



Motor Trade

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Your Policy

Welcome to **your** AXA Motor Trade **policy** and thank **you** for choosing AXA. AXA Insurance UK plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. This can be checked on the FCA's register by visiting the FCA's website at www.fca.org.uk/register or by contacting them on 0800 111 6768.

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

In return for having accepted **your** premium **we** will provide insurance as described in the following pages of **your policy**.

Your policy wording is divided into a number of **sections** and must be read together with **your schedule, endorsements** and Certificate of Motor Insurance. **Your schedule** will show **you** which **sections** apply.

Important

We recommend that **you** read this **policy** with **your schedule** to make sure that it meets with **your** needs. If **you** have any questions please contact **us** or **your** insurance adviser.

Please read the complaints procedure in the Making a Complaint section on page 14.

We have designed **your policy** to help **you** understand the cover provided. **You** will find the following headings on many pages:

What is covered

Under this heading **we** give detailed information on the insurance provided and this should at all times be read with '**What is not covered**'.

What is not covered

Under this heading **we** draw **your** attention to what is not covered under **your policy**.

The law that applies to this policy

You and **we** are free to choose the law which applies to this **policy**. As **we** are based in England **we** propose to apply the law of England and Wales and by purchasing this **policy** **you** have agreed to this.

Important information

Legal advice

You can obtain telephone based legal advice on UK law by calling the AXA legal advice line on 0330 024 5346 quoting AXA COMMERCIAL.

Advice can be sought on a wide range of areas of law, including employment, health and safety and tax. The advice is provided by barristers, solicitors, and tax consultants. In the interest of monitoring the quality of legal advice given, conversations may be recorded.

The legal advice line is not empowered to give advice on the admissibility of any claim under **your policy**. If **you** wish to make a claim **you** must contact the claims department of Arc Legal Assistance Ltd.

Please note that calling the helpline does not constitute notification of an insurance claim.

Legal expenses claims notifications

If **you** need to notify a possible claim **you** should complete the online claims form at <https://informationcentre.arclegal.co.uk>. Alternatively please call the claim line on 0330 024 8991 and they will e-mail or post a claim form to **you**.

Uninsured loss recovery and Motor prosecution defence advice and claim line

Please note that under Part 4 of Section 5 – Road Risks, there is a separate telephone number for queries on uninsured loss recovery specifically and to report a claim under motor prosecution defence covered under that part of **your** policy, please call 0370 241 4140 and quote master policy number 34035.

Policy Definitions

Definitions apply throughout the **policy**.

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in the **policy**.

Each **section** will also have its own definitions that apply throughout the **section**. If the same word appears in both the **policy** and **section** definitions, the **section** definition will apply.

Business	<p>The activities undertaken directly in connection with the business as specified in the schedule.</p> <p>Additional activities as defined below are included to the extent that they are conducted at or from the premises by you</p> <ul style="list-style-type: none"> • the provision and management of amenities for the benefit of any employee • the ownership and upkeep of your premises and any facilities operated primarily for fire prevention, safety or security at your premises • private work undertaken with your prior consent, by any employee for your directors and officers
Company/our/us/we	<p>AXA Insurance UK plc (other than Section 12 – Legal Expenses, and Section 14 – Engineering Inspection)</p>
Defined peril	<ul style="list-style-type: none"> • aircraft or other aerial devices dropped from them • civil commotion • earthquake • escape of water from any tank apparatus or pipe • explosion • falling trees • impact by any road vehicle or animal • escape of fuel from any fixed oil heating installation • fire • flood • lightning • locked out workers • malicious persons • persons taking part in labour disturbances • riot • strikers • storm • theft
Denial of service attack	<p>Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.</p>
Endorsement(s)	<p>A clause or condition that adds to or changes the cover provided by the policy.</p>
Excess	<p>The amount you must pay as the first part of each claim after the application of any condition of average.</p>

Hacking	Unauthorised access to any computer or other equipment or component or system or item which processes stores or retrieves data whether your property or not.
Insured/you/your/yours	The firm, company or individual named in the schedule (also the Policyholder stated on the Certificate of Motor Insurance).
Money	<ul style="list-style-type: none"> • bank and currency notes • bills of exchange • cash • cheques • credit card counterfoils • credit company sales vouchers • crossed bankers drafts • current postage stamps • customer redemption vouchers • gift tokens • luncheon vouchers • money orders • National Insurance stamps • National Lottery scratch cards • National Savings stamps and certificates • phonecards (excluding phonecards held in stock for resale) • holiday-with-pay stamps • postal orders • promissory notes • trading stamps • travellers tickets • unused units in franking machines • VAT purchase receipts
Motor vehicle(s)	<p>Any</p> <ul style="list-style-type: none"> • motor vehicle • trailer • caravan • motor cycle • agricultural implement <p>including its fixed accessories and spare parts whilst on or temporarily detached from your vehicle.</p>
Period of insurance	The period from the effective date to the renewal date shown in your schedule and where applicable the Certificate of Motor Insurance or any further period that we have agreed to insure you for.
Phishing	Any access or attempted access to data or information made by means of misrepresentation or deception.
Policy	Your policy and most recent schedule including any endorsements .
Policy territories	<ul style="list-style-type: none"> • Great Britain • Northern Ireland • Isle of Man • Channel Islands

Premises	The building(s) or land at the address(es) stated in the schedule occupied by you in connection with the business .
Schedule	The document which specifies your details, the sections of the policy that apply, and any endorsements .
Section(s)	The parts of this policy that detail the insurance cover provided.
Terrorism	<ul style="list-style-type: none"> • For England, Scotland and Wales – Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty’s Government in the United Kingdom or any other government de jure or de facto. • For the Channel Islands and the Isle of Man – an act of any person(s) acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of any government de jure or de facto. • For Northern Ireland or any other territory – An act including but not limited to the use of force or violence and or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or put the public or any section of the public in fear.
Terrorist act	Any act of a person or group directed towards the overthrowing or influencing of any government or putting any section of the public in fear by threat, force or violence.
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 definition of virus or similar mechanism includes but is not limited to trojan horses, worms and logic bombs.

Policy Exclusions

Your policy is subject to exclusions and these tell **you** what is not covered.

The **policy** exclusions are set out below and apply throughout **your policy** unless otherwise stated.

Where exclusions apply to one specific **section** of **your policy** they are stated in 'What is not covered' under that **section**.

Additionally exclusions may be applied by **endorsement** and if so they will be stated in **your schedule**.

We will not pay for

1. Radioactive contamination

- a) Loss or damage to any property, or any loss or expense resulting or arising therefrom, or any consequential loss and
- b) Any legal liability directly or indirectly caused by, or contributed to by, or arising from
 - i) ionising radiation or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or of its nuclear component.

For injury caused to an employee, this exclusion will apply only when **you**, under a contract or agreement, have undertaken to indemnify a principal or have assumed liability under a contract and which liability would not have been attached in the absence of such a contract or agreement.

2. War risk

In respect of all Sections other than:

- Section 9 – Public and Products Liability
- Section 10 – Employers Liability
- Section 11 – Terrorism

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

In respect of:

- Section 9 – Public and Products Liability

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

3. Sonic bangs

This exclusion does not apply to:

- Section 9 – Public and Products Liability
- Section 10 – Employers Liability

Loss or damage by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

4. Northern Ireland

This exclusion does not apply to:

- Section 9 – Public and Products Liability
- Section 10 – Employers Liability
- Section 11 – Terrorism

Any loss, damage or consequential loss in Northern Ireland whether directly or indirectly caused by, resulting from or in connection with riot, civil commotion and (except by fire or explosion) strikers, locked-out workers, people taking part in labour disturbances or malicious people.

5. Motor sports

Loss, damage, injury or liability arising from participation in or practising motor sports determined by time or speed taking place at any part of any premises where only competitors, members of their support team, organisers, marshals and other authorised people are allowed access.

Policy Conditions

These conditions apply throughout the **policy**. Each **section** will have their own conditions which apply throughout or to specific parts of the **section** and need to be read in conjunction with (and override where applicable) the **policy** conditions.

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

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

1. Arbitration

This condition does not apply to:

- Section 9 – Public and Products Liability
- Section 10 – Employers Liability

If **we** admit liability for a claim and **you** disagree with the amount to be paid it will be referred to an arbitrator who is jointly appointed. **You** will not be able to take action against **us** over this disagreement until the arbitrators have made their award.

