Insured and the Company shall fail to agree as to the necessity for the recall of the **products** or as to the amount of costs and expenses recoverable hereunder, then such disagreement shall be referred to an arbitrator to be appointed by the parties in accordance with the relevant statutory provisions. Where any disagreement is by this Condition to be referred to arbitration the making of an award shall be a condition to any right of action against the Company.

Discharge of Liability

The Company may at its sole discretion in respect of any occurrence or occurrences covered by this Policy pay to the Insured the Limit of Liability applicable to such occurrence or occurrences (but deducting therefrom any sum or sums already paid), or any lesser sum for which the claim or claims arising from such occurrence or occurrences can be settled and the Company shall thereafter be under no further liability in respect of such occurrence or occurrences except for the payment of **costs and expenses** incurred prior to the date of such payment and for which the Company may be responsible hereunder (unless the Limit of Liability is stated to be inclusive of **costs and expenses**).

If any award or settlement in respect of any claim exceeds the applicable Limit of Liability, then the liability of the Company in respect of related **costs and expenses** where these are payable in addition to the Limit of Liability shall be limited to an amount that is in the same proportion as the Company's contribution to such award or settlement.

Section 6 – Chubb Basket

Section 6A – Employee Fidelity

Under this Section 6A of this Policy, the Company will indemnify the Insured for direct financial loss sustained and discovered by the Insured during the Period of Insurance, resulting from **crime** committed by an **employee** acting alone or in collusion with others.

The most the Company will pay under Section 6A of this Policy is the applicable Limit of Liability shown in the Schedule.

Limits of Liability applicable to Section 6A

Any losses covered under Section 6A of this Policy resulting from a single act or any number of acts in which the same **employee** is concerned or implicated, whether such act or acts occurred before or during the Period of Insurance, are to be treated as a single loss for the purposes of this Section 6A of this Policy. In the case of a number of acts, loss shall be deemed to have been discovered on the date of the first discovery of any of such acts.

Non-Accumulation of Liability

Regardless of the number of years this Policy remains in effect and the total premium amounts due or paid, the amount the Company shall pay for a loss under Section 6A of this Policy shall not be cumulative from year to year or from Period of Insurance to Period of Insurance.

When there is more than one Insured, the aggregate liability of the Company for losses sustained by one or all of them shall not exceed the amount for which the Company would be liable if all losses were sustained by any one of them.

Exclusions applicable to Section 6A

Cover under Section 6A of this Policy does not apply to:

1. loss of trade secrets, confidential processing methods or other confidential information of any kind;
2. **crime** committed by an **employee** controlling at any time more than 25% of the issued share capital of an Insured;
3. loss sustained by one Insured to the advantage of any other Insured;
4. interest, gains, profits, or other income on **money**, **securities** or **property** taken;
5. indirect or consequential loss of any kind;
6. loss caused by an **employee**, acting alone or in collusion with others, which is sustained after the Insured acquires knowledge of:
 - a) **crime**, fraud or dishonesty by such **employee** during the term of employment with an Insured; or
 - b) fraud or dishonesty involving **money**, **securities** or other property valued at GBP 5,000 or more committed by such **employee** prior to employment with the Insured;except if such knowledge is only acquired by a person who is acting in collusion with such **employee**;
7. loss of or damage to property except as otherwise specifically covered by this Section 6A;
8. loss arising from extortion;
9. loss caused by any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character;

10. loss resulting directly or indirectly from trading or other dealings in **money, securities or property**, provided however this exclusion shall not apply to loss resulting solely and directly from **crime** by an **employee** which results in improper personal financial gain for that **employee** other than **salary, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee emoluments**;
11. loss or that part of any loss the proof of which involves in any manner a:
 - a) profit and loss computation or comparison; or
 - b) comparison of inventory records with an actual physical count;

provided, however, that where the Insured establishes wholly apart from such comparison that it has sustained a loss covered under Section 6a of this Policy, then it may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed;
12. loss caused or contributed to by **crime** or any dishonest act committed by a partner of the Insured, whether acting alone or in collusion with others;
13. any expenses incurred by the Insured in establishing the existence or the amount of any loss covered under Section 6a of this Policy;
14. loss sustained by any **employee benefit plan**;
15. loss arising out of **war**;
16. loss arising out of any **nuclear source**; or
17. liability arising out of **terrorism**.

Conditions applicable to Section 6A

Notice and Proof of Loss

In the event of a loss under this Section 6A, the Insured shall give written notice to the Company after discovery at the earliest practicable moment, and in any event within 90 days. The Insured shall furnish a proof of loss with full particulars to the Company, in accordance with the *Conditions Applicable to Sections 1-3* of this Policy.

The Insured may offer a comparison between an Insured's inventory records and actual physical count of its inventory to prove the amount of loss, but only where the Insured establishes wholly apart from such comparison that a covered loss has been sustained.

Only the Insured can:

1. give notice of loss and furnish proof of loss under this Section 6A; or
2. make a claim for, adjust, receive or enforce payment of any loss.

The Company is only responsible for making payment to the Insured for loss under Section 6A of this Policy. If the Company agrees to make payment to any person or organisation other than the Insured, such payment shall be deemed to have been made to the Insured.

Valuation

For the purposes of establishing the amounts payable by the Company under this Section 6b, the following shall apply for valuation purposes:

1. for **securities**, the least of the:
 - a) closing price of **securities** on the business day immediately preceding the day on which a loss is discovered;
 - b) cost of replacing **securities**; or

- c) cost to post a Lost Instrument Bond; such cost shall be paid by the Company on behalf of the Insured.
- 2. for paper, microfilm, tapes, disks, computers and other material or means for storing information, the cost of such material or means as if blank and not the value of whatever is recorded therein.
- 3. for **property**, the least of:
 - a) the price paid by an Insured for the **property**; or
 - b) the cash value of the **property** at the time the loss was discovered.
- 4. for foreign currency, the Sterling value of the foreign currency based on the rate of exchange published in *The Financial Times* on the day loss involving the foreign currency is discovered.

Interests

The coverage under this Section 6a is for the benefit only of the Insured named in the Schedule and the Company shall not be liable hereunder for loss sustained by anyone else.

