

# ZENITH

---

MARQUE



Policy booklet  
Property Owners



# Introduction to Your Policy

Zenith Marque Insurance Services is pleased to welcome You as a customer. Zenith Marque Insurance Services administers Your policy on behalf of Zenith Insurance Plc (The Insurer).

This Policy Document is evidence of a legally binding contract of insurance between You (The Insured) and Zenith Insurance Plc (The Insurer).

In agreeing to Insure You and in calculating the premium We have charged and the terms to be applied, we have relied on:

- You having taken all reasonable care to answer all questions asked honestly, accurately and to the best of Your knowledge; and
- the completeness of any other information given either verbally or in writing by You or on Your behalf at the time You applied for insurance is also complete; and
- the information supplied being given honestly and to the best of Your knowledge and belief.

The information that You have given to Us is shown on Your signed proposal form, or statement of fact or statement of insurance but will also include further information given either verbally or in writing by You or on Your behalf at the time You applied for insurance.

You must read this policy document and the Policy Schedule together. The Policy Schedule tells You which sections of the policy apply. Please check both documents carefully to make certain they give You the cover You want.

We have agreed to insure You against liability loss or damage that may occur within the geographical limits of the policy during any period of insurance for which You have paid, or agreed to pay the premium. The cover We provide is subject to the terms, conditions and exceptions contained in this policy document or in any endorsement applying to this policy document.

Nobody other than You (The Insured) and Us (Zenith Insurance Plc) has any rights that they can enforce under this contract.

Unless specifically agreed otherwise, this insurance shall be subject to English Law.

The terms and conditions of this policy and all other information concerning this insurance are communicated to You in the English language and We undertake to communicate in this language for the duration of the policy.



**Gary Humphreys**

*Zenith Insurance Plc and/or its co-Insurer  
QIC Europe Limited.*

Authorised Insurers, registered in Gibraltar No 84085. Registered Office: 846-848, Europort, Gibraltar.

Zenith Insurance Plc is regulated by the Gibraltar Financial Services Commission and subject to a limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority in respect of underwriting business in the UK (No. 211787).

Zenith Insurance Plc is a member of the Association of British Insurers. QIC Europe Limited, registered in Malta with registered address at No. 7, 4th Floor, Block C, Skyway Offices, 179 Marina Street, Pieta, PTA 9042, Malta.

QIC Europe Limited is authorised and regulated by the Malta Financial Services Authority (MFSA) to carry on general insurance business in terms of the Malta Insurance Business Act, 1998 and subject to limited regulation by the UK Financial Conduct Authority and the Prudential Regulation Authority in respect of underwriting business in the UK (No. 659521).

## The information below relates to Section 4 of this policy document

This section of the Policy Document is evidence of a legally binding contract of insurance between You (The Insured) and Inter Partner Assistance SA (The Insurer).

Please check this section carefully to make certain it gives You the cover You want.

We have agreed to insure You against liability loss or damage that may occur within the geographical limits of the policy during any period of insurance for which You have paid, or agreed to pay the premium. The cover We provide is subject to the terms, conditions and exceptions contained in this section or in any endorsement applying to this section.

Nobody other than You (The Insured) and Us (Inter Partner Assistance SA) has any rights that they can enforce under this contract.

Unless specifically agreed otherwise, this insurance shall be subject to English Law.

The terms and conditions of this policy and all other information concerning this insurance are communicated to You in the English language and We undertake to communicate in this language for the duration of the policy.

Inter Partner Assistance in the UK is a branch of Inter Partner Assistance SA ('IPA'). IPA is authorised by the Belgian National Bank and subject to limited regulation by the Financial Conduct Authority in the UK. Details about the extent of IPA's regulation by the Financial Conduct Authority are available from IPA on request. IPA is listed on the Financial Services Register under number 202664.

This can be checked by visiting the website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the Financial Conduct Authority on 0800 111 6768.

### Several Liabilities Notice

The obligations of Zenith Insurance Plc and its co-Insurers under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of each insurer's individual subscription. If one of the insurers does not for any reason satisfy all or part of its obligations the other insurers will not be responsible for the defaulting insurer's obligations.

## Contents in page order

General Conditions	.....	.4-6
General Definitions	Applicable to all Lines of Cover	.....7-8
Section 1	Property Damage	.....9-21
Section 2	Business Interruption – Loss of Rent	.....22-27
Section 3	Liability Insurance	.....28-29
Subsection 3A	Employers Liability	.....30
Subsection 3B	Property Owners Liability	.....31-32
Section 4	Legal Expenses	.....33-45
General Exceptions	.....	.46-47
Terrorism Extension	Terrorism	.....48-49
Claims Conditions	.....	.50-51
Customer Care Service and Complaints Procedure	.....	.52

## General Conditions applying to all sections of the insurance

Where any term of this insurance said (in the term itself or by any heading) to be a condition, requires You to do or comply with anything and You have failed to do or comply with that thing in circumstances where compliance with the term (other than one defining the risk as a whole) would tend to reduce risk of Liability, Loss, Injury or Damage of a particular kind, or at a particular location, or at a particular time, we shall not cover any claim under this insurance for such of Liability, Loss, Injury or Damage unless you establish that the non-compliance could not have increased the risk of the Liability, Loss, Injury or Damage which actually occurred in the circumstances in which it occurred.

You and anyone claiming cover must keep to all the conditions in this document and any applicable Endorsements throughout the Period of Insurance and We will only provide the cover described in this insurance if You have kept to the following conditions:

- 1 You must provide to us a fair presentation of the risk in the Proposal or Statement of Fact or in any other information given at inception, renewal and variation of this Policy. This means You must disclose to Us
  - a) every material circumstance which You know or ought to know (including matters known to those responsible for Your insurance, and, if You are not an individual, matters known to Your senior management) or
  - b) sufficient information to put Us on notice that We need to make further enquiries to find out about those material circumstances and
  - c) such disclosure is in a manner which would be reasonably clear and accessible to Us and
  - d) in which every material representation as to a matter of fact is substantially correct and every material representation as to a matter of expectation or belief is made in good faith.
- 2 In the event that You or anyone acting on your behalf fails to provide a fair presentation of risk:
  - a) We may treat this Policy as void and refuse all claims and recover from You any sums already paid by Us to You in respect of claims if:
    - i) such failure was deliberate or reckless and/or
    - ii) We would not have entered into this Policy on any terms if You had made a fair presentation of the risk.If We treat the policy as void, We will return the premium paid unless such failure was deliberate or reckless.
  - b) if We would have entered into the Policy but on different terms had You made a fair presentation of the risk We may:
    - i) reduce proportionately the amount to be paid on any claim if We would have charged a higher premium calculated by applying the percentage that the actual premium charged bears to the higher premium
    - ii) treat the Policy as entered into on any such different terms (other than relating to the premium) that We would have entered into had You made a fair presentation of risk.
- 3 If You make a fraudulent claim, We will not pay the claim, We may give you notice that We treat the Policy as having been terminated so that cover will end and You will lose any premium You have paid and We will recover from You any sums that We have paid in respect of the claim. We may also contact the Police and/or relevant authority(s) in relation to possible criminal proceedings.
- 4 If, under the law of any country which this insurance covers You in, We have to settle a claim which We would not otherwise have paid, You, or the person who made the claim, must pay this amount back to Us.
- 5 If there is other insurance in force (or which would be in force if Our insurance did not exist and You had complied with all the terms of the other insurance) which covers the same loss, Damage or liability as Our insurance, We will only pay any amount over that provided by the other insurance. This condition does not make Us responsible for any amount We would not otherwise have paid under this insurance.
- 6 You cannot transfer this insurance to anyone else.
- 7 Changes in Your circumstances

You must tell Us as soon as possible about any changes which could affect Your insurance and which have happened since the cover first started or since You last renewed it. If You do not tell Us about these changes, Your insurance may not cover You fully or at all. If You are not sure whether any facts are important, please ask Your insurance adviser. Here are some examples of changes You should tell Us about:

- An increase in the estimated wages, salaries, Turnover, payments to sub-contractors who are not employees, maximum number of employees or maximum number of sub-contractors who are not employees, but only if any increase is more than 50% of Your previously advised estimate for the Period of Insurance. Any increase of less than 50% may be declared at the end of the Period of Insurance in accordance with the General Condition 'How your premium works' below
- A change in the activities of the Business, including any part-time work,
- Convictions and prosecutions, other than those for motoring offences.

We shall be entitled to increase or reduce the premium and/or vary the terms, conditions and exceptions of this insurance in respect of the unexpired term of this insurance to adequately reflect any alteration in the risk. In some circumstances We may cancel the insurance in accordance with the cancellation condition below.

### How Your premium works

Your premium is the minimum and deposit premium based on the estimates You have provided. You must keep an accurate record of the actual figures. Within one month of the expiry of each Period of Insurance You must provide us with the actual figures, so that the premium can be recalculated. If the recalculated premium exceeds the minimum and deposit premium You have paid, we can charge an additional premium which You must pay.

General Conditions continued on the next page.

## General Conditions applying to all sections of the insurance (continued)

### Cancellation

This is how Your insurance can be cancelled:

- We or Your insurance adviser can send You seven days' notice to Your last known address. We will refund the proportion of Your premium equivalent to the period of the insurance You have left. We will not give a refund if there has been a claim or an Occurrence which could lead to a claim in the current Period of Insurance.

If We or Your insurance adviser cancel this insurance because You have not paid the full premium, We will work out the proportion you owe using Our short period rates shown below.

- You can cancel this insurance by making a request to Us or Your insurance adviser. If there have been no claims in the current Period of Insurance and You can confirm that You are unaware of any claim or Occurrence which could lead to a claim, We will work out a charge for the time You have been covered using Our short-period rates shown below. We will refund any amount We owe You.

Period of time You have had the cover, up to:	Refund of premium
One month	70%
Two months	60
Three months	50%
Four months	40%
Five months	30%
Six months	20
Seven months	10%
More than seven months	Nil

- 8 This insurance does not give rights to any person other than You (the insured person) unless We say differently elsewhere in this document.

No rights to enforce any term of this insurance under the Contracts (Rights of Third Parties) Act 1999 are given to any person who is not a party to this Insurance but this does not affect any right or remedy of any such person that arises apart from that Act.

- 9 We may at any time pay the Limit of Liability (after the deduction of any sum already paid) or any lesser amount for which a claim can be settled and shall be under no further liability except for the payment of costs and expenses incurred prior to the date of payment (provided that the Limit of Liability stated in the Schedule is sufficient to allow it).

- 10 You must:

- maintain all buildings, furnishings, ways, works, machinery, plant, caravans and vehicles in sound condition,
- take all reasonable precautions to prevent Injury or Damage which may give rise to a claim under this insurance,
- exercise care in the selection and supervision of Employees,
- as soon as possible after discovery ensure any defect or danger is made good or remedied and in the meantime ensure additional precautions are taken as the circumstances require,
- comply with all statutory requirements and other safety regulations imposed by any authority.

- 11 We shall not be liable for the amount of the Excess stated in the Schedule.

- 12 Interpretation

- This insurance, the Schedule, Statement of Fact and any Endorsements shall be read together as one contract,
- Any word or expression to which a specific meaning has been attached in this insurance shall bear the same meaning wherever it may appear,
- Any reference to the singular shall include the plural and vice versa,
- The masculine shall include the feminine and vice versa,
- A statute statutory instrument regulation or order shall include any amendment and/or re-enactment thereof.
- All terms shall be interpreted in a way that is consistent with the Insurance Act 2015.

- 13 This insurance shall be governed in all respects by the law applying in the particular country in the UK in which You live. If there is any dispute over which law is to apply to this insurance it will be English law.

- 14 Where there is more than one of You this insurance will apply separately to each of You in the same manner and to the same extent as if a separate insurance had been issued to each of You and We agree to waive all rights of subrogation against any of You.

All the Sums Insured, Limits of Indemnity, Limits of Liability and any other restrictions on the amount of Our liability stated in this Policy will apply as maximum limits to Our liability irrespective of the number of persons entitled to indemnity under this Policy.

For the purposes of the Sums Insured, Limits of Indemnity, Limits of Liability and any other restrictions on the amount of Our liability You and all other persons entitled to indemnity under this Policy shall be treated as one party or legal entity so that there will be only a single contract of insurance between Us as one party and You and all other persons entitled to indemnity as the other party .

- 15 This Policy shall be avoided should:

- the Business be wound up or carried on by a liquidator or receiver or permanently discontinued or,
- Your interest cease otherwise than by death.

- 16 Our liability in any One Period of Insurance (unless stated to the contrary) shall not exceed the total sum insured or in respect of any one individual item, its sum insured in the Schedule or any other stated liability.

- 17 We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against:

- any company whose relationship to You is either a parent or subsidiary

General Conditions continued on the next page.

## General Conditions applying to all sections of the insurance (continued)

- b) any company which is a subsidiary of a parent company of which You are a subsidiary as defined in the relevant legislation current at the time of Damage
  - c) any tenant of Yours provided that
    - i) the tenant or lessee contributes to the cost of insuring the Property Insured against the event which caused the Damage
    - ii) the Damage did not result from a criminal, fraudulent or malicious act of the tenant or lessee.
- 18 This Policy shall not be invalidated by
- a) any act or omission or by any alteration or neglect unknown to or beyond Your control by which the risk of loss, destruction or Damage is increased, provided that You shall give notice to Us (and pay an additional premium if required) immediately You become aware of such act, omission, alteration or neglect,
  - b) workmen on the Premises carrying out repairs, general maintenance work or minor structural or other alterations of a contract value not exceeding £100,000. Alterations of a contract value above this amount should be referred to Us for acceptance prior to such work commencing.
- 19 When any Building or portion thereof becomes Unoccupied for a period exceeding 45 consecutive days:
- a) You must give immediate notice of such unoccupancy to Us and also when such Unoccupied buildings or portion thereof are again occupied,
  - b) Whilst the Property insured is unoccupied and/or undergoing any refurbishment works only Covers 1 A) Fire B) Explosion C) Lightning D) Aircraft and 2 Earthquake are covered by Section 1 Property Damage unless otherwise stated in the Schedule,
  - c) Whilst the Property insured is unoccupied Section 2 Business Interruption/Loss of Rent is not insured unless otherwise stated in the Schedule,
  - d) Whilst the Property insured is unoccupied You must ensure:
    - 1) all electrical, gas and water supplies are turned off at the mains, other than those supplies connected to automatic sprinkler installations or electrical circuits to lighting and alarm systems which remain in operation for security or fire protection purposes;
    - 2) all water tanks, apparatus, pipes and heating systems, other than those connected to automatic sprinkler systems, are drained down;
    - 3) all reasonable precautions are taken to ensure that the Premises are secure against entry by intruders including ensuring that:
      - i) all perimeter walls, gates and fences are in a good state of repair;
      - ii) all doors and windows are securely fastened and locked;
      - iii) all letter boxes are sealed;
      - iv) all security and alarm protections are in proper working order and are set and in full operation;
    - 4) all waste and combustible materials are removed from inside and outside the buildings and taken away from the Premises within 7 days of the buildings becoming unoccupied;
    - 5) tanks containing fuel or other flammable liquids are drained and purged within 7 days of the buildings becoming unoccupied;
    - 6) the buildings must be inspected both internally and externally at least once every 14 days by a competent person to ensure that precautions a) b) c) and d) in clause 3. above remain fulfilled;
    - 7) if, following an inspection, there are signs of access to the Premises by intruders a thorough inspection of the internal areas of the buildings is carried out straight away and steps are taken to secure the Premises against further intrusion.
- 20 In the event that a survey undertaken by Us or on Our behalf finds that Your Business or any part of it is not satisfactory to Us for the purpose of this insurance, or We discover information material to our continued acceptance of the risk, We reserve the right to alter the terms and conditions of the insurance or cancel the insurance in accordance with General Condition 8.
- You must comply with any risk improvement required by Us within the completion timescale We specify. In the event that a risk improvement is not completed within the timescale specified We reserve the right to either continue the insurance subject to alteration of the terms and conditions or to cancel the insurance in accordance with General Condition 8.
- If the terms or conditions of the insurance are amended by Us You will have fourteen (14) days to accept or reject the revised terms and conditions. If You elect to reject the revised basis of cover and cancel the insurance You will be entitled to a refund in accordance with General Condition 8.

### 21 Breaches of warranties

We will have no liability to pay any claim arising or attributable to something happening after any breach of warranty but before such breach has been remedied.



## General Definitions

Any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears.

These general definitions apply to all sections of the policy unless otherwise stated in the relevant section. In addition there are some definitions particular to individual sections of the policy. You will find these at the beginning of each relevant section.

### Business

Your business described in the Schedule, conducted at or from Premises in the UK and includes

- a) Ownership repair and maintenance of Your property
- b) Occupation of the Premises other than for the purpose of operating any trade or business therefrom
- c) Provision and management of canteen social sports and Welfare organisations and first aid ambulance and medical services for the benefit of any Employee
- d) Fire and security services maintained solely for the protection of the Premises owned or occupied by You.

### Damage

Loss, destruction or Damage of tangible property.

### Employee

Any of the following whilst they are working on Your behalf in connection with the Business:

- a) an employee under a contract of service or apprenticeship with You,
- b) a labour master or any person supplied by him,
- c) a labour only sub-contractor,
- d) a self employed person working for You and under Your control,
- e) a person hired by You, borrowed by You or embedded in Your Business,
- f) a person undertaking study or work experience or on a Youth training scheme with You,
- g) a voluntary worker,
- h) a working director where You are a limited company.