2. Cancellation

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

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

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

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

3. Change in risk

You must tell **us** as soon as possible during the **period of insurance** of any change

- a) to the **business**
- b) to the **premises**
- c) in the person, firm, company or organisation shown in **your schedule** as the **insured**
- d) to the information **you** provided to **us** previously or any new information that increases the risk of injury, loss, damage or liability as insured under any **section** of **your policy**.

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

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

4. Claims conditions

This condition does not apply to:

- Section 12 – Legal Expenses. See Conditions for claims settlement under this **section**

You must

- a) give **us** notice as soon as practical of any event which may result in a claim
- b) notify the Police immediately in respect of loss, destruction or damage caused by malicious people or by theft
- c) within 7 days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked-out workers, people taking part in labour disturbances or malicious people, and within 30 days after any other loss, destruction, damage, accident, injury or consequential loss (or such further time that **we** may in writing allow) provide **us** at **your** expense with a written claim containing as much information as possible about the loss, destruction, damage, accident, injury or consequential loss together with details of any other insurances on the property insured
- d) provide any proofs and information necessary to process the claim and as may be required a statutory declaration of the truth of the claim and of any matters connected
- e) pass to **us** immediately all communications from third parties in relation to any event which may result in a claim under this **policy**. **You** must not respond to any correspondence
- f) pass to **us** immediately any writ, summons or other legal process issued or commenced against **you**
- g) tell **us** in writing immediately if **your** legal representatives have knowledge of any impending prosecution, inquest or fatal accident inquiry in connection with the claim
- h) not admit or repudiate liability or offer to settle, compromise or make payment which may result in a claim or pay any claim under this **policy** without **our** written consent
- i) allow **us** to take over and conduct in **your** name the defence or settlement of any claim. **You** will also allow **us** to prosecute at **our** own expense and for **our** own benefit any claim for indemnity or compensation against any other person and **you** must give **us** all information and assistance required.

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

5. Contribution

- a) Applicable to Section 9 – Public and Products Liability and Section 10 – Employers Liability
If the insurance provided by these **sections** is insured by any other policy **we** will only indemnify **you** for any excess beyond the amount payable under the other policy had these **sections** not been effected.
- b) Applicable to Section 5 – Road Risks
If the insurance provided by this **section** is insured by any other policy **we** will only pay **our** rateable proportion of the loss.
- c) Applicable to all other sections
 - i) Where any loss or damage, legal costs, expenses or liability covered by this **policy** is insured by any other policy **we** will only pay **our** rateable proportion of the loss.
 - ii) If the other insurance is subject to any condition of **average** and the **section** of **your policy** affected is not, this **policy** will be subject to the same condition of **average**.
 - iii) If the other insurance covers any of the property insured but is subject to any provision excluding proportional payment either in whole or in part, payment by **us** will be limited to the proportion of the loss, destruction or damage as the sum insured bears to the value of the property.

6. Discharge of liability

We may pay the limit of indemnity or the sum insured (after deducting any sum already paid) or any lesser amount for which any claim or claims against **you** can be settled. **We** will be under no further liability with regards to the claim except for costs incurred prior to the date of payment.

7. Fair presentation of risk

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

- a) If the failure to make a fair presentation of the risk is deliberate or reckless **we** can elect to make **your policy** void and keep the premium. This means treating the **policy** as if it had not existed and that **we** will not return **your** premiums, or
- b) If the failure to make a fair presentation of the risk is not deliberate or reckless and **we** would not have provided cover had **you** made a fair presentation, then **we** can elect to make **your policy** void and return **your** premium, or
- c) If the failure to make a fair presentation of the risk is not deliberate or reckless and **we** would have issued cover on different terms had **you** made a fair presentation of the risk then **we** can:
 - i) reduce proportionately any amount paid or payable in respect of a claim under **your policy** using the following formula. **We** will divide the premium actually charged by the premium which **we** would have charged had **you** made a fair presentation and calculate this as a percentage. The same percentage figure will be applied to the full amount of the claim to arrive at the proportion of the claim to be paid or payable; and/or
 - ii) treat **your policy** as if it had included the different terms (other than payment of the premium) that **we** would have imposed had **you** made a fair presentation.
- d) Where **we** elect to apply one of the above then
 - i) if **we** elect to make **your policy** void, this will be from the start of the **policy**, or the date of variation or from the date of renewal
 - ii) **we** will apply the formula calculated by reference to the premium that would have been charged to claims from the start of the **policy**, or the date of variation or from the date of renewal
 - iii) **we** will treat the **policy** as having different terms imposed from the start of the **policy**, or the date of variation or from the date of renewaldepending on when the failure to make a fair presentation occurs.

8. Fraud

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

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

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

we will:

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

We may also inform the police of the circumstances.

9. Instalments

If the premium on this **policy** is paid by **our** budget plan and **you** do not pay each instalment on the due date, all cover under the **policy** is cancelled from the date the instalment was due.

If the premium on this **policy** is paid by **our** budget plan and during the current **period of insurance**

- a claim has been made under the **policy** for which **we** have made a payment
- a claim has been made under the **policy** which is still under consideration
- an incident has happened which is likely to lead to a claim but is yet to be reported to **us**

the annual premium remains due in full.

In this case monthly collection must continue or a one-off payment be agreed to settle the outstanding amount.

If the annual premium is not paid in full **we** may take any outstanding instalments from any claim payment that may be due to **you** or payable on **your** behalf. **We** will keep any instalments taken before the cancellation notice for the budget agreement. Any refund of premium will be for any collections taken between the time of the notice and cancellation.

10. Our rights following a claim

Following a claim, **we** or anyone authorised by **us** will be allowed to enter the **premises**, take possession of or require to be delivered to **us** any property insured where loss or damage has occurred without incurring any liability or diminishing any of **our** rights under this **policy**. No property will be accepted without **our** approval.

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

11. Policy administration fees condition

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

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

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

12. Reasonable precautions

You must

- a) maintain the **premises**, machinery, vehicles, plant and equipment in a satisfactory state of repair
- b) take all reasonable precautions for the safety of the property insured
- c) take all reasonable precautions to prevent loss, destruction, damage, accident, injury, illness or disease
- d) comply with all statutory requirements and other safety regulations imposed by any authority
- e) keep books with a complete record of purchases and sales
- f) take all precautions to minimise the costs of claims or legal proceedings
- g) take all reasonable precautions in the selection of employees and sub contractors.

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

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

13. Reinstatement

If any property insured is to be reinstated or replaced by **us**, **you** will at **your** own expense provide plans, documents, books and any information as may be reasonably required. **We** will not be bound to reinstate exactly, only as circumstances permit and in a reasonably sufficient manner and will not in any case be bound to expend in respect of any one of the items insured more than its sum insured.

14. Sanctions condition

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

15. Subrogation

Any claimant under this **policy** will at **our** request allow and take all necessary steps for enforcing rights against any other party in **your** name before or after any payment is made by **us**.

Making a Complaint

AXA Insurance aims to provide the highest standard of service to every customer.

If **our** service does not meet **your** expectations **we** want to hear about it so **we** can try to put things right.

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

How to make your complaint

The majority of complaints can be resolved quickly and satisfactorily by the department **you** are dealing with. If **your** complaint relates to a claim on **your policy**, please contact the department dealing with **your** claim. If **your** complaint relates to anything else, please contact the agent or AXA office where **your policy** was purchased. Telephone contact is often the most effective way to resolve complaints quickly.

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

AXA Insurance complaints

 AXA Insurance
Commercial complaints
AXA House
4 Parklands
Lostock
Bolton
BL6 4SD

 Tel: **01204 815359**

 Email: **commercial.complaints@axa-insurance.co.uk**

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

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

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

Beyond AXA

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

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

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

The Financial Ombudsman Service

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

 Telephone: **0800 023 4567***
or **0300 123 9123****
Fax: **020 7964 1001**

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

Website: **www.financial-ombudsman.org.uk**

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

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

Our promise to you

We will

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

Telephone calls may be monitored and recorded.

Financial Services Compensation Scheme (FSCS)

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

Legal and tax advice complaints

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

Arc legal and tax advice complaints

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

 Tel: **0344 770 9000**

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

Legal Ombudsman

 PO Box 6806
Wolverhampton
WV1 9WJ

 Tel: **0344 555 0333**

 Website: **www.legalombudsman.org.uk**

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

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

Section 1 – Material Damage

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Alarmed premises	The premises or those portions of the premises protected by the intruder alarm system .
Average	If the sum insured at the time of any damage is less than the value of the property covered within the sum insured, the amount payable by us for the damage will be proportionately reduced.
Building(s)	The building(s) including <ul style="list-style-type: none"> • landlords fixtures and fittings • canopies • car parks • fences • fixed glass • fixed signs • forecourts • gates • pavements • outbuildings • walls • yards • wires, piping, ducting, cables and associated control gear and accessories on the premises and extending to the public mains but only to the extent of your responsibility
Customers motor vehicles	Motor vehicles in your custody or control but not the insureds motor vehicles .
Damage	Accidental loss, destruction or damage to the property insured .
Declared value	Your assessment of the cost of reinstatement of the property insured at the start of the period of insurance (ignoring inflationary factors) which may operate subsequently together with <ul style="list-style-type: none"> • the additional cost of reinstatement to comply with public authority requirements • professional fees • debris removal costs.
Insureds motor vehicles	Motor vehicles belonging to you or leased or held by you on consignment.