Section 6B – Cancellation of Event

Under this Section 6B of this Policy, the Company will indemnify the Insured for direct financial loss (as set out in 'Losses Covered' below) resulting from **cancellation, interruption or postponement** of an **event** that is the sole and direct consequence of any sudden and accidental event beyond the Insured's control, provided such **cancellation, interruption or postponement** is made necessary after the inception date of this Policy but before the planned conclusion of the **event** or before the expiration date of this Policy, whichever comes first.

The most the Company will pay under Section 6B of this Policy is the applicable Limit of Liability shown in the Schedule.

Losses Covered

The losses covered by this Section are:

1. **ascertained net expenses** for which the Insured is liable resulting from **cancellation or interruption;**
2. **additional expenses** for which the Insured is liable resulting from **postponement;** or
3. **additional expenses** incurred by the Insured, which serve to reduce any loss the Company, would otherwise pay resulting from **cancellation, interruption or postponement.**

This Section 6B of this Policy does not cover **bodily injury or damage to property insured.**

Exclusions applicable to Section 6B

The Company will not pay under Section 6B of this Policy for **cancellation, interruption or postponement** which results directly or indirectly from:

1. circumstances which existed prior to the inception of this Policy and which threatened to result in a covered loss, if the Insured knew of such circumstances and failed to make them known to the Company in writing prior to inception;
2. adverse weather conditions in respect of outdoor **events** and those staged in temporary structures;
3. non-appearance of any individual scheduled to perform or appear;
4. lack of financial support of any kind;
5. breach of contract of any kind;
6. lack of audience or public support; loss of public image;
7. any dishonest, fraudulent, criminal or malicious act committed by you or by any of your **employees**, agents or representatives;
8. strike by your **employees;**
9. National Mourning;
10. failure to make all material arrangements for the production of the **event** or to procure any licence or permit required to hold the **event;**
11. the **event** being held in violation of any law or statute;
12. any outbreak of foot & mouth disease;
13. Severe Acute Respiratory Syndrome (SARS) and its sequelae;
14. Avian Influenza and its sequelae;
15. any communicable disease which leads to:

a) the imposition of quarantine or restriction in movement of people or animals by any national body or international body or agency; and/or

b) any travel advisory or warning issued by a national or international body or agency:

in respect of subparagraphs a) and b) above, any fear or threat thereof and whether actual or perceived;

16. **war;**

17. actual, threatened, feared or perceived use of any biological, chemical, radioactive or nuclear agent, material, device or weapon;

18. **nuclear source;** or

19. **terrorism.**

Section 6C – Marine Cargo

Under this Section 6C of this Policy, the Company will indemnify the Insured in respect of loss or **damage** to property specified as an 'Insured Interest' (below) occurring during the Period of Insurance during the course of a 'Voyage' (as specified below), unless otherwise excluded.

The basis of valuation is set out below.

The terms, conditions and exclusions applicable to Section 6C of this Policy are set out in 'Governing Terms' (below) and are incorporated into Section 6C of this Policy by reference. Where there is any conflict between the 'Governing Terms' and any other term of Section 6C of this Policy, the 'Governing Terms' shall take precedence.

The full contents of the documents included in 'Governing Terms' are not repeated in this document, but copies of the full documents will be provided upon request.

The most the Company will pay under Section 6C of this Policy is the applicable Limit of Liability shown in the Schedule.

Marine Cover

Governing Terms

Clause Paramount

Anything contained in the Institute Clauses referred to herein that is inconsistent with the following clauses and conditions shall, to the extent of such inconsistency, be null and void.

This Clause Paramount shall not serve to override the Duration Clause in the Institute War Clauses.

Principal Conditions

Institute Cargo Clauses (A) CL.252 dated 1.1.2009.

Institute Cargo Clauses (Air) CL.259 dated 1.1.2009.

Including War etc., risks subject to the relevant Institute War.

Clauses dated 1.1.2009, the limitations therein prevailing notwithstanding any provision whether written, typed or printed in the Policy inconsistent therewith.

Institute War Clauses (Sendings by Post) CL.257 dated 1.1.2009.

Institute Strikes Clauses (Cargo) CL.256 dated 1.1.2009.

Institute Strikes Clauses (Air Cargo) CL.260 dated 1.1.2009.

Institute Classification Clause CL 354 dated 1.1.2001.

Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause CL370 dated 10.11.2003.

Institute Cyber Attack Exclusion Clause CL380 dated 10.11.2003.

Institute Replacement Clause C1.161 dated 1.1.1934.

Termination of transit clause (Terrorism) JC2001/056

Section 6C of this Policy covers shipments both on deck or under deck, including jettison, washing and loss overboard.

Basis of Valuation

Cost Insurance and Freight plus 10%

Limit

As set out in the Schedule.

Insured Interest

All new manufactured goods packed in export packing, shipping in full or part container loads and/or appropriate packing.

Excluding - specie, **fine art**, jewellery, watches, mobile phones, computer chips/rams/mother boards and the like.

Voyages

United Kingdom to and/or from anywhere in the world other than Afghanistan, Cuba, Iran, Iraq, Myanmar, North Korea, Syria, South Sudan, Sudan and any other country where their local legislation decrees insurance must be effected locally, unless specially declared and accepted by the Company prior to shipment

Section 6D – Abduction And Extortion

Under this Section 6D of this Policy, the Company will, (as specified below) indemnify the Insured for 'Expenses Covered' (as specified below) incurred by the Insured solely and directly as the result of a ransom or extortion demand made in connection with an:

1. actual or alleged **kidnapping** of an **employee** whilst acting in the course of the Insured's business;
2. **extortion threat** to do bodily harm to, wrongfully abduct or detain an **employee** of the Insured; or
3. **extortion threat** made specifically against the Insured or an **employee** of the Insured or the Insured's **property**, to damage, destroy or **contaminate** the Insured's **property**;

provided that such **kidnapping** or **extortion threat** commenced and was communicated to the Insured during the Period of Insurance.

The most the Company will pay under Section 6D of this Policy is the applicable Limit of Liability shown in the Schedule.