This definition of Employee does not apply to Section 4 Legal Expenses.

### Endorsement

A change in the terms of Your insurance. An endorsement does not apply unless the endorsement wording or the endorsement number appears in Your Schedule.

### Excess

The amount You have to pay towards any valid claim under this insurance.

### Insured Person

Means any partner, director or employee of the Insured whose usual place of employment is at the Premises or as otherwise stated in the Schedule.

### Limit of Liability

Our liability in any one Period of Insurance shall not exceed the total sum insured or in respect of any one individual item, its sum insured in the Schedule or any other stated limit of liability.

### Occurrence

An accident, including continuous or repeated exposure to substantially the same general conditions, which results in Injury or Damage where such Injury or Damage is neither expected nor intended by You.

### Period of Insurance

The period of time shown in the Schedule during which this insurance covers You.

### Premises

The location(s) as stated in the Schedule or in any Endorsement, that are owned by You for the purposes of the Business.

### Proposal

Any information supplied by You in connection with this Insurance including any Statement of Fact and any declaration made by You or on Your behalf.

### Radiation

Ionising radiation or contamination by radioactivity from any nuclear assembly or nuclear component of it or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of it.

### Retail customer

An individual who is acting for purposes which are outside his trade, business or profession.

### The Insurer

Zenith Insurance Plc and/or its co-insurers whose names and addresses are available on request.

General Definitions continued on the next page.

## General Definitions (continued)

### **The Schedule**

The insurance document listing Your details and details of the sections of this insurance document which apply to You.

### **Statement of Fact**

A record of statements made and information given by You or on Your behalf which constitutes the basis of the insurance contract.

### **Sum Insured**

Means the total value at risk as stated in the Schedule applicable to the particular Item or Section.

### **UK**

The United Kingdom being England, Scotland, Wales, Northern Ireland, the Isle of Man and the Channel Islands.

### **War**

War, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power.

### **We, Us, Our**

The Insurer.

### **You, Your**

The insured person, company, business partnership or firm named in the Schedule.

**Definitions applicable to Property Damage****Ancillary Equipment**

Ancillary Equipment solely for use with the Computer Equipment comprising air conditioning equipment, generating equipment, UPS voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat smoke and water detection equipment, lightning and transient overvoltage protection devices, lockdown security devices, racks cabinets, stacking equipment, gas flooding cylinders and pipework and computer room partitioning.

**Buildings**

- 1 Buildings,
- 2 Landlord's fixtures and fittings in and on the buildings,
- 3 Outbuildings, extensions, annexes, gangways, foundations or footings, external hoists, staircases, yards, car parks, pavements and forecourts, aerials, aerial fittings, masts, satellite dishes and fuel tanks,
- 4 Walls, gates and fences,
- 5 Services which shall mean telephone, gas and water mains, electrical instruments, meters, piping, cabling and the like and the accessories thereon, extending from the buildings to the perimeter of the Premises or to the public mains (including those underground),
- 6 All tenant's improvements, alterations, additions and decorations belonging to You or for which You are responsible.

**Computer Equipment**

All Computer Equipment (including interconnecting wiring, fixed disks and telecommunications equipment) used for the storage and communication of electronically processed data but excluding Computer Equipment used solely or in part for the control or monitoring of any manufacturing, repair, handling, alteration and/or treatment process or plant, machinery, vehicles, airborne or waterborne craft of any kind.

**Computer Systems Records**

All current and back-up Computer Records (excluding Fixed Disks and paper records of any description) incorporating stored programs and/or data or information thereon for an amount not exceeding £25,000 in respect of any one loss.

**Designation of property**

Where necessary the item heading under which any property is insured shall be determined by the designation under which such property appears in Your books.

**Contents**

- 1 Furniture, furnishings, fitted carpets, potted plants, trees, shrubs, statues, garden furniture, contents of fuel tanks and white goods,
- 2 In so far they are not otherwise insured:  
Directors', partners' and Employees' personal effects including clothing, pedal cycles, tools, instruments and the like for an amount not exceeding £500 per person.  
(but any cover granted under this insurance for Damage by Theft shall not apply to personal effects partly or wholly of precious metal, jewellery, watches, furs, contact lenses, portable electronic devices, mobile phones, cameras, Money and securities of any description),
- 3 Closed circuit television and alarm system equipment,
- 4 Glass, sanitary ware, neon and illuminated signs and electric light fittings,  
But excluding curios, works of art, antiques, sculptures or rare books where the value of anyone article exceeds £1,000.

**Glass**

Normal flat, annealed glass including toughened and laminated glass unless otherwise shown in the Schedule.

**Maintenance Agreement**

A maintenance rental hire or lease agreement which provides a minimum service of on-call remedial and/or corrective maintenance at inclusive cost.

**Property Insured**

- 1 Buildings,
- 2 Contents,
- 3 Other property or interests as detailed in the Schedule.

**Unoccupied Property**

Any Property which is unfurnished, untenanted or no longer in active use for a period of 45 consecutive days or more.

### What We cover

If any of the Property Insured, other than Own Computer Equipment, described in the Schedule suffers Damage at the Premises by any of the Covers insured, We will in accordance with the provisions of the insurance, pay to You the amount of loss or at Our option, reinstate or replace such Property.

In respect of Own Computer Equipment as described in the Schedule, if such property suffers Damage at the Premises by any of the Covers insured, We will in accordance with the provisions of the insurance, pay to You the amount of loss or at Our option reinstate or replace such property up to the limit shown in the Schedule including the cost of the reinstatement of data.

### Covers

The following are the Covers insured except as otherwise stated in the Schedule

- 1 A) **Fire** excluding Damage:
  - 1) by explosion resulting from fire
  - 2) to property caused by its undergoing any process involving the application of heat.
- B) **Explosion** excluding Damage:
  - 1) caused by the bursting of any boiler economiser or other vessel machine or apparatus belonging to or under Your control in which internal pressure is due to steam only
  - 2) to any vessel, machine or apparatus or its contents resulting from the explosion thereof  
but this shall not exclude Damage caused by explosion of any boiler or gas used for domestic purposes only
- C) **Lightning**
- D) **Aircraft** or other aerial devices or articles dropped therefrom.
- 2 **Earthquake** excluding Damage caused by fire.
- 3 **Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons** excluding Damage
  - a) arising from confiscation, requisition or destruction by order of the government or any public authority
  - b) arising from cessation of work
  - c) i) in the course of theft or attempted theft  
ii) in respect of any Unoccupied Property  
directly caused by malicious persons not acting on behalf of or in connection with any political organisation.
- 4 **Storm or Flood** excluding Damage:
  - a) attributable solely to change in the water table level
  - b) caused by frost, subsidence, ground heave or landslip
  - c) to fences, gates and moveable property in the open.
- 5 **Escape of water** from any tank, apparatus or pipe or escape of oil from any fixed oil-fired heating installation excluding Damage:
  - a) by water discharged or leaking from an automatic sprinkler installation;
  - b) the value of the oil;
  - b) in respect of any building which is empty or not in use.
- 6 **Impact** by any road vehicle (including any fork lift truck or other industrial vehicle) or animal.
- 7 **Accidental escape of water from any automatic sprinkler installation** excluding Damage:
  - a) by freezing in any Unoccupied Property
  - b) by heat caused by fire.
- 8 **Theft** (which shall be deemed to include attempted theft) excluding theft:
  - a) which does not involve entry to or exit from that part of the building by forcible and violent means or actual or threatened assault or violence or use of force at the Premises against You or any Employee of Yours or any other person lawfully on the Premises
  - b) from any Unoccupied Property
  - c) from the open or from any outbuilding
  - d) of property in transit
  - e) of Money and securities of any description.
- 9 **Subsidence, ground heave or landslip** excluding Damage:
  - a) arising from the settlement or movement of made-up ground or by coastal or river erosion
  - b) occurring as a result of the construction, demolition, structural alteration or structural repair of any property at the Premises
  - c) arising from normal settlement or bedding down of new structures
  - d) commencing prior to the granting of cover under this insurance.

Section 1 continued on the next page.

## 10 Any other accident excluding Damage:

- a) by any of
  - i) the Covers
  - ii) the causes expressly excluded from the Covers specified in the paragraphs 1-9 (whether or not You are insured for the relevant Cover).
- b) to any property caused by:
  - i) its own faulty or defective design or materials
  - ii) inherent vice, latent defect, gradual deterioration, wear and tear
  - iii) faulty or defective workmanship, operational error or omission on the part of You or any of Your Employees but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded.
- c) caused by:
  - i) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
  - ii) change in temperature, colour, flavour, texture or finish
  - iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
  - iv) mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which the breakdown or derangement originates but this shall not exclude:
    - a) such Damage which itself results from other Damage and is not otherwise excluded
    - b) subsequent Damage which itself results from a cause not otherwise excluded
  - v) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services.
- d) caused by:
  - i) pollution or contamination
  - ii) acts of fraud or dishonesty
  - iii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information
  - iv) erasure or distortion of information on computer systems or other records
    - a) whilst mounted in or on any machine or data processing apparatus
    - or
    - b) due to the presence of a magnetic fluxunless caused by Damage to the machine or apparatus in which the records are mounted.
- e) to:
  - i) a Building or structure caused by its own collapse or cracking
  - ii) moveable property in the open or fences and gates by wind, rain, hail, sleet, snow, flood or dust
  - iii) property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.
- f) to:
  - i) property in transit
  - ii) Money and securities of any description
  - iii) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
  - iv) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
  - v) property recoverable under any guarantee or maintenance agreement in force at the time of the happening of the Damage.

- 11 A) **Accidental breakage of fixed Glass** by fracture extending through its entire thickness.  
 B) **Damage to neon and illuminated signs** and electric light fittings.  
 C) **Accidental breakage of sanitary ware.**  
 D) **Damage by impact or falling glass to:**
- 1) the framework and fittings of the ground floor frontage
  - 2) goods on display in windows
- excluding:
- a) breakage or Damage:
    - i) consequent upon alterations to the framework or position of any of the Glass or to neon and illuminated signs and electric light fittings or to sanitary ware
    - ii) consequent upon settlement or expansion or contraction of frames or fittings in buildings under construction and during a period of six months after the date of completion of the buildings
    - iii) whilst the Premises are empty or disused unless specifically agreed
    - iv) to Property Insured existing prior to the commencement of this insurance and not subsequently replaced
    - v) in respect of neon and illuminated signs and electric light fittings:
      - 1) occasioned by or traceable to wear and tear or gradual deterioration mechanical or electrical breakdown or removal from their fixed position other than by theft or attempt thereat
      - 2) of bulbs or tubes unless consequent upon Damage to signs or fittings
    - vi) of:
      - 1) Glass which is bent tinted stained or fired or incorporated in multiple glazed units
      - 2) lettering or decoration or protective film or alarm foil on Glass unless to comply with the quality recommended in the British Standard Code of Practice BS 6262:1982 or any subsequent related British Standard Code of Practice
  - b) any consequence of fire or explosion unless more specifically insured under Cover 1.

## What We do not cover

### Exceptions to Section 1

- a) Satellite Telecommunications  
 Additional Cost of Working arising from:
  - i) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
  - ii) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite.
- b) Computer Systems Records unless at the time of the Damage a back-up copy is maintained either at a location other than the Premises or alternatively a back-up copy is kept in a fireproof safe or cabinet on the Premises.
- c) Damage by Theft of Directors', Partners' and Employees' personal effects partly or wholly of precious metal, jewellery, watches, furs, contact lenses, portable electronic devices, mobile phones, cameras, Money and securities of any description.
- d) Damage to Buildings not built mainly of brick, stone, concrete or other non-combustible materials unless otherwise stated in the Schedule or Statement of Fact.
- e) Damage to:
  - i) land, roads, pavements, piers, jetties, bridges, culverts or excavations
  - ii) livestock, growing crops or trees
 unless specifically notified to and accepted by Us as insured
  - iii) property which is more specifically insured.
- f) The Excess (as specified in the Schedule against each of the Covers 1 to 11 above) being the first part of each and every loss to be borne by You at each separate Premises as ascertained after the application of all other terms and Conditions of the insurance including the Underinsurance Provision.

### How much We cover

Our liability in any one Period of Insurance shall not exceed the total sum insured or in respect of any one item, its sum insured or any other stated Limit of Liability.

### Basis of Settlement

In respect of Buildings and Contents (other than motor vehicles, directors', partners' and Employees' personal effects)

- A) i) the cost of reinstatement being:
- a) where the property is destroyed – the cost of rebuilding or in the case of Contents, the cost of its replacement by similar property;
  - b) where the property is Damaged – the cost of repairing or restoring the Damaged portions to a condition substantially the same as but not better or more extensive than its condition when new.
- In respect of Own Computer Equipment
- ii) the cost of reinstatement being:
    - a) where the property is destroyed or Damaged beyond economic repair – replacement by new property of equal performance and/or capacity or if such be impossible replacement by property having the nearest higher performance and/or capacity to the property lost destroyed or Damaged;
    - b) where the property is Damaged – the cost of repairing or restoring the Damaged portions to a working condition substantially the same as but not better or more extensive than its condition when new.
  - iii) the cost incurred by You in taking reasonable but exceptional measures to avoid or mitigate Damage provided that:
    - a) the impending Damage does not stem from any cause that should reasonably have been foreseeable by You before the Damage giving rise to the settlement;
    - b) We are satisfied that Damage has been avoided or reduced in consequence of the measures taken.
  - iv) the cost necessarily and reasonably incurred in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of property consequent upon the Damage provided that Our liability shall not exceed £5,000.
- B) the cost of complying with Public Authorities' requirements, being such additional cost of reinstatement of the property as may be incurred, with Our consent, in complying with building regulations or local authority or other statutory requirements or EU requirements, first imposed upon You following the Damage, provided that the reinstatement is completed within twelve months of the occurrence of the Damage or within such further time as We may in writing allow.
- C) the cost of removing debris being the cost incurred, with Our consent, in removing debris, dismantling, demolishing, shoring up and propping portions of the property but excluding any costs or expenses:
  - 1) incurred in removing debris, except from the site of such property Damaged and the area immediately adjacent to such site;
  - 2) arising from pollution or contamination of property, not insured by this Policy.
- D) the cost of removing debris of tenants contents but excluding any costs or expenses:
  - 1) incurred in removing debris except from the site of the Damaged Buildings and the area immediately adjacent to the site;
  - 2) arising from pollution or contamination of property, not insured by this Policy.
- E) the cost of professional fees, being those necessarily incurred in the reinstatement of the property but not for preparing any claims.
- F) Reinstatement of Data, being the costs necessarily and reasonably incurred by You in the reinstatement of programs and/or information onto fixed disks or data media provided that Our liability shall not exceed £5,000.

The following provisions apply to the Basis of Settlement

#### 1) Public Authorities' Requirements

We shall not be liable in respect of cost B) above for any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the regulations or requirements referred to

#### 2) Partial Damage

Where Damage occurs to only part of the property, Our liability shall not exceed the amount which We would have been liable to pay had the property been wholly destroyed.

#### 3) Reinstatement on Another Site

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

#### 4) Insurable Amount

For the purpose of the Underinsurance Provision, the Insurable Amount shall be the Day One Reinstatement Value.

Day One Reinstatement Value (shown in the Schedule) shall mean the total of the insured costs A), B), C), D) and E) in reinstating the Property Insured to a condition substantially the same as when new at the level of costs applying at the commencement of the Period of Insurance.

**5) Alternative Basis of Settlement**

Under the Alternative Basis of Settlement We will pay the value of the property at the time of its destruction or the amount of the Damage including the cost of:

- i) complying with Public Authorities' requirements
- ii) removing debris
- iii) professional fees

as defined in costs B), C), D) and E) above and subject to the provisions and exceptions applying to those costs.

For the purpose of the Underinsurance Provision the Insurable Amount shall be the total of the value at the time of the Damage of the Property Insured by the item and the additional costs B), C), D) and E).

Our liability shall be limited to the Alternative Basis of Settlement:

- a) until the cost of reinstatement has actually been incurred and/or;
- b) if the work of reinstatement is not carried out as quickly as is reasonably practicable and/or;
- c) if at the time of its Damage the property is covered by any other insurance effected by or on behalf of You and such other insurance is not on the identical basis of reinstatement defined in cost A i) and/or;
- d) if in the Schedule or by Endorsement it is stated that the Alternative Basis of Settlement applies.

**Special Provisions****Automatic Reinstatement**

In the absence of written notice by You or Us to the contrary within 30 days of the occurrence of any Damage, Our liability shall not be reduced by the amount of any loss and You shall pay the appropriate additional premium for such automatic reinstatement of cover provided that in respect of Damage by Theft (if insured) the automatic reinstatement shall apply on the first occasion only in each Period of Insurance.

**Declared Value**

Shall mean the base value shown in the Schedule, in brackets, beside the sum insured. Such value excludes any provision for inflation but if the loss is settled under the Alternative Basis of Settlement the Declared Value shall be increased by the selected Day One percentage (as shown in the Schedule or Statement of Fact) to the sum insured shown or if no base value is shown it shall be deemed to be the sum insured.

**Index Linking**

If Index Linking is selected in the Schedule We will adjust the sum insured (and the Declared Value where appropriate) by each item on Buildings in line with suitable indices of costs and the premium for renewal will be based on the adjusted amounts.