Intruder alarm system	The components including the means of communication used to transmit signals to the alarm-receiving centre.
Key holder	Any person or key holding company authorised by you who is available at all times to accept notification of faults or alarm signals to the intruder alarm system and who can attend and allow access to the premises .
Machinery, plant and all other contents	Machinery, plant, tools and all other contents whilst at the premises including but not limited to <ul style="list-style-type: none"> a) office furniture and equipment b) documents, manuscripts, business books and computer system records but only for the cost of the materials, clerical labour and computer time needed in reproducing any records excluding any amount in excess of £10,000 for any one loss subject to a maximum of £25,000 during any one period of insurance for computer system records c) patterns, moulds, models, plans or designs for an amount not exceeding the cost of the labour and materials for reinstatement d) fixed fuel installations, including fuel pumps, underground tanks and associated pipes and cables excluding any fuel stocks e) tenants improvements.
Non standard construction	Constructed of materials other than those detailed in the definition standard construction .
Property insured	<ul style="list-style-type: none"> a) Property as shown in the schedule (excluding the contents and commercial loads of customers vehicles) <ul style="list-style-type: none"> i. belonging to you ii. in your custody or control iii. for which you are responsible under any lease, hire, rental or similar contractual agreement. b) Personal effects excluding motor vehicles belonging to directors, partners, customers, visitors and employees for an amount not exceeding £1,000 for any one person whilst the property is on the premises or whilst they are working or travelling in connection with the business if not more specifically insured.
Reinstatement/ reinstate	<ul style="list-style-type: none"> a) The rebuilding or replacement of property lost or destroyed which provided our liability is not increased may be completed <ul style="list-style-type: none"> i. in any manner suitable to your requirements ii. upon another site. b) The repair or restoration of property lost or destroyed. <p>To a condition equivalent to or the same as but not better or more extensive than its original condition when new.</p>
Standard construction	Brick, stone or concrete built and roofed with slates, tiles, metal, concrete or sheets or slabs composed entirely of incombustible mineral ingredients and plastic roof lights. Metal panels and sandwich panels insulated with materials other than polystyrene will be regarded as standard construction.

Stock	Stock and materials in trade, merchandise, finished goods and work in progress, including spare parts, fuel and oil stocks other than motor vehicles . The maximum amount we will pay for tobacco, cigarettes, wines, spirits, clothing, in vehicle entertainment and satellite navigation equipment, CDs, DVDs, digital music players and mobile phones is £5,000 for any one loss.
Tenants improvements	Structural fixtures, fittings, improvements, glass and sign writing, interior decorations belonging to you as a tenant of the premises .
Unoccupied	Any building or part of any building which is empty or not in use.

What is covered

We agree that for **damage** to

1. any of the **property insured** specified in the **schedule**
2. any **motor vehicle** specified in the **schedule** as a result of theft or attempted theft whilst on or about the **premises**, provided that when the **premises** are unattended, **you** must ensure that all **motor vehicles** in the open are securely locked at all points of access and all **motor vehicle** keys or key cards are removed from the **premises** or if kept on the **premises** placed in a locked safe or cabinet and its key(s) removed from the **premises** or to a part of the **premises** in which the person responsible for their safe custody actually lives.

If **you** fail to comply with this condition **you** will (after the application of the condition of **average** and any **excess**) be responsible for 25% of each and every loss under this **section** with **our** payment being limited to 75% of such loss.

We will pay **you** the value of the property at the time of its **damage** or the amount of the **damage** or at **our** option **reinstate** or replace the property or any part of it subject to

- a) the sum insured by each item specified in the **schedule** other than those items in b) below (including items applying to rent, fees, removal of debris and contents of **customers motor vehicles**) and any item subject to the Day One Average Special Clause being separately subject to **average**
- b) the sum insured by each item under **insureds motor vehicles, customers motor vehicles** and **stock** in the **schedule** being separately subject to **average** if this sum at the time of any **damage** is less than 85% of the value of the item covered within the sum insured

provided that **our** liability under this **section** does not exceed

- i) the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the **schedule** at the time of **damage**
- ii) the sum insured or limit remaining after costs for any other **damage** have been deducted during the same **period of insurance** unless **we** have agreed to **reinstate** any sum insured or limit

adjusted in line with the inflation protection clause (if applicable).

Extensions of cover

1. Additional expenses

Should any **damage** occur to **your customers motor vehicle**, which **you** become legally liable for **we** will pay any additional expenses incurred with **our** consent up to a maximum of £1,000 for any one **customers motor vehicle**.

2. Architects, surveyors, legal and consulting engineers fees

We will cover **you** for architects, surveyors, legal and consulting engineers, and other fees incurred in the **reinstatement** or repair of the **property insured** following **damage**, but not for preparing any claim. The amount payable under each item will not exceed in total its sum insured.

3. Capital additions

The insurance under this **section** will (subject to its terms and conditions) extend to include

- a) any additional **buildings** or **buildings** under construction (excluding any property which a building contractor is responsible for), machinery and plant which is not insured elsewhere
- and
- b) alterations, additions and improvements to buildings, machinery and plant but not any appreciation in value

situated anywhere within the United Kingdom during the **period of insurance** provided that

- i) at any one situation this cover will not exceed 15% of the sum insured by the **buildings, machinery, plant and all other contents** items
- ii) **you** give **us** details of the extension of cover required as soon as possible but in any event within six months and before the expiry of the **period of insurance**
- iii) **you** will ensure specific insurance is arranged with **us** from the date **our** liability commenced
- iv) **you** pay the additional premium that may be required
- v) notwithstanding any specific insurance effected under iii) above the provisions of this extension will be fully maintained.

4. Replacement of locks and keys

We will cover **you** for the cost of replacing locks or lock mechanisms, keys, key cards, remote control transmitters, central locking interfaces, parts of the engine control units, alarms or immobilisers necessary to maintain the security of

- a) **motor vehicles** in the event of theft or loss of the keys, key cards or remote control transmitters provided that there is reasonable belief that the keys, key cards or remote control transmitters are in the possession of someone other than **you** and that person will know the identity of the garaging address of the **motor vehicle**
- b) the **premises** or any safe or strongroom, against access following theft of keys by force or violence including any threat against any director, partner or employee of **yours** from
 - i) the **premises**
 - ii) **your** home
 - iii) the home of any director, partner or employee of **yours**.

The maximum we will pay in respect of a) is £10,000 any one loss up to a maximum of £50,000 during any one **period of insurance**.

The maximum we will pay in respect of b) is £2,500 for any one loss.

5. Contents and commercial loads of customers vehicles

We will cover **your** legal liability for **damage** to the contents of a **motor vehicle** belonging to or held in trust by **your** customer whilst stored on the **premises** or in transit or on any **motor vehicle** in **your** custody or control, and carried in connection with the **business** for an amount not exceeding

- a) £100,000 for a commercial load in any one **customers motor vehicle**
- b) £5,000 for all other contents

subject to a maximum of £300,000 for all claims during any one **period of insurance**.

We will not cover **you** for

- a) any kind of consequential loss
- b) liabilities assumed by **you** under any contract or agreement unless the liability would have been in place in the absence of any contract or agreement
- c) property belonging or hired to **you** or any member of **your** family, household or any director, partner or employee or any member of their family or household.

6. Contract sale price

If either **stock** or **motor vehicles** sold by **you** but undelivered and still **your** responsibility suffers **damage** insured by this **section** and with regard to which, under the conditions of sale, the sale contract is cancelled, or cancelled to the extent of such **damage** then **average** will apply based on the contract price for any such property.

7. Debris removal

This **section** also includes costs and expenses necessarily incurred with **our** consent in

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up or propping

of the portion(s) of the **building(s)** as a result of **damage**.

We will not pay for any costs or expenses

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

Our liability will not exceed the sum insured shown in the **schedule** for any item.