Expenses Covered

The losses covered by this Section 6D are:

1. reasonable fees and expenses of any independent negotiators or consultants retained by the Insured with the prior approval of the Company;
2. reasonable commercial interest costs for any loan taken by the Insured to pay all or part of a ransom or extortion payment;
3. reasonable travel and accommodation expenses incurred by the Insured;
4. the reward paid by the Insured to an **informant** for information not otherwise available which leads to the arrest and conviction of persons responsible for such ransom or extortion demand, provided that the amount of such reward is agreed upon in advance by the Company;
5. the **salary** which the Insured continues to pay an **employee** while such **employee** is being held for ransom as the result of a **kidnapping**, provided that cover shall apply only;
 - a) at the **salary** level in effect prior to the **kidnapping**;
 - b) if such **employee** is held for more than 30 days; and
 - c) for a period commencing upon the abduction of such **employee** and ending at the time such **employee** is released or discovered to be dead; or ninety days after the last positive evidence following the abduction that such **employee** is alive, or 36 months after the abduction, whichever is earliest;
6. reasonable fees for independent medical and legal advice incurred by the Insured with the approval of the Company; and
7. any other reasonable expenses incurred by the Insured with the approval of the Company.

Exclusions applicable to Section 6D

This insurance does not apply to any:

1. loss due to any fraudulent, dishonest or criminal act by an **employee** acting alone or in collusion with others;
2. loss resulting from fraud or collusion by the person allegedly the subject of an **extortion threat** if the person authorising the ransom or extortion payment had not, prior to the payment, made every reasonable effort under the circumstances to determine that the **extortion threat** was genuine;

3. loss resulting from an **extortion threat** against any **employee** or property located at the time of the threat outside the Territorial Limits unless the Insured has notified the Company in advance of intended travel by an **employee** to such location and paid any additional premium requested;
4. loss of **property** and other consideration actually surrendered as a ransom or extortion payment;
5. product recall expenses; or
6. loss arising out of **war** or **terrorism**.

Section 6E Impairment of Computer Services

Under this Section of this Policy, the Company will pay for:

1. **electronic data recovery costs**; and
2. the amount of loss resulting from interruption of or interference with the Insured's business carried on at the described **premises**;

incurred due to the actual impairment of the Insured's business during the **period of recovery of computer services** caused by or resulting from actual loss to **electronic data** or a **system** due to **malicious programming** by an **insider** or an **outsider** during the Period of Insurance.

Loss resulting from interruption of or interference with the business carried on by the Insured at the described **premises** shall be calculated in accordance with the Basis of Settlement described in Section 2 for *Gross Profit* or *Gross Revenue* from which the following will be subtracted:

1. any amount by which the Insured has reduced the loss by resuming or continuing **operations**, in whole or in part, by using any available **electronic data** or **system**, including the **electronic data** or **system** impacted by the **malicious programming**; and
2. any amount relating to **turnover** or **gross revenue** that would likely have been earned as a result of an increase in the volume of business due to favourable business conditions caused by the impact of the covered loss on **customers** or on other businesses.

Special Conditions

Records

All records pertaining to this insurance including but not limited to financial records, accounting procedures, bills, invoices, other vouchers, deeds, liens, contracts, status and feasibility reports, budgeting and marketing records shall be open to inspection by an authorised representative of the Company at any reasonable time.

System security

If a **system** is protected by security software, the Insured at its own cost is required to maintain and upgrade such software as is necessary so that it provides a technologically credible level of security.

The Company shall not be liable for any loss or damage caused by **malicious programming** if, prior to the **malicious programming**, the Insured:

1. knew of any defect or deficiency in the security software and failed to correct it;
2. failed to maintain the security software in complete working order; or
3. knew of any technologically credible upgrades to the security software that could have prevented the **malicious programming**, and failed to make them.

Resumption or continuance of operations

If the Insured elects not to resume or continue **operations**:

1. any loss payment for **business interruption** will be based on the length of time it would have taken to resume or continue **operations** with due diligence and dispatch; and
2. the Company will not make any payment for **increased cost of working** or additional expenditure under the Additional Increase in Cost of Working Basis of Settlement provision set out in Section 2 of this Policy.

Professional accountants

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company under the *Conditions Applicable to Section 1, 2 and 3 of this Policy* for the

purpose of investigating or verifying any claim hereunder, may be produced by professional accountants if at the time they are regularly acting as such for the Insured, and their report shall be prima facie evidence of the particulars and details to which such report relates.

Salvage

The Company will reduce the amount of any loss for the salvage value that remains of any property bought for temporary use during the **period of recovery of computer services**, once **operations** are resumed.

Alternative trading

If during the **period of recovery of computer services** goods shall be sold or services rendered elsewhere than at the described **premises** for the benefit of the Insured's business either by the Insured or by others on its behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the:

1. **turnover**, if the applicable Basis of Settlement is *Gross Profit*;
2. **gross revenue**, if the applicable Basis of Settlement is *Gross Revenue*; or
3. **research establishment expenditure**, if the applicable Basis of Settlement is *Research Establishment Expenditure*;

during the **period of recovery of computer services**.

Exclusions

In addition to the *Exclusions Applicable to Sections 1,2 and 3* of this Policy, this Section will not cover:

1. fraudulent, dishonest or criminal acts or omissions committed alone or in collusion with others by the Insured or by any **officer**, trustee, member, manager or any other person or persons performing acts coming within the scope of the usual duties of an **officer** or by anyone authorised to act for the Insured, or anyone to whom the Insured has entrusted **property insured** for any purpose.

This exclusion does not apply to **malicious programming** by an **insider**.

2. any **malicious programming** which:
 - a) is not specifically directed at a **system**;
 - b) is designed or intended to affect more than one computer **system** or network; or
 - c) actually affects more than one computer **system** or network.

This exclusion does not apply to **malicious programming** by an **outsider**.

3. extortion or other similar threat.

Definitions applicable to all Sections of this Policy

Additional expenses

means any necessary extra expenses sustained by the Insured following a **postponement** over and above those expenses that would have been incurred had the **event** not been postponed, or reasonable additional costs incurred to reduce or prevent a **cancellation, interruption or postponement** that has occurred or appears likely to occur.

Additional expenses does not include lost earnings or profit.