**Reinstatement by Us**

We may at its Our option reinstate or replace any property destroyed or Damaged without being bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner. You shall at Your own expense produce and provide Us with all such plans, documents, books and information as We may reasonably require.

**Transfer of Interest**

If at the time of any insured Damage to any Building insured You shall have contracted to sell Your interest in the Building and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase to the benefit of this Insurance in respect of such Damage if and so far as the property is not otherwise insured by the purchaser or on the purchaser's behalf against such Damage without prejudice to the rights and liabilities of You or Us under this insurance up to the date of completion.

**Underinsurance Provision**

If at the time of the Damage

- a) the Declared Value by the relative item on Buildings or Contents
- b) the sum insured by the relative item on other property or interests

is less than the Insurable Amount the amount otherwise payable shall be proportionately reduced.

**Extensions****Accidental Discharge of Gas Systems**

We will pay the cost of refilling the cylinder(s) of any gas flooding systems, installed solely for the protection of the Property Insured, arising out of the accidental discharge of such system provided that Our liability shall not exceed £5,000. However We shall not be responsible for any costs incurred as a direct result of the gas system being installed commissioned or undergoing any form of testing.

**Alternative Residential Accommodation**

In the event of Damage at a residential Property or a Property with mixed commercial and residential tenants that renders the residential portion of the Property unfit to live in, or access is denied, to the extent that they are not otherwise insured We will pay the costs incurred by You for an amount not exceeding 33% of the Buildings Sum Insured of reasonable alternative accommodation and temporary storage of residents furniture and the costs of reasonable accommodation in kennels and/or catteries for residents dogs and/or cats, if dogs and/or cats are not permitted in such residents alternative accommodation. This extension will not apply if a claim arising from the same Damage is made under Section 2 Business Interruption in respect of residential Property or the residential portion of a Property.



**Buildings and Contents – Alterations and Additions**

If during the Period of Insurance

- A) alterations or additions are made to any Buildings insured or
- B) Buildings or Contents are acquired or constructed at any Premises covered by this insurance or elsewhere in the UK and such additional property is not otherwise insured, it will be held covered under the relative items of this insurance from the time from which You became responsible for it until the next renewal of the insurance at which date specific insurance shall be effected.

The sum insured (and Declared Value) by each item shall be deemed to be increased for that period only by the value of the additional Property Insured under the item but by not more than 10% and subject to Our liability not exceeding £500,000 in respect of additional property at any one Premises All the provisions and conditions of this insurance (including the Alteration Condition) apply to this extension except as expressly varied.

**Contractors Interest**

When You are required by the terms or conditions of any contract to cover Buildings in the joint names of You and of any contractor or sub-contractor named in such contract, We agree to note such joint interests provided that You notify Us of details of any single contract valued at £100,000 or more in advance of commencement of the work, and pay any additional premium the We may require.

**Contract Works**

Cover for Buildings and Contents includes any permanent or temporary works undertaken in performance of any contract, including all unfixed materials and goods delivered to or placed on or adjacent to the Premises and intended for incorporation in such Contract Works, all for which You are responsible under the terms of the contract up to an amount of £100,000 any one contract.

**Drain Clearance Extension**

In the event of Damage insured by this insurance at the Premises We will pay the reasonable costs incurred by You in cleaning or repairing drains gutters and sewers at the Premises necessitated by such Damage for an amount not exceeding £5,000 in respect of any one loss.

**Extinguishment Expenses**

We will pay the reasonable costs incurred by You in refilling fire extinguishing appliances and replacing used sprinkler heads solely in consequence of insured Damage to the Property Insured.

**Falling aerials**

We will cover You for Damage to the Premises arising from breakage or collapse of television and radio receiving aerials (including satellite dishes) fittings and masts.

**Fly tipping**

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

You will be responsible for the first £1,000 of each and every loss. The most We will pay for this cover is £10,000 for any one loss and £25,000 during any one Period of Insurance.

**Freeholders, Lessors and Mortgagees**

When the interest of any Freeholder, Lessor or Mortgagee has been noted in Property Insured covered by this Section, We agree that this Section shall not be invalidated by any act, omission, alteration or neglect of or by the Leaseholder, Lessee or Mortgagee unknown to or beyond the control of the Freeholder, Lessor or Mortgagee, by which the risk of Damage is increased, provided that the Freeholder, Lessor or Mortgagee shall give notice to Us (and pay an additional premium if required) immediately they become aware of such act, omission, alteration or neglect.

**Further Investigation Expenses**

In the event of Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same building which is not immediately apparent We will pay the reasonable costs incurred by You with Our prior consent in establishing whether or not such Damage has occurred.

We will also pay the reasonable costs incurred by You in establishing whether or not other buildings in the vicinity have suffered Damage in the same incident but only if such buildings are subsequently found to have suffered such Damage for which We are liable.

**Glass Cover Extension**

Any cover granted under this insurance in respect of Damage to fixed glass includes the reasonable cost of:

- a) any necessary boarding up or temporary glazing pending replacement of broken glass
- b) removing and refixing window fittings and other obstacles to replacement.

**Landscaped Gardens Extension**

In the event of Damage to landscaped gardens and grounds caused by Fire Brigade equipment and personnel in the course of reducing Damage insured by this insurance at the Premises We will pay the reasonable costs incurred by You for an amount not exceeding £10,000 in respect of any one loss.

**Loss of market value cover**

We agree that:

- 1) if You elect not to repair or rebuild the Buildings, We will Pay You the reduction in the market value of the buildings immediately following the Damage but not exceeding the amount which would have been payable had the Buildings been repaired or rebuilt
- 2) if as a result of Damage You are required to rebuild or reinstate the Buildings in a manner different from that immediately before the Damage solely to comply with Public Authorities' Requirements (as defined in the basis of settlement clause B) and as a result there is reduction in market value of the buildings We agree to pay
  - a) the cost of repairing or reinstating the Buildings, or
  - b) a cash settlement representing the reduction in market value
 so that the total payment made is no greater than the amount that would have been payable had the Buildings been repaired or reinstated in an identical manner to their condition immediately before the Damage.

**Loss of Metered Water or Fuel**

We will pay the additional metered water or heating fuel charges incurred by You as a result of Damage caused by any of the Covers insured under Property Damage Insurance, except those in respect of any loss which has not been discovered and remedial action taken within 30 days of the occurrence of the Damage.

The amount payable as indemnity shall be ascertained by comparing the charge made by the water or fuel suppliers on Your account for the period during which the loss occurred with the normal charge adjusted for any relevant factors affecting Your liability for metered water or heating fuel charges during such period subject to Our liability under this extension not exceeding £2,500 any one loss.

**Obsolete building materials cover**

We will cover You for the reasonable additional costs that You incur in the replacement of Damaged Buildings where more modern materials are used, provided that the original materials used at the time of installation Were appropriate for the type of Building considering other materials available at that time.

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

**Privity of Contract**

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

All costs and expenses incurred with our prior written approval are included within the Limit of Liability stated in part 3 of this extension.

- 1) We will cover You for legal liability as a former landlord or tenant to any current landlord or tenant to provide cover to repair or reinstate Damage to Premises which
  - a) arises from a breach by any current landlord or tenant of their obligations under a lease to provide cover to repair or reinstate Damage covered under this section to any assigned Premises where You have also breached those obligations
 and
  - b) arises out of any claim which is first made in writing to You during any Period of Insurance and notified to Us:
    - i) during
    - or
    - ii) within 30 days after expiry of the same Period of Insurance.
- 2) We will cover You for Your legal liability for claimant's costs and expenses in connection with 1 above.
- 3) We will cover You for:
  - a) the costs of legal representation at court proceedings arising out of any occurrence specified in 1 above, which may be the subject of indemnity under this cover incurred with Our written consent;
  - b) all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under 1 above incurred with Our written consent provided that
    - i) Our liability any one loss for Buildings and Loss of Rent will not exceed £2,000,000 in the aggregate any one Period of Insurance
    - ii) in no circumstances will Our liability exceed the lesser of
      - 1) the difference between
        - a) the amount payable under the insurance effected by any other landlord, former landlord, tenant, former tenant or any other insurance of this type
 and
       - b) the total cost of insurance repairs or reinstatement provided for by this policy
 except in cases which fall within 2a and 2b below, the difference between
      - 2) a) the amount payable under any insurance effected by any other landlord, former landlord, tenant, former tenant or any other insurance of this type
      - and
      - 2) b) the total amount payable by the alternative basis of settlement under this policy if at the date of the claim the assigned Premises is intended for renovation, refurbishment or redevelopment
    - 2) c) in either of 1a, 1b, 2a or 2b above Our rateable portion of the Damage calculated according to the number of people (whether insured or not) who have at any time held or who hold the reversion of the lease of the assigned Premises
  - 3) You must take all reasonable steps, including but not limited to, making or joining in any necessary application to court to obtain release from its liabilities as former landlord or tenant of the assigned Premises following disposal.

**Reinstatement to match**

We will cover You for the cost of replacement or modification of non Damaged parts of the Buildings that form part of a suite, common design or function where the Damage is restricted to a clearly identifiable area or to a specific part.

Our maximum liability under this extension shall not exceed 10% of the declared value any one loss or the amount that would have been payable had the suite, common design or function been wholly destroyed, whichever is the less.

**Removal of vermin**

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

Our maximum liability under this extension shall not exceed £5,000 for any one loss and £25,000 during any one Period of Insurance.

**Removal of wasps/bees nests**

We will cover You for the cost of removing wasps, bees or hornets nests from the Buildings.

Our maximum liability under this extension shall not exceed £1,000 any one loss.

**Seventy two hour (72)**

We will cover You for Damage within 72 consecutive hours caused by Earthquake, Storm or Flood as one loss, provided the Covers are covered by this Section.

You can decide when the 72 hour period starts as covered by this Section, provided that all Damage occurs within the Period of Insurance.

**Sprinkler upgrade costs**

We will cover You for the additional costs incurred following Damage to the Buildings to upgrade an automatic sprinkler installation within Your Buildings in order to meet current Loss Prevention Council (LPC) rules. Provided that at the date of the Damage the installation conforms to the LPC rules current at the date of installation and that the system has a complete service record up to the date of the Damage.

**Temporary removal**

We will cover You for the temporary removal of:

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

Our liability for any one loss under each of 1 and 2 is £5,000.

**Theft Cover Extension (Buildings and Locks)**

Any cover granted under this insurance in respect of Theft includes:

- A) the cost of repairing Damage to the Buildings (whether or not the Buildings are insured hereunder) if You are responsible for the repairs and the Damage is not otherwise insured
- B) the reasonable expenses (not exceeding £5,000) incurred in necessarily replacing locks to the Buildings or safes or strongrooms therein consequent upon the Theft (as insured) of keys from such building or from the residence of any of the authorised keyholding directors partners or Employees of Yours.

**Theft Cover Extension (CCTV and Alarm System Equipment)**

Any cover granted under this insurance in respect of Theft includes Damage (not exceeding £5000) to any closed circuit television and alarm system equipment externally fixed to the Premises the property of You or for which You are responsible. Exceptions a) and c) to Cover 8 – Theft do not apply.

**Theft of building fabric**

Any cover granted under this insurance in respect of Theft includes:

- 1) the cost of repairing Damage to the external fabric of the Buildings as a result of Theft or attempted Theft
- 2) the cost of repairing Damage to the Buildings following entry of rainwater as a result of Theft or attempted Theft of the external fabric of the Buildings.

You are responsible for the first £350 for each and every loss

This cover does not apply to any Unoccupied Buildings.

**Trace and Access and Repair or Replacement Extension**

In the event of Damage resulting from Escape of Water or oil as covered by this Policy We will pay:

- a) the costs necessarily and reasonably incurred in locating the source of such Damage and subsequently making good
- b) the cost of repairing or replacing tanks apparatus pipes or appliances which have been Damaged by freezing.

**Tree felling or lopping**

We will cover You for the cost of felling or lopping trees at the Premises which are immediate threats to the safety of life or property as a result of Damage.

Our maximum liability under this extension shall not exceed £500 for any one loss claim and £5,000 during any one Period of Insurance.

Section 1 continued on the next page.

**Tree removal**

We will cover the reasonable costs and expenses necessarily incurred in removing fallen trees and branches from the Premises resulting from Damage.

Our maximum liability under this extension shall not exceed £500 for any one loss claim and £5,000 during any one Period of Insurance.

**Unauthorised Use of Metered Supplies**

We will pay the cost of electricity, gas, water or other metered supply for which You are legally responsible arising from its unauthorised use by persons taking possession, keeping possession, or occupying the Premises without Your authority subject to Our liability not exceeding £25,000 any one claim.

It is a condition precedent to recovery under this Special Provision that such Premises are and have been inspected weekly by a responsible person on behalf of You and that all practicable steps are and have been taken to terminate such unauthorised use as soon as it is discovered.

**Value added tax (VAT)**

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

Provided that:

- 1a) Your liability for the tax arises as a result of the reinstatement or repair of the Buildings following Damage
- 1b) We have paid or have agreed to pay for the Damage
- 1c) if any payment made by Us is less than the actual cost of the reinstatement or repair of the Damage, then any payment under this cover, resulting from that Damage, will be reduced by the same proportion
- 2) Your liability for VAT does not arise from the replacement Buildings having a greater floor area, or being better or more extensive than the Damaged Buildings
- 3) where the Building is reinstated on another site Our liability will not be higher than the amount of VAT that would have been payable had the Buildings been rebuilt on its original site
- 4) Our liability does not include amounts You have paid as penalties or interest for non payment or late payment of VAT
- 5) You have taken all reasonable precautions to insure adequately for VAT liability at the start of this policy and at each subsequent renewal date.

For the purpose of any Under Insurance Provision, reinstatement costs will be exclusive of VAT. Our liability may be more than the Sum Insured for a Building where the additional amount is solely as a result of VAT.

**Sustainable Building Materials Extension**

We will cover You for the reasonable additional costs that You incur in the replacement of Damaged Buildings where sustainable building materials are used, with our written consent.

Sustainable building materials are:

- (a) products that increase the efficiency of the building relating to the use of energy and/or water,
- (b) rebuilding materials that reduce environmental impacts.

The replacement building will not be regarded as being better or more extensive than when new provided that our liability does not exceed 10% of the Building sum insured or £100,000, whichever is less.

This extension does not apply to properties subject to the Alternative Basis of Settlement.

**Special Conditions****Risk Protections****A Automatic Sprinkler and Fire Alarm Installations**

(Applicable if a reduced premium rate is allowed on account of such an installation or if the insurance covers Damage by the accidental escape of water from a sprinkler installation)

You shall:

- 1) take all reasonable steps to:
  - A) prevent frost and other Damage to the installations and in so far as it is Your responsibility
  - B) maintain the installations (including the automatic external alarm signal) in efficient condition
  - C) maintain ready access to the water supply control facilities
- 2) maintain throughout the Period of Insurance a contract to provide for the maintenance and half-yearly inspection of the system. Such contract must be with a recognised sprinkler installation engineer
- 3) in the event that changes repairs or alterations to the installations are proposed notify Us in writing and obtain Our prior agreement in writing
- 4) allow Us access to the Premises at all reasonable times for the purpose of inspecting the installations
- 5) carry out the routine tests set out below and remedy promptly any defect revealed by a test. In the event that alterations or repairs become necessary to the automatic sprinkler installation We may at Our option suspend any cover which is granted against Damage by the accidental escape of water from the installation until the alterations or repairs have been carried out and approved by Us. Notice of any such action will be given by Us in writing.

**Sprinkler installation routine tests**

- 1) You shall conduct a test every working day (holidays excepted) to ensure that the circuit between the alarm switch and the control unit is in full working order (except where it is continuously monitored or is such that one break of wires will not prevent an alarm signal being transmitted)
- 2) You shall conduct a test once a Week to ensure that:
  - a) any connection with the public fire station, central fire alarm depot or public fire brigade control is in full working order (unless Fire Brigade have given a written undertaking to carry out this test)
  - b) any batteries used in the installation are sufficiently charged and in full working order
  - c) the alarm gong is in working order and that the stop valves controlling the individual water supplies and the installation are fully open
  - d) the pump(s) can be started both automatically and manually and that any diesel engine driven pump and battery electrolyte level and density are correct.

A record of such Weekly tests shall be made in writing and retained by You and must be forwarded to Us upon request.

**B Fire Extinguishing Appliances**

It is a condition precedent to Our liability in respect of Damage that You shall maintain all fire extinguishing appliances in efficient working order.

**C Electrical Inspection**

It is a condition precedent to Our liability, in respect of Damage, that You shall ensure that the electrical wiring of the Premises is inspected every 5 years by a certified IEE/NIC/EIC electrical contractor and any defect identified by that inspection is rectified immediately.

A copy of the report must be retained and forwarded to Us upon request.

**D Flat roofs**

It is a condition precedent to Our liability in respect of Damage that You shall ensure that:

- 1) any flat felted roof, or part thereof of the Premises shall be inspected at least once every two years by a qualified builder or property surveyor and any defect identified by that inspection be rectified immediately.
- 2) any guttering is checked for blockages or defects by a competent person at within one month of the inception or renewal of this insurance and at six monthly intervals thereafter and any remedial action required to be implemented immediately.
- 3) a record of all such inspections shall be made in writing and be retained by You and must be forwarded to Us upon request.