8. Drains

The insurance for **buildings** extends to include expenses reasonably incurred by **you**, with **our** consent, in cleaning, clearing and/or repairing drains, sewers or gutters for which **you** are responsible as a consequence of **damage** on the **premises** insured by this **policy**.

9. Explosives

This **section** will (in addition to the total sum insured) insure **you** for **damage** to any **property insured** by this **section**, directly or indirectly caused by or as a consequence of the use of explosives, for any theft or any attempted theft at the **premises**, but only if the risk of explosion is not insured under any other policy, in respect of the same property, provided that **our** maximum liability in any one **period of insurance** will be £50,000 for each **premises**.

10. Theft of building fabric

This **section** extends to include loss of or **damage** to

- a) the external fabric of **buildings** as a result of theft or attempted theft
- b) **property insured** as a result of rainwater entry following theft or attempted theft of the external fabric of the **building**.

This extension does not apply to

- a) any building which is **unoccupied**
- b) the first £300 of each loss after **average** has been applied.

11. Hire agreements

If **property insured** under this **section** is subject to hire agreements it is understood that the interest of the owners will be included in this insurance. **You** will declare the name of any other interested party in the event of loss.

12. Inflation protection

We will adjust the sum insured in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted sum insured.

13. Machinery re-erection costs

The cover for **machinery, plant and all other contents** extends to include the cost of re-erection and fixing of machinery and plant, testing and commissioning as a result of **damage** insured by this **policy**. The amount recoverable for any **damage** will not exceed the sum insured shown in the **schedule**.

14. Miscellaneous property

Cover for **buildings** and **machinery, plant and all other contents** also includes

- a) telephone, gas, water and electrical instruments, meters, piping, cabling and all accessories including similar property in adjoining yards, roadways or underground pertaining to the **premises** insured by this **section** and for which **you** are responsible
- b) plant, conveyors, trunk cables, lines, wire, service pipes and other equipment including all supporting structures in the open or adjoining or connected with a building(s).

15. Mortgagees

The act or neglect of any mortgagor or occupier of any insured **building(s)** where the risk of **damage** is increased without the authority or knowledge of any mortgagee will not prejudice the interest of the latter party (or parties), provided they notify **us** immediately on becoming aware of any increased risk and pay an additional premium if required.

16. Motor vehicles in the open

The cover on **insureds motor vehicles** and **customers motor vehicles** extends to cover this property whilst in the open, on, or about the **premises**.

17. Motor vehicle excess

We will not be liable for any **damage** to any **insureds motor vehicle(s)** which, at the time of the **damage** is, or are, insured by any other policies except for any amount (not exceeding the sum insured hereby) which may be in excess of the amount which would have been paid under the other policies had this insurance not been in place.

18. Non invalidation

Your policy will not be invalidated by any act or failure to advise of any alterations where the risk of **damage** is increased that are unknown to or beyond **your** control. **You** must advise **us** as soon as possible and pay an additional premium if applicable.

19. European Community and Public Authorities (including undamaged properties)

The insurance provided for **buildings, machinery, plant and all other contents** extends to include any additional costs for **reinstatement** that may be incurred solely to comply with

- a) European Community Legislation
- or
- b) Building or other Regulations under any Act of Parliament or Byelaws of any Public Authority

referred to as 'the Stipulations'

in respect of

- i) the lost, destroyed or damaged **property insured**
- ii) undamaged portions.

Excluding

- a) the cost incurred in complying with the Stipulations
 - i) for **damage** occurring prior to the granting of this extension
 - ii) for **damage** not insured by the **section**
 - iii) under which notice has been served upon **you**, prior to the **damage** happening
 - iv) for which there is an existing requirement which has to be implemented within a given period
 - v) for property entirely undamaged by any **defined peril**

- b) the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to the condition when new, had the need to comply with any of the Stipulations not arisen
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner for the reason of complying with the Stipulations

Special conditions

1. **Reinstatement** work must begin and be carried out without unreasonable delay and in any case must be completed within twelve months after the **damage**, unless **we** agree such further time (during the said twelve months) and the work may be carried out upon another site (if the Stipulations necessitate), subject to **our** liability under this extension not being increased.
2. If **our** liability under this **section**, apart from this extension, is reduced by the application of any terms and conditions of the **policy** then **our** liability under this extension will be reduced in like proportion.
3. The maximum amount **we** will pay under any item of this **section** under this extension will not exceed
 - a) in respect of the lost, destroyed or damaged property
 - i) 15% of its sum insured
 - ii) where the sum insured by the item applies to property at more than one **premises**, 15% of the total amount for which **we** would have been liable had the **property insured** by the item at the **premises** where the **damage** occurred has been wholly destroyed
 - b) for undamaged portions of property (other than foundations) 15% of the total amount which **we** would have been liable, had the **property insured** by the item at the **premises** where the **damage** occurred been wholly destroyed.
4. The total amount **we** will pay under any item of this **section** will not exceed its sum insured.
5. All terms and conditions of the **policy**, except where they have been varied by this extension, will still apply.

20. Reinstatement

(This extension is not applicable to **motor vehicles**, personal effects or **stock**)

Subject to the following special conditions the amount payable in respect of **property insured** under sums insured marked 'R' on the **schedule** will be calculated as **reinstatement** of the property, lost, destroyed or damaged.

Special conditions

1. **Our** liability for the repair or restoration of property damaged in part only will not exceed the amount **we** would have been liable for had the property been wholly destroyed.
2. If the sum insured at the time of any **damage** is less than 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item, at the time of rebuilding or replacement, the amount payable by **us** will be proportionately reduced.

3. No payment will be made beyond the amount which would have been payable in the absence of this extension
 - a) unless **reinstatement** commences and proceeds without unreasonable delay
 - b) until **reinstatement** costs have been actually incurred
 - c) if the **property insured** at the time of its loss, destruction or **damage** has any other insurance in force, which is not on the same basis of **reinstatement**.
4. All terms and conditions of the **policy** will apply
 - a) to any claim payable under this extension unless they have been amended by this extension
 - b) if any claim is payable as if this extension had not been included.

21. Automatic Reinstatement

In the event of any loss the sum insured stated in the **schedule** will not be reduced by the amount of any claim unless there is written notice by **us** or **you** to the contrary. **You** will have to pay an additional premium for this.

22. Rent

Any insurance on rent only applies if the **building(s)** or any part of them is unfit for occupation following **damage**. The amount payable will not exceed the proportion of the sum insured on rent as the period necessary for **reinstatement** relating to the term of the rent insured.

23. New for old vehicle replacement

If during the twelve month period from the date of first registration any **motor vehicle** which is either

- a) owned or registered by **you** since new
- or
- b) a private car, motor cycle or goods carrying vehicle under 4 tonnes gross vehicle weight, owned and registered in the name of **your** customer since new and is within **your** custody and control in connection with the **business**

and is either

- a) lost by theft and not recovered within 28 days of the date from when the theft is first reported to **us**
- or
- b) damaged to an extent greater than 50% of its list price (inclusive of VAT) at the time of the **damage**.

We will at **your** request (and subject to the consent of any other interested parties known to **us**), replace the vehicle with a new one of the same manufacture and model subject to availability. The damaged or recovered vehicle will then become **our** property.

If a replacement vehicle of the same manufacture and model is not available, the most **we** will pay is the market value of the vehicle and any permanently fitted accessories and spare parts immediately prior to the **damage** giving rise to the claim.

24. Property in transit

The insurance for **stock, machinery, plant and all other contents** extends to cover the **property insured** whilst in transit by road, rail, air and sea including loading and unloading anywhere within the **policy territories** but excluding

- a) any amount exceeding £5,000 any one loss
- b) employees tools
- c) contents and commercial loads of **customers motor vehicles** and personal property in any other vehicle
- d) **money**.

25. Subrogation waiver

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

- a) any **business** standing in relation of Parent to Subsidiary (Subsidiary to Parent) to **you** as defined in the Companies Act or the Companies (NI) Order at the time of the **damage**
- b) any company which is a Subsidiary of a Parent Company of which **you** are a Subsidiary in each case within the meaning of the Companies Act or the Companies (NI) Order at the time of the **damage**.

26. Temporary removal

This **section** extends to cover **property insured** other than **motor vehicles** whilst temporarily removed from the **premises** for **business** purposes anywhere in the **policy territories** excluding

- a) any amount in excess of 10% of the item sum insured shown in the **schedule** or £25,000 whichever is the less
- b) property whilst at any exhibition
- c) employees tools
- d) property in **motor vehicles**
- e) property in transit
- f) property which is removed from the **premises** for more than 90 consecutive days, unless **we** agree a longer period in writing
- g) property which is more specifically insured.