Advertisement

means a notice which is broadcast or published to the general public or specific market segments about the Insured's **products** or services for the purpose of attracting customers or supporters.

Aggregate policy limit

means the maximum amount payable to the Insured under any Section of this Policy after the application of the terms, conditions and provisions of this Policy including any condition of average which applies under the condition entitled *Average/Index Linking* during the Period of Insurance regardless of the number of **occurrences**.

Annual research establishment expenditure

means the aggregate amount of **research establishment expenditure** incurred during the twelve months immediately before the date of the **damage** allowing for the **trend in the business**.

Asbestos

means asbestos in any form, including its presence or use in any alloy, by-product, compound or other material or **waste**.

Ascertained net expenses

means those actual expenses, costs and/or guarantees or irrevocable monetary commitments including advertising, promotions and exploitation costs (net of salvage or other recoveries, including any portion of revenues that at the time of loss the Insured is not obliged to return), which were spent by the Insured prior to the **cancellation or interruption** of the **event**.

Ascertained net expenses does not include lost earnings or profit.

Bodily injury

means bodily injury to any person and includes

1. death illness and disease; or
2. mental injury anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury death illness or disease.

In respect of the Extension entitled *Data Breach and Cyber Attack* only **bodily injury** means physical injury to the body, sickness, disease or death. It does not include psychiatric harm, mental anguish, mental tension, distress, shock or any pain or suffering arising therefrom.

Book value

means bodily historical cost less accumulated depreciation, as reflected in the Insured's most recent financial records prior to the date of loss.

Breakdown

means the actual failure, distortion, breaking or burning out of any part of a machine including **production equipment** whilst in use arising from either mechanical or electrical defects in the machinery or failure or

fluctuation of the electricity supply causing sudden stoppage of the functions thereof and necessitating repair or replacement before it can resume working.

Breakdown does not include damage from any extraneous cause.

Building

means buildings, including landlords' fixtures and fittings, alterations and decorations therein and thereon including fixed glass (including its framework lettering or any intruder alarm foil attached to it), foundations, walls, gates, fences, car parks, yards, pavements, drains, sewers, piping, cabling, wiring and associated control equipment and accessories only to the extent of the Insured's responsibility and liability.

Business

means the usual commercial activity of the Insured and includes:

1. in connection with such business:
 - a) the sale or supply of food and/or drink to **employees** or others; or
 - b) the provision of first aid security and ambulance services by the Insured and maintenance of the Insured's premises.
2. the provision by the Insured of sports and social and welfare organisations primarily for employees;
3. private work undertaken by any **employee** for any director, partner or employee of the Insured.

Business hours

means any period during which the described **premises** or contract sites are physically occupied by the Insured or an **employee** entrusted with **money** for the purposes of the Insured's business.

Business interruption

means the interruption of or interference with the business carried on by the Insured in consequence of **damage** that occurs during the Period of Insurance.

Cancellation

means the necessary cancellation, withdrawal, curtailment or abandonment of the **event**.

Collections

means any **fine art**, including frames, shadowboxes and glasses used in the actual display of the items.

Collections of others

means **collections** not owned by the Insured, but in its care, custody, or control or related to the **scheduled collections** of the Insured.

Collections of others are covered on a wall to wall basis if the loan agreement so requires. This means that cover is provided from the time the items are removed in preparation for shipment from the place where they are normally kept until they are returned.

Computer breakdown

means the actual breaking, distortion or electrical burnout of any item of **electronic data processing equipment** or part thereof whilst in use at the described **premises**, causing stoppage of its normal function and requiring its repair or replacement before normal operating conditions prevail.

Computer system

means any computer hardware, software, firmware, electronic device, electronic data storage device, electronic data backup facility, networking device or any components thereof or any associated input and output devices, including those that have the capability to be linked together through the internet or internal network or that are connected through data storage or other devices.

Contaminate

means to introduce a foreign material or substance in such a way as to render **property insured** unfit for use or sale.

Contents

means all contents of **buildings** (other than **stock**) including:

1. machinery, fixtures and fittings other than landlord's fixtures and fittings, and trade utensils;
2. **valuable papers**;
3. patterns, models, moulds, plans and designs;
4. so far as they are not otherwise insured, **employees'**, directors' and visitors' personal effects of every description (other than motor vehicles) for an amount not exceeding the amount shown in the Schedule; and
5. **electronic data processing equipment, electronic data processing media and mobile communication property**

Contents does not mean **production equipment** or **hired in equipment**.

Contract works

means the permanent and temporary works executed in performance of the **contracts insured** and materials for use in connection therewith.

Contracts insured

means any contract not exceeding the original estimated contract value stated in the Schedule undertaken by or on behalf of the Insured involving construction, installation, extension or repair at or within 250 metres of a described **premises**.

Costs and expenses

means

1. costs and expenses recoverable by any claimant from the Insured;
2. costs and expenses incurred with the written consent of the Company;
3. the solicitor's fees for representation at any coroner's inquest or fatal accident inquiry or in any court of summary jurisdiction; or
4. compensation to the Insured at the following rates per day for each day on which any of the following persons attend court as a witness at the request of the Company:
 - i) any director or partner of the Insured – GBP 500
 - ii) any **employee** – GBP 250

Crime

means the criminal taking of **money**, **securities** or **property** to the deprivation of an Insured.

Crisis response expenses

means that part of expenses which are necessary, reasonable and devoted exclusively to the specific purpose of regaining confidence of the general public or of a specific market segment, but only to the extent that such confidence is substantially impaired as a direct result of **bodily injury** or **damage**, sustained by any person or organisation other than the Insured, to which Section 5 of this Policy applies.