**E Security Precautions**

(Applicable to any cover granted in respect of Damage by Theft)

It is a condition precedent to Our liability in respect of Damage that:

A) in respect of any Intruder Alarm System installed at the Premises:

- 1) the Intruder Alarm System is maintained in full and effective working order under a contract to provide both corrective and preventative maintenance with the installer or such other contractor agreed by Us in writing;
- 2) the Premises are not left unattended:
  - a) unless the Intruder Alarm System is tested and set in its entirety and is together with the means of communication used to transmit signals in full and effective operation and where the equipment permits any Alarm Receiving Centre to which the Intruder Alarm System is connected has acknowledged the setting signal;
  - b) if police response to alarm calls has been withdrawn without Our written agreement.
- 3) where the Intruder Alarm System is required or approved by Us as a condition of cover it is installed in accordance with a specification agreed in writing by Us.
- 4) no alteration to or substitution of:
  - a) any part of the Intruder Alarm System;
  - b) the procedures agreed by You for policy or any other response to any activation of or other warning signal pertaining to the Intruder Alarm System;
  - c) the maintenance contract
 shall be made without Our written agreement.
- 5) no structural alteration of or changes in layout to the Premises that could affect operation of the Intruder Alarm System shall be made without Our written agreement.
- 6) You shall maintain secrecy of codes for operation of the Intruder Alarm System and shall not leave details of such codes at the Business Premises when the Business Premises are unattended.
- 7) You shall appoint at least two Keyholders and shall record details of the Keyholders with the police and any Alarm Receiving Centre to which the Intruder Alarm System signals.
- 8) any change of Keyholder details shall be notified immediately to the police and any Alarm Receiving Centre to which the Intruder Alarm System signals.
- 9) in the event of notification of any activation of the Intruder Alarm System or interruption of the means of communication during any period that the system is set a Keyholder shall attend and allow access to the Business Premises without delay.
- 10) in the event that You receive any notification:
  - a) from the police alarm installer/maintenance contractor or Alarm Receiving Centre that response to alarm signals or line interruptions from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed; or
  - b) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance; or
  - c) that the Intruder Alarm System cannot be returned to or maintained in full working order
 You shall advise Us as soon as possible and in any event not later than 10am on Our next working day and comply with any subsequent requirements stipulated by Us.

B) whenever the Premises are left unattended:

- 1) all locks, bolts and other protective devices are in full and effective operation; and
- 2) all keys (including those relating to any part of the Intruder Alarm System) are removed from the Business Premises.

**Interpretations**

**Intruder Alarm System** includes all lines and equipment used to transmit the signals to and from the Premises.

**Keyholder** shall mean any person or keyholding company authorised by You who is available at all times when the Intruder Alarm System is set to accept notification of faults or alarm signals or messages relating to the Intruder Alarm System.

**F Physical Security Standard**

(Applicable to any cover granted in respect of Damage by Theft and shown as operative in the Schedule)

It is a condition precedent to Our liability for Damage that You shall have implemented the following security measures within 8 Weeks of commencement of Theft cover.

**Doors**

In respect of all external doors (including wicket gates) and internal doors leading to other Premises or part of Premises not occupied by You.

**Timber and Steel Doors**

To be secured by either:

- 1) a mortice deadlock conforming to BS 3621 together with a compatible boxed striking plate or
- 2) a close shackle padlock with minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar or (for doors other than final exit) or
- 3) two key operated security bolts for doors one fitted approximately 300mm from the top of the door and the other approximately 300mm from the bottom.

**Aluminium and UPVC Doors**

To be secured by a cylinder operated mortice deadlock or deadlocking multi-point locking system.

**Roller Shutter Doors**

To be secured by either:

- 1) two cylinder operated shutter locks with one lock fitted at each end of the shutter or
- 2) close shackle padlock with minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar.

**Horizontal Sliding, Folding or 'Up and Over' Doors**

To be secured by either:

- 1) a hook bolt mortice deadlock or
- 2) a close shackle padlock with minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar.

**Double Leaf Doors**

The final closing leaf to be secured by the appropriate locks as detailed above the first closing leaf to be secured by flush bolts or key operated security bolts top and bottom throwing into the framework and sill.

**Outward Opening Doors** (applicable to timber and steel doors only)

In addition to the appropriate locks and bolts detailed above each outward opening door to be fitted with hinge bolts top and bottom.

The above requirements do not apply to any door officially designated as a fire exit.

**Windows**

Each ground floor and basement opening window or skylight and other window or skylight accessible from decks, roofs, balconies, canopies, fire escapes or downpipes to be secured by a key operated lock fitted independently of the existing fastener unless the lock forms part of the original fastener design.

This requirement does not apply to any window or skylight which is either:

- 1) protected by securely fitted solid steel bars grilles lockable gates expanded metal or Weld-mesh or
- 2) officially designated as a fire exit.

**G Storage in Basements /Cellars (Stillage)**

You shall ensure that any Contents kept in a basement/cellar that such property is racked and kept at least 15cm above the floor of the basement/cellar.

**Definitions applicable to Business Interruption – Loss of Rent****Annual Rent Receivable**

The Rent Receivable during the twelve months immediately before the date of the Damage.

**Indemnity Period**

The period beginning with the occurrence of the Damage and ending not later than the number of months thereafter stated in the Schedule during which the results of the Business shall be affected in consequence of the Damage.

**Limit of Liability**

The maximum payable during any Period of Insurance under this Section is the Sum Insured shown in the Schedule adjusted in accordance with the Inflation Protection Clause if applicable plus any payment made under the Rent Review Extension.

**Rent Receivable**

The money paid or payable to You for tenancies and other charges and for services rendered in the course of the Business at the Premises.

**Service Charges**

Rent is deemed to include service charges unless otherwise stated in the Schedule.

**Standard Rent Receivable**

The Rent Receivable during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.

Under the Definitions Annual Rent Receivable and Standard Rent Receivable adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the 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.

**What We cover**

If Damage by any of the Covers insured occurs to property owned by You as stated in the Schedule which causes interruption of or interference, We will pay to You.

- a) the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent Receivable
- b) the additional expenditure necessarily and reasonably incurred including the cost of re-letting the Premises (including legal fees) for the sole purpose of avoiding or diminishing the loss of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided plus
  - 5% of the Sum Insured on Rent Receivable for the Premises (but not more than £25,000)
  - less any sum saved during the Indemnity Period in respect of such charges or expenses of the Business as may cease or be reduced in the consequence of the Damage
 provided that
  - i) payment shall have been made or liability admitted under Section 1 of this Policy
  - ii) if the Sum Insured by this Section be less than 200% of the Annual Rent Receivable the amount payable shall be proportionately reduced.

**Covers**

The following are the Covers insured except as otherwise stated in the Schedule

- 1 A) **Fire** excluding Damage:
  - 1) by explosion resulting from fire
  - 2) to property caused by its undergoing any process involving the application of heat
- B) **Explosion** excluding Damage:
  - 1) caused by the bursting of any boiler, economiser or other vessel machine or apparatus belonging to or under Your control in which internal pressure is due to steam only
  - 2) to any vessel, machine or apparatus or its contents resulting from the explosion thereof but this shall not exclude Damage caused by explosion of any boiler or gas used for domestic purposes only
- C) **Lightning**
- D) **Aircraft** or other aerial devices or articles dropped therefrom.
- 2 **Earthquake** excluding Damage caused by fire.



- 3 **Riot, civil commotion, strikers locked-out workers or persons taking part in labour disturbances or malicious persons** excluding Damage:
- a) arising from confiscation requisition or destruction by order of the government or any public authority
  - b) arising from cessation of work
  - c) i) in the course of theft or attempted theft  
ii) in respect of any Unoccupied Property  
directly caused by malicious persons not acting on behalf of or in connection with any political organisation.
- 4 **Storm or Flood** excluding Damage:
- a) attributable solely to change in the water table level
  - b) caused by frost, subsidence, ground heave or landslide
  - c) to fences, gates and moveable property in the open.
- 5 **Escape of water** from any tank, apparatus or pipe or escape of oil from any fixed oil-fired heating installation excluding Damage:
- a) by water discharged or leaking from an automatic sprinkler installation;
  - b) the value of the oil;
  - c) in respect of any building which is empty or not in use.
- 6 **Impact** by any road vehicle (including any fork lift truck or other industrial vehicle) or animal.
- 7 **Accidental escape of water from any automatic sprinkler installation** excluding Damage:
- a) by freezing in any Unoccupied Property
  - b) by heat caused by fire.
- 8 **Theft** (which shall be deemed to include attempted theft) excluding theft:
- a) which does not involve entry to or exit from that part of the building occupied by You for the purpose of the Business by forcible and violent means or actual or threatened assault or violence or use of force at the Premises against You or any Employee of Yours or any other person lawfully on the Premises
  - b) from any part of the building not occupied by You for the purpose of the Business
  - c) from the open or from any outbuilding
  - d) of property in transit
  - e) of Money and securities of any description.
- 9 **Subsidence, ground heave or landslide** excluding Damage:
- a) arising from the settlement or movement of made-up ground or by coastal or river erosion
  - b) occurring as a result of the construction, demolition, structural alteration or structural repair of any property at the Premises
  - c) arising from normal settlement or bedding down of new structures
  - d) commencing prior to the granting of cover under this insurance.
- 10 **Any other accident** excluding Damage:
- a) by any of:
    - i) the Covers
    - ii) the causes expressly excluded from the Covers specified in paragraphs 1-9 (whether or not You are insured for the relevant cover)
  - b) to any property caused by:
    - i) its own faulty or defective design or materials
    - ii) inherent vice, latent defect, gradual deterioration, Wear and tear
    - iii) faulty or defective workmanship, operational error or omission on the part of You or any of Your Employees  
but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded
  - c) caused by:
    - i) corrosion, rust, Wet or dry rot, shrinkage, evaporation, loss of Weight, dampness, dryness, marring, scratching, vermin or insects
    - ii) change in temperature, colour, flavour, texture or finish
    - iii) joint leakage, failure of Welds, cracking, fracturing, collapse or overheating of boilers economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
    - iv) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates  
but this shall not exclude:
      - a) such Damage which itself results from other Damage and is not otherwise excluded
      - b) subsequent Damage which itself results from a cause not otherwise excluded
    - v) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services

Section 2 continued on the next page.

- d) caused by:
  - i) pollution or contamination
  - ii) acts of fraud or dishonesty
  - iii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information
  - iv) erasure or distortion of information on computer systems or other records
    - a) whilst mounted in or on any machine or data processing apparatus
    - or
    - b) due to the presence of a magnetic flux
 unless caused by Damage to the machine or apparatus in which the records are mounted
- e) to:
  - i) a building or structure caused by its own collapse or cracking
  - ii) moveable property in the open fences and gates by wind, rain, hail, sleet, snow, flood or dust
  - iii) property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair
- f) to:
  - i) property in transit
  - ii) Money and securities of any description
  - iii) vehicles licensed for road use (including accessories thereon) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
  - iv) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
  - v) property recoverable under any guarantee or Maintenance Agreement in force at the time of the happening of the Damage.

### What We do not cover

#### Exceptions to Section 2

##### We do not cover

- 1) claims in respect of loss of rent which arise from any of the following:
  - a) Satellite Telecommunications
    - i) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
    - ii) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
  - b) Computer Systems Records  
Computer Systems Records unless at the time of the Damage a back-up copy is maintained either at a location other than the Premises or alternatively a back-up copy is kept in a fireproof safe or cabinet on the Premises
  - c) Damage to Buildings not built mainly of brick stone concrete or other non-combustible materials unless otherwise stated in the Schedule or Statement of Fact
  - d) Damage to:
    - i) land, roads, pavements, piers, jetties, bridges, culverts or excavations
    - ii) livestock, growing crops or trees
 unless specifically notified to and accepted by Us as insured
    - iii) property which is more specifically insured
- 2) The Excess  
the Excess (as specified in the Schedule against each of the Covers 1 to 10 above) being the first part of each and every loss to be borne by You at each separate Premises as ascertained after the application of all other terms and Conditions of the insurance including the Underinsurance Provision.

### Special Provisions

#### 1) Savings

If any of the charges or expenses of the Business payable out of Rent Receivable cease or reduce in consequence of the Damage the amount of such savings during the Indemnity Period shall be deducted from the amount payable.

#### 2) Professional Accountants' Charges

We will pay the reasonable charges payable by You to Your professional accountants for producing information required by Us under the terms of the Claims Conditions and for reporting that such information is in accordance with Your accounts.

#### 3) Underinsurance

If the sum insured is less than the Insurable Amount (after taking into consideration special provision 5 below) the amount payable shall be proportionately reduced.

**4) Payments on Account**

In the event of loss We will make monthly payments on account during the Indemnity Period to You if desired.

**5) Value Added Tax**

To the extent that You are accountable to the tax authorities for Value Added Tax all terms in this insurance shall be exclusive of such tax.

**6) Rent Review**

Where Rent is subject to a rent review during the Period of Insurance, the rent amount payable may be automatically increased, subject to a maximum rent review increase of 200%. This does not include any increases in Rent resulting from alterations, additions, extensions or improvements to the Buildings insured or in respect of newly erected buildings.

**7) Automatic Reinstatement**

In the absence of written notice by You or Us to the contrary Our liability shall not be reduced by the amount of any loss. You undertake to pay the appropriate additional premium for such automatic reinstatement of cover.

**Extensions****Extensions**

The insurance is extended to include business interruption loss as insured in this Section in consequence of:

**Alternative Trading**

If during the Indemnity Period accommodation shall be provided or services rendered elsewhere than at the Premises for the benefit of the Business either by You or others on their behalf the money paid or payable in respect of such accommodation and services shall be brought into account in arriving at the Rent Receivable during the Indemnity Period.

**Bomb scare or Unlawful Occupation**

This Section extends to include interruption of or interference with the Business due to:

- a) the suspected or actual presence of an incendiary or explosive device on or in the vicinity of the Premises.
- b) occupation of the Premises or other property in the vicinity by members of a terrorist or criminal organisation or other unlawful occupants.

We will not be liable for:

- i) any incident involving an interruption of less than 48 hours duration;
- ii) any period other than the actual period of prevention or hindrance of access to the Premises;
- iii) eviction costs.

The insurance by this Clause shall only apply for the period beginning with the loss and ending not later than three months thereafter during which the results of the Business shall be affected in consequence of the Damage.

**Buildings Awaiting Sale**

If at the time of the Damage You shall have contracted to sell Your interest in the Premises or shall have accepted an offer in writing to purchase Your interest in the Premises subject to contract and the sale is cancelled or delayed solely in consequence of the Damage.

Provided that You shall make all reasonable efforts to complete the sale of the Premises as soon as practicable after the Damage You may opt for the amount payable by Us to be as follows:

- i) during the period prior to the date upon which but for the Damage the Premises would have been sold the loss of Rent Receivable being the actual amount of the reduction in Rent Receivable solely in consequence of the Damage
- ii) during the period commencing with the date upon which but for the Damage the Premises would have been sold and ending with the actual date of sale or with the expiry of the Indemnity Period if earlier

the loss in respect of interest being:

- a) the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the Business;
- b) the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under a)

less any amount receivable in respect of Rent Receivable

iii) the additional expenditure being:

- a) the expenditure necessarily and reasonably incurred in consequence of the Damage solely to avoid or minimise the loss payable under (i) and (ii) immediately above but not exceeding the amount of loss avoided by such expenditure;
- b) the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the Damage but not exceeding either an amount equivalent to the expenditure incurred immediately prior to the Damage or £50,000 whichever is the less.

Section 2 continued on the next page.

**Denial of Access and Loss or Damage at Managing Agents Premises**

Loss resulting from interruption of or interference with the Business in consequence of Damage:

- a) to property in the vicinity of the Premises destruction of or Damage to which shall prevent or hinder the use of the Premises or access thereto whether the Premises or property of Yours therein shall be Damaged or not (but excluding loss destruction of or Damage to property of any supply undertaking from which You obtain electricity gas or water or telecommunications services which prevent or hinder the supply of such services);
- b) to property at the Premises of Your Managing Agents

shall be deemed to be loss resulting from Damage to property used by You at the Premises.

**Failure of Public Electricity Supply**

This Section extends to include interruption of or interference with the Business caused by the accidental failure of Your supply of electricity at the terminal ends of Your suppliers feed to the Premises

Provided that We will not be liable for accidental failure:

- a) caused by the deliberate act of any supply authority;
- b) caused by the exercise of any supply authority's power to withdraw or restrict supply or services;
- c) caused by industrial action;
- d) other than in Great Britain Northern Ireland the Channel Islands or the Isle of Man;
- e) lasting less than 4 hours,

subject to Our liability under this extension not exceeding £50,000 any one loss.

**Loss of Attraction**

This Section extends to include loss resulting from interruption of or interference with the Business due to Damage to property in the vicinity of the Premises which shall deter potential tenants whether Your Premises or property shall be Damaged or not subject to Our liability under this extension not exceeding £50,000 any one loss and £250,000 during any one Period of Insurance.

**Loss of Investment Income due to Late Payment of Rent**

If as a result of Damage We are paying an indemnity in respect of loss of Rent Receivable and the payment is made later than the date upon which You would normally have expected to receive the rent from the lessee We will pay a further sum representing the investment interest lost to You during the period of delay.

**Murder Suicide or Disease**

We will pay You in respect of Damage resulting from interruption of or interference with the Business during the Indemnity Period following:

- a) murder or suicide in the Premises;
- b) Injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided in the Premises;
- c) vermin or pests in the Premises;
- d) the closing of the whole or part of the Premises by order of a competent public authority consequent upon defect in the drains or other sanitary arrangements at the Premises.