27. Temporary work

We will in addition to the sum insured pay the reasonable costs of temporary work necessary to secure the **premises** against entry following **damage** by theft in order to protect the **property insured** pending completion of permanent repairs.

28. Theft damage to buildings

Where there is no insurance in force for **buildings**, we will pay for **damage** (except by fire) to that part of the **premises** referred to in the **schedule** containing the **property insured** under this **section** resulting directly from theft or any attempted theft provided that

- a) **you** are the owner of the **premises** or are legally liable for the **damage**
- b) **our** maximum liability for **damage** by theft to each **premises** does not exceed the total sum insured as shown in the **schedule** against those **premises**.

29. Transfer of interest

If at the time of **damage you** have contracted to sell **your** interest in the **buildings** insured and the purchase has not yet been completed, the purchaser upon completion will be entitled to benefit under this **section** without prejudice to the rights and liabilities of **you** or **us** until completion, providing it is not yet insured by or on behalf of the purchaser.

30. Workmen

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

31. Seasonal increase

The sum insured for **insureds motor vehicles** is increased by 30% during the months of

- a) February and March
- b) August and September.

32. Financial loss – new vehicles

If **you** have to discount the sale price of a new and unused **motor vehicle** held for sale by **you** as the direct result of **you** having to declare

- a) damage repair
- or
- b) that the vehicle was stolen

to a prospective purchaser, **we** will consider making a payment to **you** to the value of the discount given, providing **we** had agreed to the level of discount given prior to the sale.

The maximum **we** will pay under this extension for any one **motor vehicle** is £5,000 and £25,000 for any one loss.

33. Fire extinguishing expenses

This **section** includes the reasonable costs and expenses incurred in refilling, recharging and replacing any

- a) portable fire extinguishing appliances
- b) local fire suppression system

- c) sprinkler installation
- d) sprinkler heads

as a result of **damage** insured by this **section**.

The maximum **we** will pay for any one claim is £10,000.

We will not cover **you** for any costs and expenses recoverable from **your** maintenance company or fire and rescue services.

34. Trace and access

This **section** includes the reasonable costs and expenses incurred by **you** in locating the actual source and subsequent making good of **damage** resulting from

- a) the escape of water from any tank, apparatus or pipe
- b) the leakage of fuel from any fixed oil heating installation
- c) accidental damage to cables, underground pipes and drains serving the **premises** insured.

The maximum **we** will pay for all claims during any one **period of insurance** is £10,000.

35. Exhibitions

We will cover **you** for **damage** to the **property insured**, other than **motor vehicles**, anywhere in the United Kingdom

- a) whilst at any exhibition which does not exceed seven days
- b) including accidental **damage** during the course of demonstration, erection, dismantling or construction by **you** whilst at any exhibition.

The maximum **we** will pay for any one claim is £10,000.

We will not cover **you** for

- a) **damage** due to theft or any attempted theft other than entry to or exit from any building storing the property by forcible and/or violent means or hold up by violence or threats of violence
- b) the first £300 of each and every loss
- c) **damage** due to theft or attempted theft from any **motor vehicle** which is left unattended, unless the vehicle is securely locked, its keys, key card or remote control transmitter removed and all windows are securely closed and all security devices are set to operate
- d) any computer equipment.

36. Landscaped grounds

This **section** includes costs incurred by **you** with **our** consent in reinstating or repairing landscaped gardens and grounds following **damage** to **property insured** at the **premises**.

The maximum **we** will pay for any one claim is £10,000.

We will not cover **you** for any subsequent costs arising due to the failure of trees, shrubs, plants, turf and the like to germinate or become established.

37. Employees tools

We will pay for **damage** to portable hand tools belonging to **your** employees which **you** accept responsibility for and are being used in connection with the **business**, whilst removed from the **premises** to anywhere within **policy territories** including whilst in transit (provided the sums insured in the **schedule** are adequate).

The maximum we will pay for any one employee is £3,500.

38. Loss of metered water

This **section** is extended to cover the cost of additional metered water charges incurred by **you** as a direct result of **damage** insured by this **policy** calculated at the current rate per cubic metre.

The maximum we will pay for all claims during any one **period of insurance** is £10,000.

We will not cover **you** for the accidental escape of water from any automatic sprinkler installation in the **premises**.

What is not covered

We will not pay for

1. Collusion

Damage by theft caused by or in collusion with **you** or any partner, director or employee of **you**, or any member of **your** family or any other people lawfully on the **premises**.

2. Consequential loss

Consequential loss or **damage** of any kind except loss of rent, when such a loss is included in the cover under this **section**.

3. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date but this will not exclude subsequent **damage** not otherwise excluded which results from a **defined peril**.

4. Dishonesty

Damage caused by any acts of fraud or dishonesty by **you** or any partner or director or **your** employees, but this will not exclude **damage** not otherwise excluded that results from a **defined peril**.

5. Electronic risks

Damage directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

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

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

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

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

6. Excess

The amount shown below after the application of **average** (if applicable), for each and every loss

a) damage caused by fire, lightning, explosion, aircraft, riot and civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or earthquake	£nil
b) all other insured damage	£300

7. Glass

Any amount in excess of £500 for the repair or replacement of sign writing, lettering, alarm foil or other ornamentation work on glass.

8. Loss of value

Loss of value following the repair of any **motor vehicle**, other than provided by Extension 32 'Financial Loss – New Vehicles'.

9. Miscellaneous Damage

Damage caused by or consisting of

- a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level or its own faulty or defective design or materials but this will not exclude subsequent **damage** which results from a cause not otherwise excluded
- b) the bursting of a boiler (not used for domestic purposes only) by steam pressure, economiser or other vessel, machine or apparatus in which internal pressure is due to steam only, belonging to **you** or under **your** control but this will not exclude subsequent **damage** which results from a cause not otherwise excluded
- c) faulty or defective workmanship, operational error or omission on the part of **you** or any of **your** employees but this will not exclude
 - i) **damage** which is not excluded that results from a **defined peril**
 - ii) subsequent **damage** which results from a cause not otherwise excluded
- d) destruction of or **damage** to a building or structure caused by its own collapse or cracking, unless it results from a **defined peril** not otherwise excluded
- e) **damage** to fences and gates caused by wind, rain, hail, sleet, snow, flood or dust and moveable property in the open other than any item(s) on **motor vehicles**

- f) **damage** (other than by fire or explosion) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair
- g) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects but this will not exclude
 - i) **damage** which is not excluded that results from a **defined peril**
 - ii) subsequent **damage** which results from a cause not otherwise excluded
- h) change in temperature, colour, flavour, texture or finish but this will not exclude
 - i) **damage** which is not excluded that results from a **defined peril**
 - ii) subsequent **damage** which results from a cause not otherwise excluded
- i) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or in connection with them
 - i) **damage** which is not excluded that results from a **defined peril**
 - ii) subsequent **damage** which results from a cause not otherwise excluded
- j) mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment, where the breakdown or derangement originates but this will not exclude
 - i) **damage** which is not excluded that results from a **defined peril**
 - ii) subsequent **damage** which results from a cause not otherwise excluded.

10. Motor vehicles and other property

- a) **Motor vehicles** or their contents, unless in or about the **premises**, railway locomotives, rolling stock, watercraft or aircraft.
- b) Property or structures in the course of construction and materials or supplies used in connection with the property in the course of construction or erection of the property.
- c) Land, roads, pavements, piers, jetties, bridges, culverts or excavations.
- d) Livestock, growing crops or trees.

unless specifically mentioned as insured by this **section**.

11. Other insurance

Any property more specifically insured by **you** or on **your** behalf.

12. Other insurance – marine

Property which at the time of the **damage** is insured by any marine policy except for any excess beyond the amount payable under the marine policy had this **section** not been effected.

13. Pollution or contamination

Damage caused by pollution or contamination. This does not exclude destruction of or **damage** to the **property insured** not otherwise excluded and caused by

- a) pollution or contamination which results from a **defined peril**
- b) a **defined peril** which results from pollution or contamination.

14. Subsidence

Damage caused by or consisting of

- a) subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- b) normal settlement or bedding down of new structures.

15. Terrorism

Damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any **damage**, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

16. Theft by deception

Damage resulting from **you** or any director, partner or employee of **yours** voluntarily parting with title or any rights of ownership of any property if induced to do so by any fraudulent scheme, trick or false pretence.

17. Theft by force excluding vehicles

Damage caused by theft or any attempted theft

- a) not involving entry to or exit from the **premises** by forcible and violent means or threat of violence to **you, your** family or employees
- b) of property in the open or property not contained in a locked **building**.