Crisis response expenses:

1. include but only in connection with the foregoing:
 - a) advice or service provided by a communications, public relations or other crisis response firm;
 - b) broadcast, electronic, printed, telecast and telephonic announcements, communications and notices;
 - c) overtime remuneration, transportation and accommodation of regular workers;
 - d) procurement, remuneration, transportation and accommodation of persons other than regular workers;
or
 - e) first aid administered at the time of an accident;
2. do not include:
 - a) any cost of the Insured's **products** or any good, product or other property that contains or incorporates the Insured's **products** or any replacements thereof;
 - b) any costs or expenses to correct any **defect**;
 - c) any costs or expenses of adjusting, inspecting or repairing any goods or products or any other property;
 - d) any costs or expenses of removing the Insured's **products** from any good, product or other property that contains or incorporates the Insured's **products**;
 - e) any costs or expenses of installing any replacement goods or products or any other property;
 - f) any refund to any person or organisation, including any costs or expenses in connection with any refund;
 - g) any costs or expenses in connection with any actual, alleged or threatened malicious alteration or **contamination** of any goods, products or other property;
 - h) any costs or expenses in connection with regaining control over the Insured's **product** or any good, product or other property that contains or incorporates the Insured's **products** or any replacements thereof;
 - i) any costs or expenses that would have been incurred or paid regardless of whether or not such **bodily injury** or **damage** occurred; or
 - j) the amount of the Excess shown in the Schedule.

Customer

means any party with whom the Insured has a direct contractual relationship for the sale or supply of goods, **property** or services.

Damage

In respect of Sections 1,2 and 3:

means direct physical:

1. loss of; or
2. destruction of; or
3. damage to;

the **property insured** from any sudden and accidental cause except as hereinafter excluded.

In respect of Section 5:

means loss of or physical damage to material property including resultant loss of use of such property.

Data

means any corporate or personal information in any format, including records, reports, designs, plans, formulas, processes, trade secrets, patents, financial information, medical or healthcare information, contact information, account numbers, account histories, passwords or credit or debit card details, whether or not in electronic form, and whether or not belonging to the Insured.

Data breach event

means the theft, loss or unlawful or unauthorised disclosure of **personal data**.

Declared value

means the Insured's assessment of the cost of reinstatement of the **property insured** arrived at in accordance with the Reinstatement Conditions at the level of costs applying at the inception of the annual Period of Insurance (ignoring inflationary factors which may operate subsequently) together, insofar as the insurance by the item provides due allowance for such costs under the Extensions entitled:

1. *European Union and Public Authorities and sprinkler system upgrading costs (including undamaged property);*
2. *Removal of Debris and Cleaning / Clearing of Drains; or*
3. *Professional Fees*

Defined peril

means:

1. fire;
2. lightning;
3. explosion;
4. aircraft or other aerial devices or articles dropped therefrom;
5. riot;
6. civil commotion;
7. strikers;
8. locked-out workers;
9. persons taking part in labour disturbances;
10. malicious persons;
11. theft or attempted theft;
12. earthquake;
13. storm;
14. **flood**;
15. escape of water from any tank apparatus or pipe; or
16. impact by any road vehicle or animal.

Denial of service attack

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

Deprivation

means the Insured being deprived of the use or possession of the whole or part of its **property** outside the United Kingdom by reason of the Insured being prevented from exporting its **property** because the Insured is unable to obtain the necessary export licence.

Electronic data

means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Electronic data processing equipment

means:

1. computers, computer equipment, computer peripherals;
2. climate control, and protection equipment, used solely for data processing **operations**;
3. separately identifiable and removable component computer devices that are attached to covered **property insured** and are designed to control such **property insured**, but not the **property insured** itself;
4. telecommunications equipment used solely for data protection **operations**, interconnecting wiring and peripheral equipment used in connection therewith; or
5. generating and regulating equipment used solely for data protection **operations**, detection and protection equipment, interconnecting wiring and pipework, and storage equipment used in connection therewith;

owned by, or for which the Insured is legally liable.

Electronic data processing media

means computer records and/or media or storage devices (whether used or unused), programs (but excluding the value to the Insured or the information therein); storage racking and carrying cases, owned by or for which the Insured is legally liable.

Electronic data recovery costs

mean the reasonable and necessary costs incurred by the Insured to:

1. copy, re-create, replace or retrieve **electronic data** owned or used by the Insured, or which resides on a **system** owned or leased by the Insured; or
2. restore a **system** owned or leased by the Insured to the functionality that existed prior to the **malicious programming**.

Electronic data recovery costs does not include the cost to repair or replace **electronic data processing equipment** or **mobile communication property**.

Employee

means any person under a contract of service or apprenticeship with the Insured. **Employee** also includes the following while working for the Insured in connection with the **business**, in which case they will be considered to be employed by the Insured:

1. any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the Insured;
2. any labour master and any person supplied by him;

3. any person engaged as a labour-only sub-contractor and any person supplied by him;
4. any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with the Insured;
5. any person supplied to the Insured under a contract or agreement the terms of which deem such person to be in the employment of the Insured for the duration of such contract or agreement;
6. any work experience student or trainee; or
7. any person providing his / her services on a voluntary basis.

Employee benefit plan

means any:

1. accident, dental, disability, healthcare, homeowners, life, motor vehicle, unemployment or **employee** compensation;
2. deferred compensation, financial planning, investment subscription, pension, profit sharing, retirement, severance or share ownership; or
3. expense reimbursement, holiday, savings, training or travel;

account, insurance, payment, plan or programme, or any similar benefit.

Estimated gross profit

means the amount declared by the Insured to the Company as representing not less than the **gross profit** which it is anticipated will be earned by the Insured's business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months).

Estimated gross revenue

means the amount declared by the Insured to the Company as representing not less than the **gross revenue** which it is anticipated will be earned by the Insured's business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months).

Event

means any commercial event organised by or on behalf of the Insured in connection with the Insured's business.

Expropriatory conduct

means any act of confiscation, expropriation, nationalisation, requisition, sequestration or wilful destruction, by law, order or administrative action of a government other than that of the United Kingdom which expressly and permanently deprives the Insured in whole or in part, of the use or possession of its **property**.

Extortion threat

means a threat or threats (including actual or alleged **kidnapping**) made by a person or group demanding a ransom or extortion payment or a series of such payments as a condition for the mitigation or removal of such threats.

All such threats:

1. related by a common committed, attempted or threatened wrongful act; or
2. made contemporaneously against the Insured or an **employee** of the Insured or **property**;

shall be deemed to constitute a single **extortion threat** if made by the same person or group. Any **extortion threats** made by the same person, group or collaborating groups with the apparent purpose of creating a

cumulative or continuing coercive effect upon the Insured shall be considered related threats, whether the ransom or extortion demands are for a single payment or for separate payments.