The Insurance by this Extension shall only apply for the period beginning with the occurrence of the loss and ending not later than three months thereafter during which the results of the Business shall be affected in consequence of the Damage.

**Failure of Public Water and Gas Supply**

This Section extends to include interruption of or interference with the Business caused by the accidental failure of Your supply of water at the terminal ends of Your suppliers feed to the Premises

Provided that We will not be liable for accidental failure:

- a) caused by the deliberate act of any supply authority
- b) caused by the exercise of any supply authority's power to withdraw or restrict supply or services
- c) caused by industrial action
- d) caused by drought or other Weather conditions unless equipment has been Damaged
- e) other than in Great Britain Northern Ireland the Channel Islands or the Isle of Man
- f) lasting less than 4 hours

subject to Our liability under this extension not exceeding £50,000 any one loss and £250,000 during any one Period of Insurance.

**Failure of Public Telecommunications Supply**

This Section extends to include interruption of or interference with the Business caused by the accidental failure of Your supply of telecommunications services at the incoming line terminals or receivers at the Premises

Provided that We will not be liable for accidental failure:

- a) caused by the deliberate act of any supply authority
- b) caused by the exercise of any supply authority's power to withdraw or restrict supply or services
- c) caused by industrial action
- d) caused by drought
- e) caused by atmospheric or Weather conditions but this will not exclude accidental failure due to Damage to equipment caused by such conditions
- f) other than in Great Britain Northern Ireland the Channel Islands or the Isle of Man
- g) caused by failure of any satellite
- h) lasting less than 24 consecutive hours

subject to Our liability under this extension not exceeding £50,000 any one loss and £250,000 during any one Period of Insurance.

**Rent abatement (cessor clause)**

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

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

**Rent free period cover**

If at the time of Damage any Premises are subject to a rent free period under the terms of the lease, then the indemnity period stated in Your Schedule will be adjusted by adding the unexpired portion of the rent free period to the number of years shown in Your Schedule.

Subject to Our liability not exceeding the sum insured or any limit of liability stated in The Schedule whichever, is the less.

**Seventy two hour (72)**

We will cover You for Damage within 72 consecutive hours caused by earthquake, storm or flood as one loss, provided the perils are covered by this section.

You can decide when the 72 hour period starts as covered by this section, provided that all Damage occurs within the Period of Insurance.

**Transfer of Interest**

If at the time of any insured Damage to any Building insured You shall have contracted to sell Your interest in the Building and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase if and so far as the Rent Receivable are not otherwise insured by or on behalf of the purchaser against such Damage shall be to the benefit of this Insurance in respect of such Damage if and so far as the property is not otherwise insured by the purchaser or on the purchaser's behalf against such Damage without prejudice to the rights and liabilities of You or Us under this insurance up to the date of completion provided that Our liability after the application of all other terms and conditions of the Policy shall not exceed the sum insured by this insurance.

**Definitions applicable to liability insurance****Asbestos**

Asbestos, asbestos fibres or anything containing asbestos.

**Business**

Your business described in the Schedule, conducted at or from Premises in the UK. For the purpose of this Section only it also includes the ownership, repair and maintenance of Your property, any canteen, medical, social or sports activities or facilities for Employees, charity events You host and fire fighting or first aid facilities You operate. It also includes any private work undertaken with Your consent by an Employee for any of Your directors, officers, business partners or Employees.

**Completed Work**

Work carried out by You (or on Your behalf) away from Your Premises which is no longer under Your or an Employee's control.

**Damage**

Accidental loss of, or Damage to, tangible property. For the purposes of this Section 3 only it also includes nuisance, trespass, obstruction or interference with any right of way, light, air or water.

**Defence Costs**

All costs, fees and expenses incurred (with Our prior consent) by You in the defence or settlement of any claim under this insurance. This includes any costs arising out of Your representation at any Coroner's Inquest or Fatal Accident Inquiry and costs arising out of the defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may give rise to a claim which would be covered by this insurance.

It also includes any costs incurred by You arising out of any prosecution under the UK Health and Safety at Work Act 1974, the Health and Safety at Work (Northern Ireland) Order 1978 and/or the UK Corporate Manslaughter and Corporate Homicide Act 2007 (and/or legislation of similar effect) provided that We shall not be liable for any fines or penalties imposed as a consequence of such a prosecution or for any prosecution costs.

**Financial Loss**

Any loss not resulting from Injury or Damage.

**Gradual Contamination**

Pollution as defined below that is not the direct result of a sudden, identifiable, unintended and unexpected incident occurring in its entirety at a specific time and place during the Period of Insurance.

**Injury**

Death, Bodily Injury, illness, disease, mental injury, mental anguish, shock, wrongful arrest or detention, wrongful accusation of shoplifting or false imprisonment.

**Pollution**

Pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.

**What We cover**

We will indemnify You against Your legal liability, as defined by each insured sub-section of this Section as indicated in the Schedule, arising out of the Business, to pay compensatory Damages (including claimants' costs, fees and expenses) in accordance with the laws of any country (except the United States of America or Canada), subject to the terms, conditions, limits of liability, exceptions and Endorsements of this insurance.

We will not indemnify You for any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada (or any order made anywhere in the world to enforce such a judgment, award or settlement either in whole or in part) unless We have specifically agreed to do so by Endorsement to this insurance.

We will also pay Defence Costs.

**Compensation for court attendance extension**

We will also pay compensation for court attendance.

In the event of You or any of Your directors, officers, business partners or Employees attending court as a witness at Our request in connection with a claim We will provide compensation at the rates stated below for each day on which attendance is required.

**How much We cover**

We will not pay more than the Limit of Liability stated in the Schedule for compensatory Damages (including claimants' costs, fees and expenses) and/or Defence Costs, arising from any one loss or series of claims against You arising out of one Occurrence.

In respect of claims arising out of Terrorism or Asbestos We will not pay more than £5,000,000 for compensatory Damages (including claimants' costs, fees and expenses) and/or Defence Costs arising from any one loss or series of claims against You arising out of one Occurrence.

**Subsection B Property Owners Liability**

We will not pay more than the Limit of Liability stated in the Schedule for compensatory Damages (including claimants' costs, fees and expenses) in respect of any one Occurrence or series of Occurrences arising from one cause.

In respect of claims arising out of Pollution, the Limit of Liability stated in the Schedule is also the total amount We will pay (including claimants' costs, fees and expenses) for all claims against You during the Period of Insurance.

Defence Costs will be payable in addition to the Limit of Liability stated in the Schedule except for Subsection A Employers' Liability where the Limit of Liability includes Defence Costs.

Compensation for court attendance will be provided at the following rates:

- 1) You or any of Your directors, officers or business partners £250 per day,
- 2) any of Your Employees £150 per day,

subject to a total of not more than £5,000 in the Period of Insurance.

**Who We cover**

If You request it, subject to the terms, conditions, limits of liability, exceptions and Endorsements of this insurance, We will also indemnify any of the following:

- a) any of Your directors, officers, business partners or Employees in Your business capacity for claims arising out of the Business,
- b) the officers, committee and members of Your canteen, medical, social, charity, fire fighting and first aid organisations in their capacity as such,
- c) any principal for liability for which You would have been entitled to indemnity under this insurance if the claim had been made against You, provided the claim arises out of work carried out by You under a contract or agreement,
- d) If anyone covered by this insurance dies, We will deal with any claim made against their estate or Personal Representatives as long as the claim is covered by this insurance

provided that they have kept to all the terms of this insurance and any applicable Endorsements.

### What We Cover

We will cover compensation payments that have to be made for Injury to any Employee which occurs during the Period of Insurance where such Injury arises out of and in the course of their employment by You in the Business during the Period of Insurance, either:

- a) in the UK,
- b) elsewhere in the world in respect of temporary visits by Employees normally resident in the UK, provided that:
  - i) the action for Damages is brought against You in a court of Law in the UK,
  - ii) We will not cover any amount payable under any workman's compensation, social security, health insurance or similar legislation,
  - iii) We will not cover any medical or repatriation costs.

#### Unsatisfied court judgments extension

If an Employee (or their Personal Representative) obtains a judgment in a court of law in the UK for Damages against any person or company other than You for an Injury occurring during the Period of Insurance in connection with the Business and the judgment remains unsatisfied for six months We will cover the amount of the outstanding Damages and costs awarded. We will not provide cover if there is an appeal outstanding. If We make a payment under this extension of cover the Employee (or their Personal Representative) must assign the judgment to Us.

### Claims that We do not Cover

#### Exceptions to Subsection A – Employers' Liability

We will not cover claims arising out of:

- a) circumstances where any road traffic legislation requires compulsory insurance or security,
- b) work on or visits to, any offshore rig, installation or platform. This applies from the time of embarkation onto any kind of transport at the point of final departure to the offshore rig, installation or platform until disembarkation from the transport from the offshore rig, installation or platform onto land,
- c) claims arising from Asbestos however this exception shall only apply to compensatory Damages (including claimants' costs, fees and expenses) and/or Defence Costs in excess of £ 5,000,000 arising from any one loss or series of claims against You arising out of one Occurrence.

#### Employers' Liability Compulsory Insurance

The cover given by this Subsection of the Liability Insurance Section of this insurance is in accordance with the provisions of any law enacted in the UK relating to compulsory insurance of liability to Employees. If this insurance contains any terms which are prohibited by such law they will be disregarded when determining Our liability to make a payment.

However if You have failed to comply with any term of this insurance and We have to pay any sum because of the compulsory insurance law, then You must pay this amount back to Us.

#### Conditions that apply to Subsection A – Employers' Liability

You must ensure that the use or Wearing of personal protective equipment by any Employee (as required by the Personal Protective Equipment at Work Regulations 1992 as amended) is enforced and that a formal record is maintained of personal protective equipment supplied to and received by Employees.

If You or Your Employees use industrial machinery You must:

- a) ensure that Your industrial machinery is guarded in accordance with current government regulations, health and safety legislation or industry recommendations as may be applicable,
- b) before they use the machinery, provide users of Your industrial machinery with a written procedure for the safe operation of the machinery which, if applicable, must include the procedure for the clearance of blockages or obstructions,
- c) ensure that the use of the machinery is undertaken in accordance with the written procedure,
- d) ensure that any new user of the machinery is trained and supervised by an experienced operative until they are able to operate such machinery in accordance with the written procedure.



**What We Cover**

We will cover compensation payments that have to be made for:

- a) Injury to another person: and/or
- b) Damage to other people's property

as a result of an Occurrence during the Period of Insurance within:

- a) the UK or,
- b) the rest of the world where Your liability arises out of a temporary visit by You or any of Your directors, officers, business partners or Employees provided they normally live in the UK.

**Defective Premises Act extension**

We will cover compensation payments that have to be made for Injury or Damage arising because of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any Premises which You owned and have disposed of, but We will not cover the cost of rectifying any defect or alleged defect in the Premises.

**Data Protection Act extension**

We will cover compensation payments that have to be made for Injury or Damage arising because of Section 13 of the Data Protection Act 1998 provided that You are a registered user in accordance with the Act and You are not in business as a computer bureau, but We will not cover:

- a) Injury or Damage caused by any deliberate act or omission by You,
- b) any Injury or Damage caused by fraud or dishonesty,
- c) the costs and expenses of rectifying, rewriting or erasing data,
- d) claims arising out of Your recording, processing or providing of data for reward or to determine the financial status of anyone,
- e) fines, penalties or prosecution costs.

**Overseas personal liability extension**

We will cover You and any of Your family members accompanying You (and at Your request any director, business partner or Employee and any of Your family members accompanying them) whilst outside the UK in connection with the Business against Your legal liability incurred in a personal capacity, but We will not cover:

- a) claims arising out of the ownership or tenure of any land or building,
- b) claims covered by any other insurance or which would be covered but for the existence of this insurance.

**Motor contingent liability extension.**

Despite exclusion c) below of this Subsection We will cover Your liability arising from the use of any motor vehicle not belonging to or provided by You and being used in the course of the Business anywhere in the UK.

**We will not Cover**

- a) claims for Damage to the vehicle,
- b) claims that arise from You driving the vehicle,
- c) claims that arise from someone driving with Your consent who, to Your knowledge, does not hold a licence to drive such a vehicle, unless they have held and are not disqualified from holding or obtaining such a licence.

If there is other insurance in force (or which would be in force if Our insurance did not exist) which covers the same Damage or liability as Our insurance, We will only pay any amount over that provided by the other insurance.

**Claims that We do not Cover****Exceptions to Subsection B – Property Owners Liability**

- a) claims which are covered by Subsection A Employers' Liability Subsection A Employers' Liability if You had valid cover under that section and complied with all the terms of the policy, whether or not those sections are covered.
- b) claims arising out of the ownership, possession or use by You or on Your behalf, or by or on behalf of any other person whom We cover, of any motor vehicle or trailer for which compulsory insurance or security is required by legislation, but We will cover claims:
  - i) caused by the use of any tool or plant forming part of, or attached to, or used in connection with, any motor vehicle or trailer in circumstances where compulsory insurance or security is not required by any road traffic legislation,
  - ii) arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer, except where cover is (or but for the existence of this insurance would be) provided by any motor insurance,
  - iii) arising out of any motor vehicle or trailer temporarily in Your custody or control for the purpose of parking, except liability for which compulsory insurance or security is required by any road traffic legislation.
- c) claims arising out of the ownership, possession or use by You or on Your behalf of any aircraft, hovercraft, offshore installation, offshore rig, offshore platform or watercraft, other than watercraft not exceeding 10 metres in length whilst being used on inland waterways.

Section 3 continued on the next page.

**Conditions****1) Rights of recourse**

You must not agree to cover the liabilities of, nor waive Your rights of recourse against, a sub-contractor who is not an Employee.

**2) Contractors**

If You use Sub-Contractors

It is a condition precedent to Our liability for Damage or Injury that if You use sub-contractors who are not Employees You must ensure that they hold employers' and public liability insurance that:

- 1) provides limits of liability of not less than the amounts covered by this insurance.
- 2) covers You as principal.

You must not agree to cover the liabilities of, nor waive Your rights of recourse against, a sub-contractor who is not an Employee. (an Employee is any of the following whilst they are working on Your behalf in connection with the Business:

- a) an employee under a contract of service or apprenticeship with You,
- b) a labour master or any person supplied by him,
- c) a labour only sub-contractor,
- d) a self employed person working for You and under Your control,
- e) a person hired by You, borrowed by You or embedded in Your Business,
- f) a person undertaking study or work experience or Youth training scheme with You,
- g) a voluntary worker,
- h) a working director where You are a limited company.)

**3) Houses in Multiple Occupation**

If You let Houses in Multiple Occupation, as defined by the Housing Act 2004, it is a condition precedent to Our liability for Damage or Injury that they must be licensed in accordance with the provisions of the Housing Act 2004 throughout the Period of Insurance.

**We will not Cover****Exceptions to Subsection B – Property Owners Liability**

- a) payments arising out of any liquidated Damages clause, penalty clause, performance warranty or guarantee unless Your liability would have arisen if it had not been in force.
- b) claims arising out of Gradual Contamination.
- c) claims arising out of any negligent act, error, omission, or malpractice made or alleged to have been made by You or on Your behalf in the provision of professional services. 'Professional services' means the preparation or approval of any advice, certificate or similar document, computer programme, design, drawing, formula, instruction, map, opinion, plan, report, specification or survey and any consultancy, engineering inspection, project management or supervisory service done separately for a fee.
- d) claims for Financial Loss.
- e) claims for Damage to the Completed Work or to the Work Materials.
- f) liability for which You have to take out insurance under clause 21.2.1 of the 1980 Joint Contracts Tribunal Conditions of Contract or a clause of similar intent in a prior or later version.
- g) claims arising from Asbestos or the cost of removing nullifying or cleaning up Asbestos.
- h) claims arising out of Your failure to take reasonable steps to prevent Injury or Damage.

## Commercial Legal Expenses Cover (from Arc Legal Assistance Ltd)

This section of your policy is managed and provided by Arc Legal Assistance and underwritten by Inter Partner Assistance SA.

Inter Partner Assistance in the UK is a branch of Inter Partner Assistance SA ('IPA'). IPA is authorised by the Belgian National Bank and subject to limited regulation by the Financial Conduct Authority in the UK. Details about the extent of IPA's regulation by the Financial Conduct Authority are available from IPA on request. IPA is listed on the Financial Services Register under number 202664. This can be checked by visiting the website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the Financial Conduct Authority on 0800 111 6768.

There will be no cover under this policy unless You have sought and followed the advice of the Legal Helpline as to the procedure to be adopted and have received specific authorisation from the Legal Helpline.

- 1) before carrying out any disciplinary procedure or action.
- 2) before the dismissal of an Employee.
- 3) before implementing a redundancy programme and before making an Employee redundant.
- 4) on formal or informal notification of a grievance by an Employee or of a complaint of sexual racial religious or disability discrimination or discrimination on the grounds of sexual orientation or age.
- 5) before making any adverse variation of the terms of conditions of employment including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee's remuneration.
- 6) on becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without notice.

In the event of a valid claim under this insurance Arc Legal will appoint their panel solicitors or their agents to handle Your case You are not covered for any other Professional Adviser's fees unless court proceedings are issued or a conflict of interest arises where following the issue of court proceedings You have elected to use a Professional Adviser of Your own choice You will be responsible for any Professional Costs and Expenses in excess of Arc Legal's Standard Professional Costs and Expenses.