This exclusion will not apply to **motor vehicles** on the **premises**.

18. Unexplained loss

Damage caused by or consisting of disappearance unexplained or inventory shortage, misfiling or misplacing of information.

19. Unoccupied buildings

Damage to or caused by

- a) freezing
- b) escape of water from any tank, apparatus or pipe
- c) malicious persons not acting on behalf of or in connection with any political organisation (other than by fire or explosion)
- d) theft or any attempted theft
- e) fixed glass

for any **building** which is **unoccupied**.

20. Valuables

Damage to

- a) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books
- b) property in transit, other than provided by extension 24 – Property in transit
- c) china, earthenware, marble or other fragile or brittle objects
- d) computers or data processing equipment
- e) **money**, stamps, bonds, credit cards or securities of any description

other than **damage** caused by a **defined peril** (other than theft) that is not otherwise excluded.

Conditions

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

1. Fire-break doors and shutters

All fire-break doors and shutters must be kept closed except during working hours and be maintained in efficient working order. If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

2. Fire extinguishing appliances

All fire extinguishing appliances must be maintained in efficient working order during the **period of insurance**. This **section** will not be invalidated by any defect in any of the appliances due to any circumstances beyond **your** control. If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

3. Security of premises

If this insurance has been granted following a survey of **your premises**, **you** must not alter door and window fastenings and other security devices (except as may be required in the Further Protection Clause if shown in the **schedule**), without **our** written consent. In **your** own interest, please give early notification of any proposed changes so that if necessary a further survey can be undertaken. If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

4. Explosion

For any vessel, machinery or apparatus or its contents belonging to **you** or under **your** control, which need examination to comply with any Statutory Regulations, cover against **damage** caused by an explosion is subject to the provision that the vessel, machinery or apparatus will be the subject of a policy or another contract providing the required inspection. If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

5. Protections

For cover to operate in respect of **damage** caused by theft or any attempted theft **you** must ensure that all locks, bolts, bars, window fasteners and other protective and locking devices installed are maintained and put into operation whenever the **premises** are closed for **business** or left unattended. If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

6. Changes in occupancy

You must advise us

- a) of all changes in tenancy or occupation within the **premises**
- b) immediately if any empty building or empty portion of a building insured becomes occupied, or if any occupied building becomes **unoccupied** in line with Policy Condition 2. **You** may have to pay an additional premium.

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

7. Records

You will maintain a complete record of **stock** and **motor vehicles** received and sold.

8. Designation

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

Special clauses

*Clauses 1 to 5 apply only if the clause number appears in the **schedule***

1. Day one average

Subject to the following special conditions, the amount payable for **property insured** under sums marked DA in the **schedule** will be calculated as **reinstatement** of the property lost, destroyed or damaged.

The premium has been calculated according to the **declared value** specified in the **schedule** in brackets below the sum insured for each of the specific items which **you** have stated in writing.

Special conditions

- a) At the inception of each **period of insurance** you must notify **us** of the **declared value** of the **property insured** by each of the item(s). In the absence of this declaration the last amount will be taken as the **declared value** for the ensuing **period of insurance**.
- b) If at the time of **damage** the **declared value** of the property covered by each item is less than the cost of **reinstatement** at the inception of the **period of insurance**, **our** liability for any **damage** will not exceed that proportion of which the **declared value** is relative to the cost of **reinstatement**.
- c) **Our** liability for repair or restoration of property damaged in part only, will not exceed the amount which would have been payable had the property been wholly destroyed.
- d) No payment will be made beyond the amount that would have been payable in the absence of this special clause
 - i) unless **reinstatement** commences and proceeds without unreasonable delay
 - ii) until the cost of **reinstatement** has been incurred
 - iii) if the **property insured** at the time of the **damage** is insured by any other insurance which is not upon the same basis of **reinstatement**.

All the terms and conditions of this **policy** apply

- i) for any claim payable under the provisions of this special clause, except if they are varied by the special conditions
- ii) where claims are payable as if this special clause had not been incorporated except that the sum insured will be limited to 115% of the **declared value**.

2. Stock declaration conditions

The premium for any item in the **schedule** where the sum insured is marked 'D', is provisional and subject to adjustment as below.

The value of the property on the last day of each calendar month will be declared by **you** to **us** within 30 days. If a declaration is not given **you** will be deemed to have declared the sum insured as the value.

On the expiry of each **period of insurance** the actual premium will be calculated at the rate applicable on the total of the amounts declared, divided by the number of declarations. If the actual premium is greater than the provisional premium **you** will pay the difference to **us**. If it is less **we** will pay the difference to **you**.

The sum insured will not be reduced by the amount of any loss. **You** will have to pay an appropriate extra premium on the amount of the loss from the date of the loss until the expiry of the **period of insurance**.

Any other insurance on such property covering **damage** must be on a similar basis of declaration adjustment.

3. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

4. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance** and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

5. Intruder alarm

For cover to operate in respect of **damage** following entry or attempted entry to, or exit from the **premises** by forcible and violent means **you** must ensure that the following must be complied with

- a) the **premises** are protected by an **intruder alarm system** designed, installed and maintained to British Standard (BS)4737 or European Norm (EN)50131 including, where stipulated by **us** or the local police authority, BS8243 for installation of intruder alarm systems designed to generate confirmed alarms
- b) the intruder alarm installation and maintenance company must be both
 - i) a member of an alarm inspectorate which is accredited by the United Kingdom Accreditation Service (UKAS) to EN45011 or EN45012and
 - ii) accredited and operate a Quality Management System in accordance with EN International Organisation Standard (ISO) 9000.
- c) the **intruder alarm system** must be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance, as per the requirements of BS4737 or EN50131 with the installing company or other company as agreed with **us**. Where remote alarm signalling is required by **us** the signal transmission must be transmitted to an alarm receiving centre fully compliant with BS5979 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000.
- d) no alteration to or substitution of
 - i) any part of the **intruder alarm system**
 - ii) the maintenance contract
 - iii) the structure of the **premises** or changes to the layout of the **premises** which would affect the effectiveness of the **intruder alarm system**
 - iv) the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**be made without **our** written agreement.

- e) the **alarmed premises** will not be left unattended without **our** agreement:
- i) unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals, (including both alarm transmission systems for dual signalling systems) in full operation
 - ii) if the police have withdrawn their response to alarm activations.

If the **intruder alarm system** is not fully operative **you** must make arrangements for the **premises** to be attended until the **intruder alarm system** is fully operational.

- f) **you** must keep all security codes for the **intruder alarm system** confidential and all codes and keys to the **intruder alarm system** must be removed from the **premises** when they are left unattended.
- g) **you** will appoint at least two **key holders** and give written details (which must be kept up to date) to the alarm company and either the police or the alarm receiving centre.
- h) in the event of any notification of any activation of the **intruder alarm system** or interruption of communication, including one or both alarm transmission systems in respect of dual signalling systems, during any period the **intruder alarm system** is set, a **key holder** must attend the **premises** as soon as reasonably possible.

If the alarm system is not fully operative **you** must make arrangements for the **premises** to be attended until the **intruder alarm system** is fully operational.

- i) in the event of **you** receiving any notification
- i) the police attendance in response to alarm signals/calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
 - iii) that the **intruder alarm system** cannot be returned to, or maintained in full working order.

You must tell **us** as soon as possible but in any event within 7 days and comply with any subsequent requirements stipulated by **us**.

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

Section 2 - Selected All Risks

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Alarmed premises	The premises or those portions of the premises protected by the intruder alarm system .
Damage	Accidental loss, destruction or damage to property specified in the schedule .
Europe	Anywhere in Europe.
Great Britain	Anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
Intruder alarm system	The components including the means of communication used to transmit signals to the alarm-receiving centre.
Key holder	Any person or key holding company authorised by you who is available at all times to accept notification of faults or alarm signals to the intruder alarm system and who can attend and allow access to the premises .
Worldwide	Anywhere in the World.

What is covered

We will pay you for the cost of replacement or repair following **damage** occurring at the location(s) detailed in the **schedule**.

We will not pay more than the sum insured detailed in the **schedule** for any one item and not more than the total sum insured adjusted in accordance with the Inflation Protection Clause.

What is not covered

We will not pay for:

1. Excess

The first £250 of each claim.

2. Theft by force from premises

Theft or any attempted theft from the **premises** not involving entry to or exit from the **premises** by forcible and violent means.