Fine art

means:

1. paintings, rare books, sculptures, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles and other bona fide works of art; or
2. items of rarity or historical value.

Flood

means the escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea including tidal wave or tsunami.

Greening

means to rebuild, replace, repair or restore in a manner that aims to minimise potential harm to the environment utilising the latest available technology including, but not limited to the upgrading of taps, showers, urinal toilets, grey water and rainwater systems, air conditioning and building cooling systems, ventilation systems, lighting, the provision of hot water and heating systems and the provision of “green” roofs.

Gross profit

means the amount by which the sum of the amount of the **turnover** and the amounts of the closing **stock** and work in progress shall exceed the sum of the amounts of the opening **stock** and work in progress and the amount of the **uninsured working expenses**.

The amounts of the opening and closing **stock** and work in progress shall be arrived at in accordance with the Insured’s normal accountancy methods, due provision being made for depreciation. The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured.

Gross revenue

means the money paid or payable to the Insured for services rendered in the course of the Insured’s business at the described **premises**, excluding any **rent receivable**.

Hacking

means unauthorised access to any computer or other equipment or component or **system** or item which processes, stores, transmits, retrieves or receives data whether the property of the Insured or not.

Hired in equipment

means **production equipment** hired in by the Insured.

Increased cost of working

means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the:

1. reduction in **turnover**, if *Gross Profit* is the applicable Basis of Settlement in the Schedule; or
2. reduction in **gross revenue**, if *Gross Revenue* is the applicable Basis of Settlement in the Schedule;
3. reduction in **rent receivable**, if *Rent Receivable* is the applicable Basis of Settlement in the Schedule;
4. reduction in **rent payable**, if *Rent Payable* is the applicable Basis of Settlement in the Schedule; or
5. increase in **research establishment expenditure**;

and which, but for that expenditure, would have taken place during the **indemnity period**.

Indemnity period

means the period beginning with the **occurrence** and ending not later than the Maximum Indemnity Period or that indemnity period more specifically set out in the Schedule thereafter during which the results of the Insured's business shall be affected in consequence of the **damage**.

Informant

means any person providing information solely in return for monetary payment paid or promised by the Insured.

Insider

means a person, organisation or computer expressly authorised by the Insured to access a **system**.

Insured amount per week

means one-fiftieth part of the **research establishment expenditure** incurred during the financial year immediately before the date of the **damage** allowing for the **trend in the business**.

Interruption

means the necessary interruption of an **event** which is in progress.

Kidnapping

means the wrongful abduction and holding under duress or by fraudulent means of any **employee** of the Insured by any person or group making a ransom demand or series of ransom demands for the release of such **employee**.

Loss of attraction

means as a reduction in the number of people using the **premises** or where the **premises** forms part of a larger complex development or shopping centre, causes a reduction in the number of people using the same.

Malicious Programming

means an illegal or malicious entry into **electronic data** or a **system** or **phishing** which results in functions that: distort, corrupt, manipulate, copy, delete, destroy, or slow down such **electronic data** or **system**.

Malicious programming does not mean theft of telephone services or **damage** to **electronic data processing equipment, electronic data** or **mobile communication property**.

Malware

means programs, files or instructions of a malicious nature which may disrupt, harm, impede access to or in any way corrupt the operation of or **data** within any software or **computer system**, including malicious code, ransomware, cryptoware, viruses, trojans, worms or logic or time bombs.

Military Authority

means a military or security authority operating on behalf of a state recognised by the United Nations.

Mobile Communication Property

means cellular telephone, laptop computers, pagers, personal digital assistants, mobile hand held global positioning systems and other hand held communication devices.

Money

means:

1. Negotiable Money:

cash, bank and currency notes, cheques and giro cheques (other than blank or partly completed cheques and giro cheques), travellers cheques, bankers drafts and giro drafts, postal orders, money orders, national savings certificates, and unused current postage stamps, and unexpired units in franking machines, trading stamps national insurance stamps (whether affixed to cards or otherwise) national savings and holiday with pay stamps, bankers drafts, promissory notes, bonds, securities, bills of exchange, dividend warrants and gift

tokens, luncheon vouchers, consumer redemption vouchers all belonging to the Insured or for which it has accepted responsibility; and

2. **non-negotiable money.**

Net Loss

means the **products recall expense** after making proper deduction for all recoveries and salvages collectible.

Non-negotiable money

means crossed cheques, crossed giro cheques, crossed bankers drafts, crossed giro drafts, crossed postal orders, crossed money orders, premium bonds, unused national insurance stamps, national savings certificates, credit card sales vouchers, debit card sales vouchers, VAT purchase invoices all belonging to the Insured or for which it has accepted responsibility.

Notifiable disease

means illness sustained by any person resulting from food or drink poisoning or any human infectious or human contagious disease, an outbreak of which the competent local authority has stipulated must be notified to them, but excluding:

1. Avian Influenza and/or Influenza A (H5N1) or any mutant variation thereof;
2. Swine Influenza and/or Influenza A (H1N1) or any mutant variation thereof; or
3. Severe Acute Respiratory Syndrome (SARS) and/or Atypical Pneumonia or any mutant variation thereof.

Nuclear installation

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

1. production or use of nuclear or atomic energy;
2. carrying out of any process which is preparatory or ancillary to the production or use of nuclear or atomic energy and which involves or is capable of causing the emission of ionising radiations; or
3. storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear reactor

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

Nuclear source

means any:

1. ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
2. radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

Occurrence (Sections 1 and 2)

means:

1. for earthquake, including any resulting tsunami:
 - a) one earthquake: or

- b) a series of earthquake shocks occurring within any period of 72 hours.
- 2. for volcanic eruption:
 - a) one volcanic eruption; or
 - b) a series of volcanic eruptions occurring within any period of 72 hours.
- 3. for windstorm involving, in whole or in part, any of the perils of weather:
 - a) one weather event; or
 - b) a series of related weather events occurring within 72 hours.
- 4. for all other perils:
 - a) one event; or
 - b) a series of causally related events that:
 - i) contribute concurrently to; or
 - ii) contribute in any sequence to the loss or **damage**.