This is a "Claims Made" insurance contract it only covers claims notified to Us during the Period of Insurance and within 180 days other than in relation to the Tenancy Eviction section of cover where the notification period is 45 days of any circumstance which may give rise to any claim Failure to do so would lead Us to decline a claim for indemnity under this insurance.

### Definitions applicable to Commercial Legal Expenses

#### Aggregate Limit

The maximum We will pay for all claims arising under this insurance in one Period of Insurance.

The Aggregate Limit is £1,000,000.

#### Attendance Expenses

Means the actual loss of earnings of any Employee or other officer of Yours for the period he is absent from work to attend at any court or tribunal hearing either –

- a) as a witness on Your behalf and at the request of the Professional Adviser in respect of a matter involving a valid claim under this insurance
- b) as a party to the Proceedings and at the request of the Professional Adviser in respect of a matter involving a valid claim under this insurance
- c) while attending Jury Service

for each half or full day of such attendance and shall be calculated on the basis that the period of absence from work shall be calculated to the nearest half day taking an eight hour day to be a whole day for this purpose and the maximum period for which a claim can be made in respect of any one day.

The maximum payable in respect of one eight hour period shall be £100 per person.

#### Awards of Compensation

Basic and compensatory awards of compensation which You must pay as a result of judgment in a dispute under employment legislation following a claim under subsection 1

Or

an out-of-court settlement of a claim under subsection 1 to which We have given Our prior written consent.

#### Dismissal

Has the meaning given by section 95 of the Employment (Rights) Act 1996 as amended Any Dismissals must be handled in accordance with the advice provided by the Legal Helpline.

#### Director

Any Director of Yours including executive officers.

#### Deposit

The sum of money collected from the Tenant in accordance with Section 213 of the Housing Act 2004 (and any amending legislation) in respect of a Tenancy Agreement to which it applies and held by You or Your agent as an indemnity for losses incurred by You arising from the Tenant failing to perform his obligations set out in the Tenancy Agreement. A minimum amount equal to one month's Rent must be retained as the Deposit.

Section 4 continued on the next page.

## Commercial Legal Expenses Cover (from Arc Legal Assistance Ltd) (continued)

### Dilapidations Inventory

A full and detailed inventory of Your contents and their condition within the Premises which has been signed by the Tenant.

### Employee/Your Employee(s)

For the purpose of this Section 4 Employee means the following The definition of Employee in the General Definitions does not apply to this Section.

Any person under a contract of service with You in connection with the business insured under this policy.

### Geographical Limits

For subsection 3 (b) Bodily Injury.

The European Union The Isle of Man the Channel Islands Albania Andorra Bosnia Herzegovina Bulgaria Croatia Gibraltar Iceland Liechtenstein Macedonia Montenegro Norway Romania San Marino Serbia Switzerland and Turkey (West of the Bosphorus).

For all other sections

The UK.

### HMRC

HM Revenue and Customs in the UK.

### Insured Event

The incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under the terms of this insurance.

In employment disputes the Insured Event will be the effective date of termination of employment.

In accountancy matters the Insured Event arises on the date that You or Your Professional Adviser are contacted either verbally or in writing by the relevant department of HMRC advising You of either dissatisfaction with Your returns or amounts paid or notice of intention to investigate.

In criminal cases the Insured Event will be the date that You commenced or are alleged to have commenced violating the criminal law in question.

For the purposes of the Limit only one Insured Event will be regarded as having arisen from all causes or by actions incidents or events which are related by cause or time.

### Legal Helpline

The service provided by Arc Legal's panel solicitors on Our behalf which enables You to obtain advice on any matter which may give rise to a claim under this insurance.

### Limit

The maximum sum payable by Us under a section of cover after calculating all Professional Costs and Expenses incurred in Proceedings in respect of an Insured Event subject to the Aggregate Limit.

### Premises

For the purpose of this Section 4 Premises means the following The definition of Premises in the General Definitions does not apply to this Section.

The location(s) as stated in the Schedule or in any Endorsement that are used by You.

### Proceedings

Civil criminal tribunal or arbitration Proceedings or appeals arising from them brought in the Geographical Limits.

### Professional Adviser

Arc Legal's panel solicitors or their agents an accountant or other appropriately qualified person firm or company appointed by the Us to act for You or and subject to Our agreement where proceedings have been issued another legal adviser nominated by You.

### Professional Costs and Expenses

Reasonable un-recovered fees and disbursements properly and necessarily incurred by the Professional Adviser with Our prior written authority and any costs incurred by a third party on the standard basis of any Proceedings for which You may be made liable by order of a court or by agreement.

### Rent

The amount of Rent shown in the Tenancy Agreement payable by the Tenant.

### Standard Professional Costs and Expenses

The level of Professional Costs and Expenses that would normally be incurred by Us in using a Professional Adviser of Our choice.

## Section 4

# Commercial Legal Expenses Cover (from Arc Legal Assistance Ltd) (continued)

### Tenant

The organisation, company or individual named in the Tenancy Agreement.

### Tenancy Agreement

The written terms of agreement between You and Your Tenant concerning the lease of the Premises for commercial or residential use.

If the Tenancy Agreement is for a residential Tenant it must be either

- a) An Assured Shorthold Tenancy Agreement as defined within the Housing Act 1988 (as amended) or its equivalent outside of England and Wales but within the Geographical Limits or
- b) A Company Residential Tenancy (Company Let) created after 28<sup>th</sup> February 1997 where the Tenant is a public limited company (plc) or limited company (Ltd) or its equivalent outside of England and Wales but within the Geographical Limits and the Premises is let purely for residential purposes of the Tenant's employees and their family or
- c) A written common law residential tenancy agreement created after 28<sup>th</sup> February 1997 between individuals where the Rent is in excess £100,000 per annum or its equivalent outside of England and Wales but within the Geographical Limits.

and which is

- a) Appropriate for the tenancy and
- b) Where relevant, signed and independently witnessed by You the Tenant(s) and if required as a condition of the Tenant Reference, the guarantor and
- c) Free from any unreasonably restrictive covenants

If the Tenancy Agreement is for a commercial Tenant it must be compliant with the Landlord and Tenant Act 1954 (Part 2).

If the Tenancy Agreement is for a residential Tenant the Tenancy Agreement must be for a fixed term of no more than 12 months.

### Tenant Reference

A credit check against the Tenant and any guarantor obtained from a licensed credit referencing company showing no County Court Judgments in the past three years and no outstanding County Court Judgments together with copies of two forms of identification one of which must contain a photograph and a written employers' reference on company letter headed paper confirming their permanent and current employment and that their salary is at least a multiple of 2.5 of the Tenant's Rent. If all of the above are not available or in the case of student tenants or tenants receiving any income or housing related government benefit a full Tenant Reference showing a pass on the Tenant and guarantor must be obtained from one of Arc Legal's approved tenant referencing companies. Details of these companies are available online at

<http://www.arclegal.co.uk/informationcentre/index.php>

### We, Us, Our

Arc Legal Assistance Ltd.

## What We cover

This Insurance provides indemnity in respect of Professional Costs and Expenses and Attendance Expenses up to the limit of indemnity where

- a) The Insured Event is notified to Us during the Period of Insurance and within 180 days of occurrence other than in relation to the Tenancy Eviction section of cover where the notification period is 45 days

## Section 4

# Subsection 1 Employment Disputes and Compensation Awards

- A) Professional Costs and Expenses incurred by You in defence of Proceedings brought in an employment tribunal arising from a dispute with an Employee or ex-Employee relating to
  - 1) The contract of employment with You
  - 2) Actual or alleged breaches of their statutory rights under employment legislation
- B) Awards of Compensation made against You arising from claims under subsection 1 A
- C) Professional Costs and Expenses incurred by You in pursuit of Proceedings against an Employee or former Employee to recover Premises owned by You or for which You are responsible.

## How much We cover

The maximum We will pay for any one loss is £100,000.

## What We do not cover

- a) any claim which is incurred by deliberately avoiding liability for a redundancy payment or for monies or benefits due under a contract of employment.
- b) any claim under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or under sections 64 to 80 of the Equal Pay Act 2010 and any amending legislation.
- c) protective awards as defined in S189(3) Trade Union and Labour Relations (Consolidation) Act 1992 and any amending legislation or settlements in respect of such awards.
- d) redundancy payments.

Section 4 continued on the next page.

## Section 4

### Subsection 1 Employment Disputes and Compensation Awards (continued)

- e) any claim arising from the Dismissal of any Employee or change to an Employees' terms of employment unless the Dismissal or change to an Employee's terms of employment is handled in accordance with the advice provided and procedures laid down by the Legal Helpline as described in the conditions to this section.
- f) any claim arising where the Insured Event was within 90 days after the start of the first Period of Insurance or less than 180 days after the start of the first Period of Insurance if the Employee was at that time subject to disciplinary Proceedings or any verbal or written warning.
- g) any Awards of Compensation made against You relating to trade union activities including membership or non-membership; or relating to Pregnancy maternity or paternity rights.
- h) any award made because of Your failure to provide written reasons for Dismissal.
- i) any compensatory award specified in a reinstatement or re-engagement order or made because of Your failure to provide written reasons for a dismissal.
- j) any award to the extent that it relates to contractual rights accruing to the Employee or ex-Employee prior to the actual or alleged breach of the actual or alleged contract of employment.

**Excess** – Nil.

## Section 4

### Subsection 2 Legal Defence 2A – Prosecution Defence for Employers

#### What We cover

Professional Costs and Expenses incurred by You arising from any act or omission – or alleged act or omission – which leads to Your prosecution in a court of criminal jurisdiction.

#### How much We cover

The maximum We will pay for one claim is £100,000.

#### What We do not cover

- a) any claim arising from deliberate discrimination by You amounting to an act of unlawful discrimination.
- b) criminal prosecutions brought under Health and Safety legislation.
- c) damages compensation interest fines costs or other penalties that You are ordered to pay by a court of criminal jurisdiction.
- d) any claim arising from a motor prosecution.
- e) any claim arising from a prosecution of You alleging
  - i) intentional obstruction of a person in the execution of a warrant issued under the Data Protection Act 1998 by You
  - ii) Your failure to give a person executing such a warrant the assistance as they reasonably require for its execution.

**Excess** – Nil.

## Section 4

### Subsection 2 Legal Defence 2B – Prosecution Defence for Employees

#### What We cover

Professional Costs and Expenses incurred by an Employee including Directors and officers concerning any matter arising out of his duties as Your Employee arising from any act or omission or alleged act or omission which leads to the prosecution of Your Employee in a court of criminal jurisdiction.

#### How much We cover

The maximum We will pay for any one loss is £100,000.

#### What We do not cover

- a) any claim arising from deliberate discrimination by an Employee including Directors and officers amounting to an act of unlawful discrimination.
- b) criminal prosecutions brought under Health and Safety legislation.
- c) damages compensation interest fines costs or other penalties that You are ordered to pay by a court of criminal jurisdiction.
- d) any claim arising from a motor prosecution.
- e) prosecutions of Employees for matters which do not relate to their duties as Your Employees.
- f) any claim arising from the prosecution of You alleging
  - i) intentional obstruction by an Employee of a person in the execution of a warrant issued under the Data Protection Act 1998
  - ii) failure by an Employee to give a person executing such a warrant the assistance he reasonably requires for its execution.

**Excess** – Nil.

## Section 4

### Subsection 2 Legal Defence 2C – Data Protection Act

#### What We cover

Professional Costs and Expenses and Attendance Expenses incurred by You in Proceedings arising from appeals against any enforcement or other notices served on You under Part 5 of the Data Protection Act 1998.

#### How much We cover

The maximum We will pay for any one loss is £100,000.

#### What We do not cover

- a) claims arising from a failure to register as a Data Controller.
- b) proceedings against You alleging contempt of the Data Protection Tribunal.
- c) claims arising from a failure to respond to any notice served on You under the Data Protection Act 1998.
- d) claims arising from a failure to comply with any legislative requirement concerning the processing of sensitive data.

**Excess** – Nil.

## Section 4

### Subsection 2 Legal Defence 2D – Jury Service

#### What We cover

Your Attendance Expenses for Jury Service.

Section 4 continued on the next page.

## Section 4

### Subsection 3 Property Protection and Bodily Injury 3A – Property Protection

#### What We cover

Professional Costs and Expenses and Attendance Expenses incurred by You in pursuit of Proceedings against a third party other than an Employee or former Employee following an act or omission relating to material property owned by You which results in or is likely to result in Damage to that property and/or financial loss by You.

#### How much We cover

The maximum We will pay for any one loss is £100,000.

#### What We do not cover

- a) any claim arising from a contract made between You and a third party other than a contract for the repair renovation reinstatement or decoration of real property.
- b) any claim arising from a lease or tenancy agreement applying to Your Business Premises and disputes relating to the occupation of land or property owned by You by a party or parties whose licence to occupy such property has been determined or revoked or which was never granted by or on Your behalf.
- c) any claim involving
  - i) goods in transit
  - ii) goods hired or lent to third parties
  - iii) goods at Premises other than those occupied by You unless they are at the Premises for the purpose of installation or use in work carried out by You.
- d) any claim involving a motor vehicle belonging to You or in Your possession except whilst on Your Business Premises.
- e) any claim arising from an appeal against refusal of planning permission.

**Excess** – Nil.

## Section 4

### Subsection 3 Property Protection and Bodily Injury 3B – Bodily Injury

#### What We cover

Professional Costs and Expenses and Attendance Expenses incurred by Your Employee(s) in the pursuit of proceedings for Damages specific performance or injunction arising from or out of their death or bodily injury.

This cover extends to include members of Your family who suffer bodily injury following an event that also causes bodily injury to You.

#### How much We cover

The maximum We will pay for one claim is £100,000.

#### What We do not cover

Any claim relating to or arising from

- a) an accident/incident giving rise to bodily injury or death which occurred prior to inception of this insurance
- b) any sickness or disease or any naturally occurring condition or degenerative process
- c) a condition which manifested itself prior to inception of this insurance
- d) a claim made against You by an Employee.

**Excess** – Nil.



### What We cover

Professional Costs and Expenses incurred by You and arising directly from

#### a) HMRC Enquiries and Disputes

- i) A full or aspect enquiry by HMRC into Your corporation tax return following the issue of formal notification by HMRC
- ii) Any challenge in writing by HMRC of the accuracy or completeness of returns submitted in accordance with the PAYE regulations following a compliance check or routine inspection undertaken by HMRC into the operation of PAYE
- iii) An enquiry conducted into the employment status of Your Employees under the PAYE and/or NIC Regulations or Part 2 Chapter 8 of Income Tax (Earnings and Pensions) Act 2003 (IR35).

#### b) VAT Disputes

- i) A dispute following a compliance check or routine inspection undertaken by HMRC of Your VAT record-keeping
- ii) An enquiry held under Section 60 or 61 of the VAT Act 1994 or any matters handled by the National Investigations Service of HMRC providing that at the culmination of such investigation it is proved that You Were not found guilty of dishonesty fraud or fraudulent intent.

### How much We cover

The maximum We will pay for any one loss is £100,000 except Aspect Enquiries where the maximum will be £2,000.

### What We do not cover

#### Claims

- a) Involving criminal proceedings or alleged fraudulent evasion of tax and any case dealt with by Special Civil Investigations Office Boards Investigation Unit of any other special office of HMRC
- b) Arising from or relating to attendance at a compliance and/or control review or routine inspection undertaken by HMRC (PAYE/NIC and/or VAT)
- c) Where deliberate miss-statements have been made in respect of accounts returns or any other submissions made to the relevant authorities
- d) Where You have failed to give Your business status to the relevant authorities within a statutory period
- e) Which originate from any enquiry investigation or dispute which existed before the first Period of Insurance
- f) Involving tax or National Insurance contributions avoidance schemes
- g) Which occurs during the first 60 days of the first Period of Insurance
- h) Where You have failed to maintain or submit accurate, truthful and up to date records or where returns have not been submitted within statutory time limits or requirements
- i) Arising from a dispute as to whether an Employee's remuneration should fall under either PAYE or sub-contract rules
- j) In respect of any dispute arising under the National Minimum Wage Act 1998 or the Tax Credits Act 2002
- k) In any claim where the policyholder has adopted a tax avoidance scheme
- l) In respect of the preparation or rectification of self-assessment tax returns accounts P11Ds P35s VAT returns or any other statutory returns or for any professional fees incurred for the routine presentation of Your affairs including the reconciliation of annual accounts with VAT returns.

#### Professional Costs and Expenses

- a) Incurred in dealing with technical or routine matters not connected with or arising out of an expression of dissatisfaction with Your affairs
- b) Incurred in dealing with aspect enquiries
- c) Incurred in dealing with any deficiencies in books, records, accounts or returns including the costs of repairing a return
- d) Arising after You receive a notice telling You that the enquiry has been completed
- e) Arising from or relating to a Tax Tribunal.

**Excess** – £200 in respect of Aspect Enquiries only.

### Conditions applicable to Tax Disputes

- a) You must have maintained and must continue to maintain accurate, truthful and up to date records and make returns in accordance with statute and account conventions acceptable to HMRC and other agencies and have made all returns and payments except those which are disputed and provided information to these bodies where applicable.
- b) You must contact the Legal Helpline as soon as possible on **0344 770 1047** after the Insured Event and comply with the advice given.
- c) You or Your Professional Adviser should notify Us by contacting the Legal Helpline as soon as possible if You receive any invitation by HMRC to make an offer in settlement.
- d) In respect of HMRC enquiries Your Professional Adviser must provide a copy of the HMRC notice of enquiry and a copy of the return giving rise to the enquiry.