3. Miscellaneous damage

Damage caused by or consisting of

- a) wear and tear, or from any process of cleaning, restoring, adjusting or repairing
- b) or attributable to the action of light, atmosphere, moths, parasites or vermin
- c) any electrically driven machine or apparatus directly caused by its own overrunning, short-circuiting, self-heating or by the application of excessive electrical energy or mechanical derangement not arising from external impact
- d) any component part of any item insured in the **schedule** while such part is removed from its normal position in the item.

4. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date but this will not exclude subsequent **damage** not otherwise excluded which results from a **defined peril**.

5. Electronic risks

Damage directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

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

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

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

6. Terrorism

Damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any **damage**, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

Clauses

1. Average Clause

If at the time of **damage** the value of the property insured under any item is more than its sum insured, **you** will be considered as being **your** own insurer for the difference and will be responsible for a proportional share of the loss accordingly.

2. Inflation Protection Clause

We will adjust the sum insured in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted sum insured.

3. Reinstatement Clause

Where the sum insured on the **schedule** is marked R, the basis of claims settlement will be the cost of repair or the current replacement value without deduction for wear and tear provided that all necessary repairs or replacements are carried out without delay.

Special Clauses

*Clauses 1 to 3 apply only if the clause numbers appear in the **schedule***

1. Temporary Cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

2. Long Term Agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance** and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

3. Intruder alarm

For cover to operate in respect of **damage** following entry or attempted entry to, or exit from the **premises** by forcible and violent means **you** must ensure that the following must be complied with

- a) the **premises** are protected by an **intruder alarm system** designed, installed and maintained to British Standard (BS)4737 or European Norm (EN)50131 including, where stipulated by **us** or the local police authority, BS8243 for installation of intruder alarm systems designed to generate confirmed alarms
- b) the intruder alarm installation and maintenance company must be both
 - i) a member of an alarm inspectorate which is accredited by the United Kingdom Accreditation Service (UKAS) to EN45011 or EN45012and
 - ii) accredited and operate a Quality Management System in accordance with EN International Organisation Standard (ISO) 9000.
- c) the **intruder alarm system** must be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance, as per the requirements of BS4737 or EN50131 with the installing company or other company as agreed with **us**. Where remote alarm signalling is required by **us** the signal transmission must be transmitted to an alarm receiving centre fully compliant with BS5979 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000.
- d) no alteration to or substitution of
 - i) any part of the **intruder alarm system**
 - ii) the maintenance contract
 - iii) the structure of the **premises** or changes to the layout of the **premises** which would affect the effectiveness of the **intruder alarm system**
 - iv) the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**be made without **our** written agreement.
- e) the **alarmed premises** will not be left unattended without **our** agreement:
 - i) unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals, (including both alarm transmission systems for dual signalling systems) in full operation
 - ii) if the police have withdrawn their response to alarm activations.If the **intruder alarm system** is not fully operative **you** must make arrangements for the **premises** to be attended until the **intruder alarm system** is fully operational.
- f) **you** must keep all security codes for the **intruder alarm system** confidential and all codes and keys to the **intruder alarm system** must be removed from the **premises** when they are left unattended.
- g) **you** will appoint at least two **key holders** and give written details (which must be kept up to date) to the alarm company and either the police or the alarm receiving centre.
- h) in the event of any notification of any activation of the **intruder alarm system** or interruption of communication, including one or both alarm transmission systems in respect of dual signalling systems, during any period the **intruder alarm system** is set, a **key holder** must attend the **premises** as soon as reasonably possible.

If the alarm system is not fully operative **you** must make arrangements for the **premises** to be attended until the **intruder alarm system** is fully operational.

- i) in the event of **you** receiving any notification
 - i) the police attendance in response to alarm signals/calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
 - iii) that the **intruder alarm system** cannot be returned to, or maintained in full working order.

You must tell **us** as soon as possible but in any event within 7 days and comply with any subsequent requirements stipulated by **us**.

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

Section 3 – Money, Assault and Wrongful Conversion

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Accident	Bodily injury caused by violent external and visible means.
Business hours	Your usual business hours (including overtime) while you or your employees entrusted with money , are on your premises or sites of contracts for the purposes of the business .
Insured Person(s)	You and any partner, director or employee aged between 16 and 70.
Loss of limb(s)	Total and permanent loss by physical severance, or total and permanent loss of use of a hand at or above the wrist, or a foot at or above the ankle.
Loss of sight	Total and permanent loss of sight will be regarded as having occurred a) in both eyes when the insured person has been added to the register of blind persons on the authority of a fully qualified ophthalmic specialist or b) in one eye when the degree of sight is 3/60 or less on the Snellen Scale (which means the insured person is only able to see at three feet that which they should normally see at 60 feet) and we are satisfied that the condition is permanent and beyond hope of improvement.
Permanent total disablement	Permanent disablement (other than loss of limb(s) or loss of sight) which a) lasts for more than twelve consecutive months and b) in the opinion of a independent qualified medical referee acceptable to us will in all probability continue for the remainder of the insured persons lifetime and c) wholly prevents the insured person from engaging in or giving attention to their usual occupation.
Temporary partial disablement	Disablement which prevents the insured person from engaging in or attending to a substantial part of their usual occupation, but is not permanent total disablement .
Temporary total disablement	Disablement which wholly prevents the insured person from engaging in or attending to all functions of their usual occupation, but is not permanent total disablement .

Part 1 – Money

What is covered under Part 1

We will

1. insure **you** against
 - a) loss of **money** connected to the **business** which occurs whilst
 - i) in transit
 - ii) at any of **your premises**
 - iii) in a bank night safe
 - iv) at the residence of any principal or authorised employee of **yours**
 - b) loss of or damage to safes and strongrooms resulting from theft of **money** or any attempted theft anywhere in the **policy territories** up to the limits of liability stated in the **schedule** to this **section**, subject to the limit any one loss of crossed cheques, crossed postal orders, crossed money orders, crossed bankers drafts, National Savings Certificates, credit company sales vouchers or receipts, National Insurance stamps affixed to cards and VAT purchase receipts being £250,000.
2. Pay for loss of or damage to clothing and personal effects belonging to **you** or any employee of **yours** caused by robbery or attempted robbery occurring in the course of the **business** subject to a limit of £500 in respect of any one person.

Extensions to Part 1

1. Credit cards

We will cover **you** for any amount for which **you** become liable, under the terms of issue, for any bank charge, credit, debit or cash card used solely in connection with the **business** following fraudulent use by anyone unauthorised, provided that **our** liability does not exceed £500 during any one **period of insurance**.

2. Bank Holidays

The sums insured shown in the **schedule** of this **section** for **money** in transit on the **premises** and in a bank night safe are automatically increased by 25% during each and every official Bank Holiday in the United Kingdom until twelve noon on the next working day.

What is not covered under Part 1

We will not cover you against

- a) the first £300 of each and every loss
- b) loss from unattended **motor vehicles**
- c) loss arising from fraud or dishonesty of **your** employees unless the loss is discovered within fourteen working days of the event
- d) loss due to clerical or accounting errors
- e) loss insured (or which would but for the existence of this **section**) by any Fidelity Guarantee or Theft policy, except for the excess of any amount recoverable (or which would but for the existence of this **section** be recoverable).

Conditions to Part 1

These conditions of cover apply only to Part 1 of this **section**. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Transit security

It is agreed that **money** in transit other than by an approved security organisation will be accompanied by the following number of able-bodied adults and that no more than £3,000 will be carried by any one person.

Amount at any one time	Number of persons
Up to £3,000	One
£3,001 to £6,000	Two
£6,001 to £9,000	Three
£9,001 and over	Approved security organisation

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

Part 2 – Personal Accident – Assault

What is covered under Part 2

We will pay **you** in trust for the **insured person**, or in the event of death, the personal representatives of the **insured person**, compensation based on and in accordance with the Table of compensations if any **insured person** suffers an **accident** caused by theft or any attempted theft involving violence or threat of violence in the course of the **business** during the **period of insurance** (which is the sole and direct cause of death or disablement).

For the purposes of item 4, the compensation payable will not exceed the **insured persons** average weekly remuneration from **you**, over the period of 13 weeks immediately prior to the event causing the **accident**.

Provided always that

- a) the **insured person** is not entitled to compensation under more than one of the items in the table of compensations for the same injury
- b) after a claim under items 1 to 3 has been admitted and become payable, no further liability for any additional payment will be met
- c) weekly compensation under items 4 and 5 will not become payable until the total amount has been agreed
- d) this cover does not insure against death or disablement arising from any pre-existing physical defect or infirmity of the **insured person**.

Table of compensations

The amounts shown represent one unit.