For the purposes of this definition, any earthquake or volcanic eruption, or series of earthquake shocks or volcanic eruptions will be deemed to occur at the time of the first shock or eruption.

Occurrence (Section 3)

means any one loss and/or series of losses arising out of and directly caused by any one peril or series of perils for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the described **premises** during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain physical loss or physical damage by any one peril or series of perils prior to expiration and within such period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

Occurrence (Section 5)

means, in respect of Section 5 Extension entitled *Products Recall Expense* only, the ascertainment that the use or consumption or storage of the **products** has caused or would cause **bodily injury** to a person or **damage** which creates the need to recover possession or control of the **products** from any purchaser distributor or user and/or to destroy or dispose of such **products** but only as a result of one or more of the following events:

1. the accidental omission by the Insured of a substance or component in the **products**;
2. the accidental introduction or the accidental substitution by the Insured of a deleterious substance or of a defective component in the **products**; or
3. an unintentional error or deficiency in the manufacture design blending mixing compounding packaging or labelling of the **products** by the Insured but only if such error or deficiency is known or recognised as such in the industry at the time such error or deficiency occurred.

A recall by order of a government, federal, state, or other regulatory body or official shall also be an **occurrence** provided that any such recall is a result of an event specified in sub-paragraphs 1. 2. or 3. above.

means, in respect of Section 5 Extension entitled *Crisis response* only, an accidental event, including continuous or repeated exposure to substantially the same general harmful conditions.

Officer

means a partner, director, officer or **employee** of the Insured.

Offshore

means from the time of embarkation on to a vessel or aircraft for conveyance to any **offshore rig, offshore platform or offshore installation** including associated accommodation, until disembarkation from a conveyance on to land upon return therefrom.

Offshore rig

means any offshore structure (including a mobile offshore drilling unit) containing a derrick or mast, draw-works and attendant surface equipment for the purposes of performing, drilling or workover operations.

Offshore platform or offshore installation

means any immobile offshore structure from which development wells are drilled and/or produced.

Operations

means the business activities of the Insured occurring at the described **premises** including the activities of the Insured as a lessor of premises prior to the **malicious programming**.

Outsider

means a person, organisation or computer not authorised to access a **system**.

Outsourced services

means those business functions which the Insured has contracted others to perform on its behalf at a reduced cost.

Period of recovery of computer services

means the period of time that for:

1. **electronic data recovery costs** begins immediately after the **malicious programming** occurs; and
2. **business interruption** begins 24 normal business hours after the **malicious programming** occurs.

Period of recovery of computer services will continue until the earlier of the following:

1. the date **operations** are restored, with due diligence and dispatch, to the condition that would have existed had there been no **malicious programming**; or
2. 60 days after the date the Insured restores, with due diligence and dispatch, a **system** to the functionality that existed prior to the **malicious programming**.

In determining the condition of **operations** that would have existed had there been no **malicious programming**, no consideration will be given to unfavourable market conditions or competitive advantage gained by others as a result of such **malicious programming**.

Personal and advertising injury

means injury other than **bodily injury** occurring as a direct result of any of the following offences:

1. false arrest, detention or imprisonment or malicious prosecution; or
2. wrongful entry or eviction which interferes with the right of private occupancy; or
3. oral or written publication of material in any Insured's **advertisement** which constitutes slander or libel or disparages goods, products or services; or
4. misappropriation of advertising ideas in any Insured's **advertisement**; or
5. infringement of copyright, **trade dress** or slogan in any Insured's **advertisement**.

In the event of a series of the same **personal and advertising injury** offences being committed over a period of time:

1. all offences of such series shall be treated as though they were committed on the date of the first of such offences committed during the Period of Insurance;
2. no indemnity shall be provided hereunder in respect of any offences committed prior to the inception date of this Policy; and
3. no indemnity shall be provided hereunder in respect of any offences committed after the expiry of the Period of Insurance.

Personal data

means:

1. an individual's name, national identity number or national insurance number, medical or healthcare data, other protected health information, driver's licence number, state identification number, credit card number, address, telephone number, email address, account number or passwords; or
2. any other non-public personal information as defined in the **privacy regulations**;

in any format if such information creates the potential for an individual to be uniquely identified or contacted.

Phishing

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

Policy limit

means the maximum amount payable by the Company under Sections 1,2 and 3 of this Policy for any one **occurrence**.

Postponement

means the necessary postponement, delay or suspension of an **event** for a period of time, not exceeding 60 days from the planned date.

Premises

means premises (as per details lodged with the Company), anywhere in the Territorial Limits, owned, leased or occupied by the Insured for the purpose of the business.

Privacy regulations

means laws and regulations applying anywhere within Great Britain Northern Ireland the Isle of Man or the Channel Islands to the care, custody, control or use of **personal data**.

Production equipment

means audio and visual recording, broadcasting and editing equipment, musical instruments, sound and lighting equipment, props, sets, wardrobes and other ancilliary plant including computer equipment and any equipment in the use of the business and sales items sold.

Products

means anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the Insured including containers, packaging or labelling and which is not in the possession of the Insured at the time of the occurrence.

Product recall expense

means the reasonable and necessary costs and expenses which with the consent of the Company are incurred by the Insured or by persons or organisations acting on behalf of the Insured for:

1. newspaper, magazine, radio and television announcements, correspondence and other communications;
2. the transportation of the Products from any purchaser distributor or user to the place or places designated by the Insured;

3. the hire of additional persons who are not existing Employees of the Insured;
4. the remuneration paid to the Insured's regular Employees at normal hourly rates or overtime rates if required;
5. expenses incurred by the Insured's Employees for transportation and accommodation;
6. the cost of the rent or hire of additional warehouse or storage space; or
7. the extra costs incurred to properly dispose of any recalled Products and/or packaging materials that cannot be re-used;

but only when such costs and expenses are incurred exclusively for the purpose of or as a consequence of recalling the Products

Property insured

means **buildings, contents, production equipment, hired in equipment, fine art, stock and contract works** belonging to the Insured or held by the Insured in trust or on commission for which the Insured is responsible.

Prototypes

means a first or original model of a new type of design.