Section 4 continued on the next page.

**What We cover**

Professional Costs and Expenses arising from any dispute between You and a customer or supplier about a contract for the supply of goods or services entered into after the start of the first Period of Insurance and where the total amount in dispute or the amount due to be paid at the time of the dispute is at least £250.

**How much We cover**

The maximum We will pay for any one loss is £100,000.

**What We do not cover (Subsection 5)**

- a) any Insured Event which occurs within 90 days of the start of the first Period of Insurance.
- b) the recovery of a debt from a customer where the customer does not dispute that the money is owed to You.
- c) any dispute You may have as a landlord or a tenant in connection with the lease or licence or tenancy agreement.
- d) Professional negligence claims.
- e) the defence of any matter which should be covered under a professional indemnity Insurance.
- f) any claim arising from the sale lease service repair or test of a Motor Vehicle.
- g) any claim arising from a dispute over a financial services product including payments which may be due under an insurance policy.
- h) any claim arising from a dispute with an Employee or former Employee arising from a contract of employment.

**Excess – £250**

or £500 where the amount in dispute exceeds £5,000.

**What We cover**

Professional Costs and Expenses incurred by You in Proceedings to evict a Tenant who is in breach of the Tenancy Agreement.

**How much We cover**

The maximum We will pay for any one loss is £100,000.

**What We do not cover (Subsection 6)**

- (1) Any claim where:
  - a) There was no written Tenancy Agreement in place prior to the Tenant being allowed possession of the Premises or where the terms of the Tenancy Agreement are unenforceable
  - b) You are in breach of the terms of the Tenancy Agreement or the Tenant is pursuing a case against You which has reasonable prospects of succeeding
  - c) The Tenant is a student and the terms of the Tenancy Agreement have not been guaranteed by a guarantor who is an individual or organisation that has received a Tenant Reference and has signed a guarantor agreement assigning them to the obligations of the Tenancy Agreement
  - d) The amount in dispute in relation to a non-residential Tenancy Agreement falls within the Small Claims Court limit applicable at the date of the Insured Event
  - e) The Tenant's breach relates to dilapidations to the Premises or the fixtures and fittings of the Premises unless the dilapidated items were featured in a detailed inventory produced and signed by the Tenant prior to the start of a residential Tenancy Agreement
  - f) You or Your agent are in breach of section 213 of the Housing Act 2004 (and any amending legislation) in relation to the Deposit
  - g) Professional Costs and Expenses have been incurred as a result of Your failure to follow the advice of the Professional Adviser or arising from Your failure to take any action recommended by Us or the Professional Adviser to recover possession of the Premises as promptly as possible
  - h) The Tenant is an Asylum Seeker
  - i) The Tenant has not received a Tenant Reference prior to the start of the Tenancy Agreement
  - j) You have allowed the Tenant into possession of the Premises before all necessary statutory pre-grant notices to the Tenant have been issued, the first month's Rent and the Deposit have been received in cash or cleared funds and the Dilapidations Inventory has been signed by the Tenant
  - k) the Tenant is not aged 18 years or over
  - l) You have failed to keep full and up to date rental records or have allowed the Tenancy Agreement to be transferred to any other individual or organisation.

- (2) Claims:
- a) Falling within the jurisdiction of the Rent assessment committee the lands tribunal or the leasehold valuation tribunal
  - b) Relating to
    - i) The compulsory purchase, placing of restrictions or any other action by the government, public or local authority or
    - ii) Planning law including town and country planning legislation or
    - iii) The payment or non-payment of service charges as defined in the Landlord and Tenant Act 1985 (as amended)
  - c) Arising because a non-residential Tenancy Agreement is due to end or where the Insured Event relates to the renewal of a non-residential Tenancy Agreement
  - d) Arising from or connected to Your performance of Your obligations under the Tenancy Agreement or where there are insufficient prospects of success in the Proceedings due to the terms of the Tenancy Agreement being unenforceable
  - e) Which occurred within the first 90 days of the first Period of Insurance.
- (3) Disbursements incurred by the Professional Adviser are not covered in relation to a non-residential Tenancy Agreement unless We have agreed to cover these at Our absolute discretion.

**Excess** – £1000 in relation to non-residential Tenancy Agreements.

### What We cover

Professional Costs and Expenses incurred by You in Proceedings for nuisance or trespass against the person or organisation infringing Your legal rights in relation to the Premises.

The nuisance or trespass must have commenced at least 180 days after You first purchased this insurance.

### How much We cover

The maximum We will pay for any one loss is £100,000.

### What We do not cover (Subsection 7)

- a) Any dispute relating to a Tenancy Agreement or any other lease or licence to occupy property or land.
- b) Any claim directly or indirectly caused by contributed to or arising from the construction of or structural alteration to buildings or parts of buildings.

**Excess** – Nil.

### What We do not cover

Exclusions applicable to all sections of Legal Expenses cover

We will not be liable for

- a) Professional Costs and Expenses incurred
  - i) where the Insured Event had commenced or occurred
    - 1) before this policy started or
    - 2) on or after the renewal of this policy and which You knew or should reasonably have known could result in a claim
  - ii) for the pursuit continued pursuit or defence of any claim if We consider it unlikely a reasonable settlement will be obtained or where the likely settlement amount is disproportionate compared with the time and expense incurred
  - iii) prior to written confirmation from Us that the claim has been accepted or Professional Costs and Expenses beyond those for which We have given Our prior approval in accordance with the terms and conditions of the cover
  - iv) where You fail to instruct or give proper instructions to Us or to the Professional Adviser
  - v) where You are responsible for anything which in Our reasonable opinion prejudices success in the prosecution defence or settlement of the Proceedings
  - vi) where You fail to provide evidence or information reasonably required by Us to establish whether support can be provided under this cover
  - vii) where You are responsible for anything which in Our reasonable opinion prejudices Our position in respect of the Proceedings
  - viii) where You decide that You no longer wish to pursue Your claim as a result of disinclination All costs incurred up until this stage will become Your responsibility

Section 4 continued on the next page.

- ix) in respect of the amount in excess of Our Standard Professional Costs and Expenses where You have elected to use a Professional Adviser of Your own choice
  - x) where the Insured Event occurs outside of the Geographical Limits
  - xi) in defending or pursuing new areas of law or test cases.
- d) Claims
- i) arising from any deliberate criminal act or omission by You
  - ii) involving prosecutions which allege dishonesty or intentional violence
  - iii) notified to Us outside of the Period of Insurance
  - iv) for an application for a judicial review
  - v) made by or against You against or by Us
  - vi) directly or indirectly caused by contributed to or arising from
    - 1) subsidence or mining or quarrying activities
    - 2) patents copyrights trademarks merchandise marks service marks registered designs intellectual or artistic property secrecy or confidentiality agreements (other than claims under employment cover) and passing off
    - 3) computer software except operating systems and packaged software that have not been tailored by the supplier to the customer's own requirements
    - 4) actual planned or proposed works by or under the order of any government or public or local authority
    - 5) planning law including town and country planning legislation
    - 6) the construction of or structural alteration to buildings or parts of buildings
    - 7) libel or slander or malicious falsehood
  - vii) where You act without Our consent or contrary to or in a manner different from Our advice or that of Your Professional Adviser
  - viii) made under this cover which do not arise from or relate to Your normal business as shown in the Schedule
  - ix) relating to prosecutions arising out of deliberate discrimination amounting to an act of unlawful discrimination
  - x) which are false or fraudulent.
- e) Professional Costs and Expenses and Attendance Expenses
- i) incurred in avoidable correspondence
  - ii) which are recoverable from a court tribunal or elsewhere
  - iii) incurred in respect of any claim where but for the existence of this policy You would be entitled to indemnity under any other policy or certificate or but for a breach or alleged breach by You of the terms of the other policy or certificate.
- f) Damages interest fines or other penalties which You are ordered to pay unless provided for in this cover.
- g) the costs of an appeal unless We have given Our prior written consent to such costs being incurred.
- h) the fees of an expert witness without Our approval being obtained for the appointment of the expert witness and to the amount of his fees.
- i) prior to the issue of court Proceedings the legal costs and disbursements of a firm of solicitors instructed by You other than those of Arc Legal's panel solicitors or their agents.

## Conditions

### Cancellation

This Section may be cancelled at any time by Arc Legal Us or Your representative giving 14 days' notice in writing to the other if no claims have been made or notified a pro rata return of premium will be made there shall be no return of premium in respect of a Period of Insurance in which a claim has been made or notified and claims notifications will not be accepted after the date of cancellation.

### Appointing a Professional Adviser

- A At any time before Proceedings are issued We will
- 1) take over the claim and deal with it in Your name
  - 2) appoint Solicitors to act for You as Professional Adviser.
- B If Proceedings need to be issued
- 1) You may inform Us of Your choice of a Professional Adviser We may accept such choice if the Professional Adviser confirms in writing that he or she will co-operate with You to enable You to keep to the terms of this Certificate Where We agree to Your own choice of Professional Adviser this insurance will not cover any amount in excess of Our Standard Professional Costs and Expenses
  - 2) if We and You cannot agree with Your choice of Professional Adviser You may suggest another if We still cannot agree upon a suitable Professional Adviser We shall ask the Law Society to choose a solicitor to act Both We and You must accept their decision.
- C If Your Professional Adviser refuses to continue acting for You for reasonable cause or You discontinue Your instructions then Our liability will stop at once unless We agree to the appointment of another Professional Adviser where You decide that You no longer wish to pursue Your claim through disinclination all costs incurred up until this stage will become Your responsibility.

**Conducting Proceedings**

You will instruct the nominated Professional Adviser to

- A provide Us immediately with an opinion of the prospects of success an estimate of the total costs likely to be incurred and details of the charging rate
- B keep Us fully and promptly advised of the progress of the case of any change in his view of prospects of success and/or his estimate of costs during the Proceedings if he does not comply all liability under this Section will cease.

We will meet the Professional Adviser's costs and expenses of dealing with the Proceedings which have been agreed in advance by Us – both amount and purpose – and as long as prospects of success remain reasonable.

**Our right to information**

We will have direct access to the Professional Adviser at all times and You will co-operate fully with Us and keep Us informed of all material developments.

We will be entitled to obtain any information copy document account or correspondence relating to the Proceedings whether or not it is privileged and You will give any instructions to the Professional Adviser which might be required immediately.

We will be notified as soon as reasonably possible by You or the Professional Adviser of any offer or payment into court made with a view to settlement.

If any offer or payment into court is not accepted by You but We reasonably consider the outcome of the Proceedings to be equally or less favourable to You than the offer of payment We will have no liability in respect of any further Professional Costs and Expenses unless We have given Our agreement for Proceedings to continue.

If You are not satisfied with Our decision the dispute must be resolved under the terms of the Disputes condition below.

**Co-operation**

You will co-operate with Us at all times and reply promptly to any correspondence connected with the claim.

**Investigation of the claim**

We may or through Our servants agents, solicitors, or accountants make Our own investigations into the claim and may subject to Your approval which will not be withheld unreasonably attempt to reach a settlement of the Proceedings.

**Information to be given to the Professional Adviser**

You will give all information requested by the Professional Adviser to him promptly and meet with him whenever requested.

**Assessment of bills**

If We request it You will instruct the Professional Adviser to submit his bill of costs for assessment by the court or by the appropriate professional body.

**Withdrawal and discontinuance**

If You withdraw from or discontinue the Proceedings without Our prior agreement the responsibility for payment of any Professional Costs and Expenses and third party costs will become Yours.

We will be entitled to reimbursement by You for any costs paid or incurred during the course of the proceedings including any Professional Costs and Expenses which We are obliged to pay because of You withdrawing or discontinuing.

**Recovery of costs from third parties**

You will whenever reasonably possible attempt to recover costs from a third party and will instruct the Professional Adviser accordingly.

**Agreement**

We will not be bound by any agreement to which We are not a party.

**Disputes**

In the event of any dispute arising between You and Us which cannot be resolved in accordance with Our complaints procedure available on request or where provision has not already been made the dispute may where We both agree be referred by You for the arbitration of a single arbitrator who must be either a solicitor or a barrister nominated by the parties or failing agreement by the Law Society.

Any arbitration will be in accordance with the provisions of the then current arbitration acts and will be binding on both parties the costs will be at the discretion of the arbitrator.

**Prospects of Success**

If at any time We consider Your prospects of success in the proceedings are not good or that Your interests can be achieved by other means We will provide You with a written explanation of Our decision.

We will then be under no further liability to indemnify You in respect of the case.

In forming Our decision We may take into account.

- a) the amount of money at stake
- b) the fact that a reasonable insured without legal costs insurance would not wish to pursue this matter
- c) the prospects of being able to enforce a judgment.

If You disagree with this decision You can ask Us to obtain an opinion from an independent solicitor or barrister if You and We are unable to agree on a suitable solicitor or barrister the president of the Law Society will be asked to provide a nomination.

If the independent opinion disagrees with Our view We will pay the cost of obtaining it but if it supports Our view You will pay the cost.

Section 4 continued on the next page.

**Applicable Law**

United Kingdom law allows for the insurer and You as the Insured to choose the law applicable to this insurance contract. We propose that the contract is governed by English law if there is any dispute as to which law applies it shall be English law.

**Language**

The language for contractual terms and obligations will be English.

**Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this contract has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract.

**Value Added Tax**

If You are registered for VAT We will not be liable to indemnify You for the VAT element of any legal expenses invoices.

**Business Legal Helpline**

The helpline service may be used to discuss any business legal problem concerning You. Simply telephone **0344 770 1047** quoting "Zenith Marque Legal Expenses" and ask to speak to a legal adviser. This service is here to help You. Do not hesitate to make full use of it. In particular if something You are proposing to do may result in a claim You must use the helpline first.

**Debt Counselling Helpline**

Managing money Well is sometimes overlooked in the pressures of our daily lives. You and Your Employees can talk about any financial concerns or worries through our 24/7 Debt Counselling Helpline.

Expert confidential help is at hand through Our trained independent counsellors ready to assist with counselling support advice and help if Your debt is complicated the counsellor can also direct Your call to our specialist debt experts who will talk through the stages of prioritising the debts and steps to resolution. Importantly once You are managing Your money concerns the support of Our counsellors is available 24/7 to help You find better ways to control future spending and deal with money related issues. Call Debt Counselling Helpline **0344 770 1036** 24 hours a day 365 days of the year and quote "Zenith Marque Legal Expenses".

**Data Protection Act**

Your details Your insurance cover and claims will be held by Arc Legal and or Us for underwriting processing claims handling and fraud prevention subject to the provisions of the Data Protection Act 1998.

**Customer Service**

Our aim is to get it right first time every time. If We make a mistake We will try to put it right promptly.

If You are unhappy with the service that has been provided You should contact Us at the address below. We will always confirm to You within five working days that We have received Your complaint within four Weeks. You will receive either a final response or an explanation of why the complaint is not yet resolved plus an indication of when a final response will be provided within eight Weeks. You will receive a final response or if this is not possible a reason for the delay plus an indication of when a final response will be provided after eight Weeks. If You are not satisfied with the delay You may refer Your complaint to the Financial Ombudsman Service. You can also refer to the Financial Ombudsman Service if You cannot settle Your complaint with Us. For further details on the service and eligibility go to <http://www.financial-ombudsman.org.uk>

Our contact details for this Section are:

Arc Legal Assistance Ltd  
PO Box 8921  
Colchester  
CO4 5YD  
Tel: 01206 616003  
Email: [claims@arclegal.co.uk](mailto:claims@arclegal.co.uk)

The Financial Ombudsman Service contact details are:

Financial Ombudsman Service.  
Exchange Tower  
London  
E14 9SR  
Tel: 08000 234 567  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**Compensation**

We are covered by the Financial Services Compensation Scheme If Your business turnover is below the equivalent of €2,000,000 and You have less than 10 employees You may be entitled to compensation from the scheme if Arc Legal or Inter Partner Assistance SA are unable to meet their obligations Your entitlement to compensation will depend on the circumstances of the claim further information about compensation scheme arrangements is available at <http://www.fscs.org.uk/>

**Authorisation**

Arc Legal Assistance Ltd is authorised and regulated by the Financial Conduct Authority Arc Legal's Firm Reference Number is 305958 this can be checked on the Financial Services Register by visiting the Website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the Financial Conduct Authority on 0800 111 6768.

## General exceptions

The following exceptions apply to all sections of this insurance in addition to any exceptions appearing in the particular sections or in any extension or endorsement.

### What We will not cover

#### a) Existing circumstances

Claims arising out of circumstances which You knew about before the Period of Insurance which might be expected to give rise to a claim.

#### b) Any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event.

##### 1) Terrorism

2) any action taken in controlling preventing suppressing or in any way relating to 1) above except as stated in the Special Provisions – Terrorism below.

Terrorism is defined as any act or acts including but not limited to

(i) the use or threat of force and or violence and or

(ii) harm or Damage to life or to property (or the threat of such harm or Damage) including but not limited to harm or Damage by nuclear and or chemical and or biological and or radiological means caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political religious ideological or similar purposes.

in any action suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with b) 1) and 2) above regardless of any other contributory cause or event is not covered by this policy or is covered only up to a specified Limit of Liability You will have to prove that any such consequence is covered or is covered beyond that Limit of Liability.

#### Special Provisions – Terrorism

Neither of the exclusions in b) 1) and 2) above shall apply to Section 2 Subsection A Employers' Liability but the Limit of Indemnity for the purposes of this Special Provision – Terrorism is limited to £5,000,000 arising from any one loss or series of claims against You arising out of one Occurrence including claimants' costs fees and expenses and Defence Costs

Exception b) 1) above does not apply to the Terrorism Extension when insured by this policy.

#### c) Marine Policies

Damage to property which at the time of the happening of the Damage is insured by or would but for the existence of this insurance be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

#### d) Sonic Bangs

Damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

#### e) War and Allied Risks

Damage occasioned by

i) Riot or civil commotion except to the extent that it is specifically insured

ii) War.

#### f) Pollution and Contamination (not applicable to Section 3 Liability Insurance)

Damage caused by pollution or contamination except (unless otherwise excluded) destruction of or Damage to the Property Insured caused by

i) pollution or contamination which itself results from any Cover insured

ii) any Cover insured which itself results from pollution or contamination.

#### g) Radioactive Contamination

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from Radiation.

#### h) Data Recognition Exception

This insurance does not cover loss resulting from direct or indirect Damage caused by any Failure of a System resulting in Damage whether direct or indirect to any such System or to any other Property Insured for the purposes of this Exception Failure of a System means the failure or inability of a System whether or not owned by You to

i) correctly to recognise or utilise any data concerning a date whether a date in the Year 2000 or any other date as being such calendar date as the data is intended to represent

ii) operate as a result of any command programmed into the System utilising any date whether a date in the Year 2000 or any other date

System includes Computer Equipment and insofar as not included within Computer Equipment computers other computing and electronic and mechanical equipment linked to a computer hardware software programs data electronic data processing equipment microchips and anything which relies on a microchip for any part of its operation microchip includes integrated circuits and microcontrollers.



## General exceptions (continued)

i) **Punitive Damages**

Any award of punitive or exemplary Damages whether as fines penalties multiplications of compensatory awards or in any other form.

j) **Sanction Limitation and Exception**

We will not provide cover and 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 Us 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.

# Terrorism extension – applicable only if stated in the Schedule

## Definitions applicable to the Terrorism Extension

The following definitions apply to this Terrorism Extension and shall keep the same meaning wherever they appear in the extension unless an alternative definition is stated to apply.

### Act of Terrorism

Act 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.

### Denial of Service Attack

Any actions or instruction constructed or generated with the ability to Damage interfere with or otherwise affect the availability of networks network services network connectivity or information systems this includes but is not limited to the generation of excess traffic into the network addresses the exploitation of systems or network Weaknesses and the generation of excess or non genuine traffic between or amongst networks.

### Hacking

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

### Private Individual

Any person other than

- 1) a company association or partnership
- 2) a trustee or body of trustees where insurance is arranged under the terms of a trust
- 3) a person who owns Residential Property for the purpose of their business as a sole trader
- 4) a person who owns Residential Property of which in excess of 20 per cent of the property is commercially occupied.

### Note

- a) where the Residential Property is occupied by a trustee or a sole trader as a private residence and where the property is not a block of flats each will be deemed to be a Private Individual in respect of that same property; and
- b) where two or more persons have arranged insurance on Residential Property in their several names and or the name of the Policyholder includes the name of a bank or a building society or other financial institution for the purpose of noting their interest in the Property Insured they will be deemed to be a Private Individual in respect of that property.

### Residential Property

- 1) private dwelling houses and flats
- 2) household goods and personal effects.

### Treasury

The Lords Commissioners of Her Majesty's Treasury from time to time or any successor relevant authority.

### Virus or Similar Mechanism

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

### Cover

We will indemnify You in respect of all losses resulting from Damage to property insured under this policy directly caused by an Act of Terrorism occurring during the Period of Insurance at the Premises but only in England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands.

The maximum We will pay under this Terrorism Extension in any one Period of Insurance will not exceed the Limit of Liability or Sum Insured by each item of the Schedule under the Contractors All Risks Section of this policy or limit specified in any extension to those Sections.

### Exceptions

The following exceptions apply to this extension and no other exception applies (other than those exceptions excluding types of property)

- 1) We will not indemnify You in respect of any losses directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from
  - a) Damage to any computer or other equipment component system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible including but without limitation any information programs or software and whether Your property or not where such Damage is caused by Virus or Similar Mechanism Hacking or Denial of Service Attack
  - b) 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
- 2) We will not indemnify You in respect of any losses arising under any Head of Cover as a result of loss or destruction of or Damage to Residential Property insured in the name of a Private Individual.

## Terrorism extension (continued)

### Conditions

The following conditions apply to this Terrorism Extension also refer to the Policy Conditions at the back of this policy booklet.

- 1) the insurance provided by this Terrorism Extension is subject to all the Definitions Conditions Clauses Endorsements and Conditions of the Contractors All Risks section of this policy together with the policy Definitions Conditions Precedent and policy Conditions except
  - a) any which provide for adjustments of premium
  - b) any aggregate limit on the amount borne by You as a result of the operation of an Excess
  - c) any provision for the automatic reinstatement of Sums Insured
  - d) any Long Term Undertaking and providing that if there is conflict between this Terrorism Extension and the rest of the policy this Terrorism Extension shall prevail.
- 2) We will not indemnify You under this Terrorism Extension unless and until the Treasury issues a certificate certifying that any loss was caused by an Act of Terrorism as defined in this Terrorism Extension.
- 3) in any action or suit or proceedings where We allege that any loss is not covered by this Section the burden of proving that such loss is covered shall be upon You.

## Claims procedures and conditions (other than Legal Expenses Section 4)

The following procedures are conditions which You must observe.

### After any injury or Damage or claim or Occurrence which could lead to a claim

Please phone Us immediately on **0800 0195919** this number is available 24 hours a day 365 days a year (calls made to or from this number and other numbers at Inter Partner Assistance SA may be recorded for training and monitoring purposes).

### Immediately, in the event of a serious accident, Loss or Damage

Please provide as much information as possible about the claim and Your policy reference if available.

You should report to the Police any Loss or Damage from theft, arson, malicious Damage, or riot or civil commotion and obtain a crime book reference from them.

You must carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage and to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss.

You must as soon as possible after discovery ensure any defect or danger is made good or remedied and in the meantime ensure additional precautions are taken as the circumstances require.

If there is any injury or Damage or claim or Occurrence which could lead to a claim You must not admit to anyone else that it was Your fault or negotiate or make an offer of settlement of any claim unless You have Our permission.

You must within 30 days (or 7 days in the case of Damage caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons if insured by this Policy) after the circumstances or event or of the expiry of the Indemnity Period or such further time as We may allow at Your own expense deliver to Us

- 1) Details of any other insurance relating to the claim
- 2) All such business books documents proofs information explanation and other evidence as may be reasonably required all of which information and details may be produced by Your professional accountants or auditors who are regularly acting as such Your report being prima facie evidence of such information and details
- 3) If We demand it a statutory declaration of the truth of the claim and of any matter connected with it.

We are entitled to take full control of any claim and We must be given whatever information and help We need.

We can prosecute or defend any claim in Your name.

If We make a payment under this insurance We can assume and maintain any rights of recovery against any other party any recovery We make will be retained by Us up to the amount of Our payment in respect of compensatory Damages claimants' costs fees and expenses and Defence Costs Any balance will then be given to You as recovery of Your Excess or other amount You have paid in respect of compensatory Damages claimants' costs fees and expenses and Defence Costs.

You must not do anything that will affect Our interest in this insurance.

You must send Us any letter writ summons application notice or claim form relating to a claim or potential claim as soon as You receive it together with a completed report form do not answer any letters send them straight to Us at the address at the end of this document You must also tell Us if You know about any prosecutions involving anyone covered by this insurance.

If We elect or become bound to reinstate or replace any property You shall at Your own expense

produce and give to Us all such plans documents books and information as We may reasonably require.

We shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the sum insured thereon.

In the event of any injury, loss or Damage in respect of which a claim is or may be made under this Policy, We and every person authorised by Us may without thereby incurring any liability and without diminishing Our right to rely upon any conditions of this Policy enter take or keep possession of the Building or Premises where the injury, loss or Damage has happened and may take possession of or require to be delivered to them any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of the leave and licence of You to Us so to do if You or anyone acting on Your behalf shall not comply with Our requirements or shall hinder or obstruct Us in doing any of the above-mentioned acts then benefit under this Policy shall be forfeited You shall not in any case be entitled to abandon any property to Us whether taken possession of by Us or not.

You shall at Our request and expense do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by Us for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which We shall be or would become entitled or subrogated upon Us paying for or making good any loss under this Policy whether such acts and things shall be or become necessary or required before or after We indemnify You.

If at the time of any claim there is any other insurance covering Your interest in the property lost destroyed or Damaged or the same legal liability Our liability under this Policy shall be limited to its rateable proportion of such claim if any such other insurance is subject to any condition of average this Policy if not already subject to any condition of average shall be subject to average in like manner if any other insurance effected by or on behalf of You is expressed to cover any of the property hereby insured but 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 to the Damage Our liability hereunder shall be limited to such proportion of the Damage as the sum hereby insured bears to the value of the property.

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 an arbitrator to be appointed by the parties in accordance with the statutory provisions in that behalf for the time being in force Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against Us.

## Claims procedure for Legal Expenses Section 4 – employment cover

You will give Us notice in writing within 7 days of Your becoming aware of any Proceedings or suit made or brought against You or believed by You to be considered and any summons claim form application notice or other process served or threatened to be served and any event which may give rise to Proceedings against You.

If You do not give Us such notice any claim resulting from that event will not be covered without prejudice to the generality of this condition.

- A You must contact the Legal Helpline quoting the “Zenith Marque Legal Expenses” on 0344 770 1047 and follow the advice given
- 1 before carrying out any disciplinary procedure or action
  - 2 before the dismissal of an Employee
  - 3 before implementing a redundancy programme and before making an Employee redundant
  - 4 on formal or informal notification of a grievance by an Employee or of a complaint of sexual racial religious or disability discrimination or discrimination on the grounds of sexual orientation or age
  - 5 before making any adverse variation of the terms of conditions of employment including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee’s remuneration
  - 6 on becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without notice
- failure to seek and follow the advice of the helpline in any of the above situations will mean that any claim arising as a result of the action will not be covered.
- B If You receive a form ET1 claim form from an employment tribunal and wish to obtain indemnity under this cover You should notify the Legal Helpline quoting the Legal Plus Business Helpline’ this must be done as soon as reasonably practicable and not later than within 7 days of the receipt of such form because of the statutory 28 days time limit for returning a response form (ET3) or responding on-line the response form should be left blank for completion by Your Professional Adviser upon request You must complete an Arc Legal claim form and forward it to Us immediately.
- C If a former Employee requests a written statement of reasons for Dismissal You must contact the Legal Helpline quoting the Legal Plus Business Helpline’ not later than 7 days from the request and prior to the statement being given.
- D if You intend to make a significant alteration to an Employee’s terms of employment You must telephone the Legal Helpline quoting the Legal Plus Business Helpline’ first and follow their advice.

## Claims procedure for Legal Expenses Section 4 – tenant eviction

You must contact the Legal Helpline quoting the “Zenith Marque Legal Expenses” on 0344 770 1047

A claim form will be sent out by e-mail, fax or post within 24-hours or claim forms can also be obtained from <http://www.arclegal.co.uk/informationcentre>. The claim form is required to be completed and returned along with supporting documentation within five days of it being received unless otherwise agreed with Arc Legal or the Professional Adviser.

If Rent is overdue the Tenant and any guarantor must be contacted within seven days to establish the reason for the default. If the Rent is not paid within a further seven days the Tenant and any guarantor must be contacted again. If the Tenant/guarantor cannot be contacted and it is lawful to do so You or Your agent must serve notice of a requirement to undertake an inspection in accordance with the Your rights within the Tenancy Agreement and visit the Premises. You should seek legal advice if You are unsure that such an inspection is lawful.

You and Your agent must act promptly to gain vacant possession of the Premises and recover Rent arrears.

### What happens next

Your claim will be assessed and if accepted and deemed appropriate an enquiry agent will visit the Tenant and any guarantor. If the enquiry agent is unable to reach an agreement with the Tenant/guarantor to remedy their failure to perform their obligations under the Tenancy Agreement Arc Legal’s panel solicitors or their agents will be appointed to act for You.

You or Your agent must give all information requested by Arc Legal or the Professional Adviser within five days of receiving the request for that information unless otherwise agreed with Arc Legal or the Professional Adviser.

You or Your agent must attend any court hearing if requested by the Professional Adviser.

This claims procedure should be read in conjunction with the terms and conditions of the insurance.

## Claims procedure for Legal Expenses Section 4 – all other sections of cover

Potential claims must be notified to Us by telephoning the Legal Helpline quoting “Legal Plus Business Helpline” and before instructing a Professional Adviser. You must make Your claim as soon as You are or should reasonably have been aware of any event which has resulted in or could result in an Insured Event if You do not tell us about this event within 180 days and within the Period of Insurance of Your becoming aware any claim resulting from that event will not be covered. You must follow the advice of the Legal Helpline. Professional Costs and Expenses incurred prior to Our accepting Your claim will not be covered under this insurance. You can complete and submit Your claim form online by visiting [www.arclegal.co.uk/informationcentre](http://www.arclegal.co.uk/informationcentre)

Alternatively We will send You a claim form which must be completed giving a complete and truthful report of the facts of the claim indicating any potential witnesses and any documentary evidence and return it to Arc Legal at the earliest opportunity.

# Our Service Commitment

## What to do if you have a complaint

We are dedicated to delivering a first class level of service to all of our policyholders. However, we accept that things can occasionally go wrong and would encourage you to tell us about any concerns you have so that we can take steps to make sure the service you receive meets your expectations in the future.

If a dispute regarding your policy or claim arises and cannot be resolved by reference to your insurance intermediary the following explains the procedures for resolving your complaint:

The resolution of complaints in relation to your policy (or any claim made under it) is delegated to our service providers in the United Kingdom, Zenith Marque Insurance Services Ltd. If you have a complaint, please contact our service providers at the address below:

Zenith Marque Insurance Services Ltd  
Prospect House  
Thanet Way  
Whitstable  
CT5 3FD  
Email: [property.owners@zenithmarque.com](mailto:property.owners@zenithmarque.com)

When contacting Zenith Marque Insurance Services Ltd please provide:

- A policy number and/or claim number
- An outline of your complaint
- A contact telephone number

Our service providers will make every effort to resolve your complaint by the end of the third working day after receipt. If they cannot resolve your complaint within this timeframe they will acknowledge your complaint in writing within five working days of receipt and do their best to resolve the problem within four weeks by sending you a final response letter. If they are unable to do so, they will write to advise you of progress and will endeavour to resolve your complaint in full within the following four weeks. If they are still unable to provide you with a final response at this stage, they will write to you explaining why and advise when you can expect a final response. At this point you may refer your complaint to The Financial Ombudsman Service at the following address:

The Financial Ombudsman Service  
Exchange Tower,  
London E14 9SR.

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

## What you should know

You may go directly to the Financial Ombudsman Service when you first make your complaint, but the Ombudsman will only review your complaint at this stage with our consent. However, we are still required to follow the procedure stated above.

If you have received a final response but are dissatisfied, you have the right of referral to the Financial Ombudsman Service within six months of the date of your final response letter. You may only refer to the Ombudsman beyond this time limit if we have provided our consent.

Whilst we and our UK service providers are bound by the decision of the Financial Ombudsman Service, you are not. Following the complaints procedure above does not affect your right to take legal action

## Customer Feedback

If you have any suggestions or comments about our cover or the service we have provided please write to our UK service providers:

Zenith Marque Insurance Services Ltd  
Prospect House  
Thanet Way  
Whitstable  
CT5 3FD

We always welcome feedback to enable us to improve our products and services.

## Telephone Recording

For our joint protection telephone calls may be recorded and monitored by us.





## Zenith Marque Insurance Services Ltd

Prospect House, Thanet Way,  
Whitstable, Kent CT5 3FD

Zenith Marque Insurance Services Ltd is an appointed service provider to but is not an agent of Zenith Insurance Plc. Zenith Marque Insurance Services Ltd is registered in England and Wales (No. 2135730) and authorised and regulated by the Financial Conduct Authority (No. 475572).

Zenith Insurance Plc is regulated by the Gibraltar Financial Services Commission and subject to a limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority in respect of underwriting business in the UK (No. 211787).

QIC Europe Limited is authorised and regulated by the Malta Financial Services Authority (MFSA) to carry on general insurance business in terms of the Malta Insurance Business Act, 1998 and subject to limited regulation by the UK Financial Conduct Authority and the Prudential Regulation Authority in respect of underwriting business in the UK (No. 659521).

Inter Partner Assistance in the UK is a branch of Inter Partner Assistance SA ('IPA'). IPA is authorised by the Belgian National Bank and subject to limited regulation by the Financial Conduct Authority in the UK. Details about the extent of IPA's regulation by the Financial Conduct Authority are available from IPA on request. IPA is listed on the Financial Services Register under number 202664. This can be checked by visiting the website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the Financial Conduct Authority on 0800 111 6768. ZMEP 0917 (5)