Rate of gross profit

means the rate of **gross profit** earned on the **turnover** during the financial year immediately before the date of the **damage** allowing for the **trend in the business**.

Rent payable

means the amount of rent which continues to be payable by the Insured in respect of the **building** or portions of the **building** whilst unfit for occupation in consequence of the **damage** but the Company's liability shall be limited to;

1. the loss suffered within the period of rent as shown in the Schedule which commences from the date of the **damage**; and
2. the Sum Insured shown in the Schedule.

Rent receivable

means the amount of the rent received or receivable or service charges from the letting of the described **premises**.

Research and development operations

means the Insured's business activities at the premises which are directly related to or directly support the development of new products or enhancements of existing products.

Research and development property

means written, printed or inscribed documents, plans, records or formulas; processes or cultures and resulting products, samples or other materials produced by such processes or cultures; and **prototypes**, if produced and directly associated with your **research and development operations**.

Research and development property does not mean animals, **money** or **securities**, property held for sale or held for delivery after sale, goods the Insured has manufactured which are in their completed state and ready for sale or **mobile communication property**.

Research establishment expenditure

means the amount of expenditure on **research and development operations** by the Insured at the premises excluding the relative cost of raw materials consumed, income derived from research undertaken under contract by the Insured on behalf of **customers** and financing transactions.

Restoration costs

means reasonable and necessary costs incurred by the Insured with the prior written consent of the Company to restore, repair or replace real or personal property to substantially the same condition it was in prior to being damaged during work performed in the course of incurring **remediation costs**.

Restoration costs shall not exceed the appraised market value of such property immediately prior to incurring **remediation costs** or include costs associated with improvements or betterments.

Salary

means the direct compensation paid by the Insured to an **employee** for personal services rendered, including normal bonus, commissions, standard incentive payments, health benefits, welfare benefits or pension benefits.

Scheduled collections

means **collections** which are individually listed with an assigned value as set out in the Schedule or on file with the Company.

Securities

means negotiable and non-negotiable instruments or contracts representing either **money** or other property and shall include commodities, futures and options.

Specified territory (Sections 1 and 2)

means Afghanistan, Angola, the territory of Crimea, Cuba, Guinea-Bissau, Guyana, Iran, Iraq, Liberia, Libya, Myanmar, North Korea, Sierra Leone, Sudan, South Sudan, Syria, Tibet and Yemen.

Specified territory (Section 3)

means England, Wales or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987 and not Northern Ireland, the Channel Islands or the Isle of Man.

Standard gross revenue

means the **gross revenue** during that period in the 12 months immediately before the date of the **damage** which corresponds with the **indemnity period** allowing for the **trend in the business**.

Standard rent receivable

means the amount of the **rent receivable** during the period corresponding with the **indemnity period** in the 12 months immediately before the date of the **damage**, allowing for the **trend in the business**.

Standard turnover

means the **turnover** during that period in the 12 months immediately before the date of the **damage**, which corresponds with the **indemnity period**.

Stock

means:

1. stock and materials in trade, and
2. supplies used in packing and shipping thereof.

System

means a computer and all input, output, processing, storage, off-line media, library, mechanical and communication facilities, and anything which relies on a microchip for any part of the operation, which are connected to such computer, provided such computer and facilities are:

1. owned and operated by the Insured;
2. leased and operated by the Insured; or

3. utilised by the Insured pursuant to a written contract.

Terrorism (Sections 1,2 and 3)

means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

This Policy includes cover against physical loss or physical damage to **property insured** directly caused by the actions of the government of the state (or its **military authority**) where the **property insured** is located, in suppressing, controlling or minimising the consequences of a peril, as insured by the Policy that takes place during the **occurrence** of such a peril.

If the Insured is eligible for compensation or indemnity under any government compensation plan or other similar scheme in respect of the **damage** described above, this Policy shall be excess of any amount due from such plan or scheme, whether paid or not.

Terrorism (Sections 4 and 5)

means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Trade dress

means any right enforceable at law to the extent that it relates to the overall visual appearance of a business and its products and/or services and the manner in which they are packaged and/or presented.

Trend in the business

means adjustments to provide for the trend of the Insured's business and variations in other circumstances affecting that business either before or after the **damage** or which would have affected that business had the **damage** not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **damage** would have been obtained during the relative period after the **damage**.

Trespass nuisance or obstruction

means trespass nuisance or obstruction or interference with any easement right of air light water or way.

Turnover

means the money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Insured's business at the described **premises**.

Underground storage tank

means any tank, including associated underground piping connected to such tank, in existence at the inception of this Policy or installed thereafter that has at least 10% of its volume below ground.

Uninsured working expenses

means 100% of:

1. purchases less discounts received;
2. discounts allowed;
3. carriage packing and freight; or
4. bad debts.

Unscheduled collections

means **collections** which are not individually set out in the Schedule or on file with the Company, but are similar in nature, or related to the **scheduled collection** of the Insured.

Valuable papers

means documents (including stamps thereon), manuscripts, plans and writings of every description, business books and books (written and printed), but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up such documents, manuscripts and business books, (excluding any expense in connection with the production of information to be recorded therein) and not for the value to the Insured of the information they contain.

Virus or similar mechanism

means 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.

Virus or similar mechanism includes but is not limited to “trojan horses”, “worms” and “logic bombs”.

Waiting period

means the period immediately following **damage** before the **indemnity period** commences and during which time the Company shall not be liable for any loss sustained by the Insured.

War

means any:

1. hostile or warlike action in time of peace or war (including any act or failure to act in controlling, preventing or suppressing any actual, impending or expected attack) by any:
 - a) government authority or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces;
 - b) military, naval or air forces; or
 - c) agent of any government power, authority or force;
2. insurrection, rebellion, revolution, civil war, usurped power or any activity of any organisation the objects of which are or include the overthrowing or influencing of any government or sovereign power (de jure or de facto) by any violent means, or any act or failure to act by government authority or sovereign power (de jure or de facto) in controlling, preventing or suppressing such activity; or
3. weapon of war employing atomic fission, atomic fusion, radioactive force or radioactive material, whether in time of peace or war.

Waste

means any material to be recycled, reconditioned or reclaimed.

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