Item	Amount
1. Death*	£10,000
2. Loss of limb(s) (one or more) and/or loss of sight of one or both eyes*	£10,000
3. Permanent total disablement	£10,000
4. Temporary total disablement (while the insured person is disabled) for a period not exceeding 104 weeks in respect of any one injury calculated from the date of the accident at the rate of:	£100 per week
5. Temporary partial disablement (while the insured person is disabled) for a period not exceeding 104 weeks in respect of any one injury calculated from the date of the accident at the rate of:	£50 per week
6. Reimbursement of incurred medical expenses*	up to £500

* Occurring within 2 years of the event giving rise to the **accident**.

Conditions to Part 2

These conditions of cover apply only to Part 2 of this **section**. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

1. Notice of every **accident** claim needs to be given to **us** in writing as soon as possible; in any case it must be within three months of the event.
2. All certificates, information and evidence required by **us** must be supplied at **your** expense and in a format that **we** request. The **insured person**, as often as required, will undergo medical examinations on **our** behalf for any alleged **accident**. This will be at **our** expense.
3. **We** will at **our** expense, in the case of death of the **insured person**, be entitled to arrange for a post-mortem examination.

Part 3 – Wrongful conversion

Your **schedule** will show if cover under Part 3 is in force.

What is covered

We will cover **you** for loss sustained by **you** in connection with any vehicle purchased by **you** in the course of the **business** during the **period of insurance** within the **policy territories** for which

- a) the rightful and lawful owner has substantiated a valid claim for the return of the **motor vehicle** or its value
- b) the person with whom **you** have contracted to sell the **motor vehicle** has substantiated a valid claim for damages for breach of implied warranty of title.

We will also pay costs

- a) recovered by any claimant against **you** where **we** contest the claim or the claim is contested with **our** written consent
- b) for the defence of any claim incurred with **our** written consent.

Provided always that

- a) **you** will be responsible for the first £500 or 20% of each claim whichever is the greater. If **you** have subscribed to the HPI Gold check the amount of co-insurance reduces to 15% or £500 whichever is the greater
- b) all payments for **motor vehicles** purchased by **you** or allowance for part exchange will be settled by cheque, credit card or credit against a new purchase
- c) no payment will be made by **you** until HPI Ltd or Experian Ltd have confirmed that the **motor vehicle** being purchased is not subject to any Hire Purchase Interest or adverse information against it. If confirmation is obtained by telephone no payment will be made by **us** until written confirmation is received from HPI Ltd or Experian Ltd
- d) notice of any claim or potential claim must be given as soon as **you** are aware. Notice must be given in writing and be received by **us** during the **period of insurance** when the **motor vehicle** was purchased by **you** or within six months.

What is not covered under Parts 1, 2 and 3

We will not pay for

1. Terrorism

Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

2. Electronic risks

Damage directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

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

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

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

Conditions to Parts 1, 2 and 3

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

1. **You** will take all reasonable precautions for the safety of the **money** and upon knowing of any event giving rise or likely to give rise to a claim under this **section** will
 - a) give immediate notice to the Police and **us** and take all practical steps to discover the guilty person(s) and to recover the **money** lost
 - b) give immediate notice to the Inland Revenue of any loss of stamped National Insurance cards
 - c) deliver to **us** a detailed statement in writing of the loss within fourteen days from when **you** became aware
 - d) provide all explanations, vouchers, proof of ownership and other evidence to substantiate the claim. **We** may, if deemed necessary, require corroborative evidence of the statements of **you** or any of **your** employees.
2. **You** must ensure that
 - a) **you** keep a daily record of the amount of **money** contained in safes or strongrooms and the record will be deposited in a secure place other than these safes or strongrooms. Documentary evidence will need to be produced to support a claim under this **section**

- b) the keys of safes or strongrooms will not be left on the **premises** out of **business hours** unless the **premises** are still occupied by **you** or any of **your** authorised employees. In which case if keys are left on the **premises** they will be deposited in a secure place not in the vicinity of safes or strongrooms.

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

Special clauses

*Clauses 1 to 3 apply only if the clause numbers appear in the **schedule***

1. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

Any changes to the LTA clause will need to be made every time it appears.

2. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance**, and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

3. Intruder Alarm

For cover to operate in respect of **damage** following entry or attempted entry to, or exit from the **premises** by forcible and violent means **you** must ensure that the following must be complied with

- a) the **premises** are protected by an **intruder alarm system** designed, installed and maintained to British Standard (BS)4737 or European Norm (EN)50131 including, where stipulated by **us** or the local police authority, BS8243 for installation of intruder alarm systems designed to generate confirmed alarms
- b) the intruder alarm installation and maintenance company must be both
 - i) a member of an alarm inspectorate which is accredited by the United Kingdom Accreditation Service (UKAS) to EN45011 or EN45012and
 - ii) accredited and operate a Quality Management System in accordance with EN International Organisation Standard (ISO) 9000.

- c) the **intruder alarm system** must be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance, as per the requirements of BS4737 or EN50131 with the installing company or other company as agreed with **us**. Where remote alarm signalling is required by **us** the signal transmission must be transmitted to an alarm receiving centre fully compliant with BS5979 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000.
- d) no alteration to or substitution of
- i) any part of the **intruder alarm system**
 - ii) the maintenance contract
 - iii) the structure of the **premises** or changes to the layout of the **premises** which would affect the effectiveness of the **intruder alarm system**
 - iv) the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**
- be made without **our** written agreement.
- e) the **alarmed premises** will not be left unattended without **our** agreement:
- i) unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals, (including both alarm transmission systems for dual signalling systems) in full operation
 - ii) if the police have withdrawn their response to alarm activations.
- If the **intruder alarm system** is not fully operative **you** must make arrangements for the **premises** to be attended until the **intruder alarm system** is fully operational.
- f) **you** must keep all security codes for the **intruder alarm system** confidential and all codes and keys to the **intruder alarm system** must be removed from the **premises** when they are left unattended.
- g) **you** will appoint at least two **key holders** and give written details (which must be kept up to date) to the alarm company and either the police or the alarm receiving centre.
- h) in the event of any notification of any activation of the **intruder alarm system** or interruption of communication, including one or both alarm transmission systems in respect of dual signalling systems, during any period the **intruder alarm system** is set, a **key holder** must attend the **premises** as soon as reasonably possible.
- If the alarm system is not fully operative **you** must make arrangements for the **premises** to be attended until the **intruder alarm system** is fully operational.
- i) in the event of **you** receiving any notification
- i) the police attendance in response to alarm signals/calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
 - iii) that the **intruder alarm system** cannot be returned to, or maintained in full working order.
- You** must tell **us** as soon as possible but in any event within 7 days and comply with any subsequent requirements stipulated by **us**.

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

Section 4 – Goods in Transit – Own Goods

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Any one event	Any one claim or series of claims attributable to one original cause.
Enclosed premises	A locked building or a compound, bound on each side by a substantial wall, fence or similar structure and having a locked gate.
Excess	The amount you must pay as the first part of each claim.
Property	Goods and tools belonging to you or for which you are responsible, relating to the business which is shown in the schedule, except for any goods specifically excluded by this section.
Territorial limits	<ul style="list-style-type: none">• England• Wales• Scotland• Northern Ireland• Channel Islands• Eire• Isle of Man including the sea crossings in or between.
Unattended	A vehicle will be considered unattended if you or the person in charge of the vehicle are not in such a position as to have reasonable prospects of preventing loss or damage. For the purpose of clarification a vehicle will not be regarded as unattended whilst the driver of the vehicle on which property is loaded is asleep in the vehicle.
Vehicle(s)	<ul style="list-style-type: none">• articulated vehicle• motor vehicle• trailer or semi-trailer
Vehicle sum insured	The maximum we will pay for property on any one vehicle.

What is covered

We agree, subject to the terms contained or endorsed within, to cover **you** against loss of or damage to **property** in transit within the **territorial limits** whilst carried by the means of transportation shown in the **schedule** for this **section**.

Cover commences when the **property** is lifted by **you** or **your** employees, immediately prior to loading and continues until the **property** is placed in position (excluding erection, dismantling or installation) by **you** or **your** employees at the destination, including loading and unloading.

Expenses

We will pay expenses reasonably incurred by **you** in

- a) the removal of debris and site clearance of **property** damaged, whilst in transit from the immediate area of the site where the damage occurred
- b) transferring **property** to any other vehicle, following fire, collision, overturning or impact of the conveying **vehicle** including carrying the **property** to the original destination or to the place of collection
- c) reloading onto the **vehicle** any **property** which has fallen from the **vehicle**
- d) re-securing the **property** where there is dangerous movement of the load in transit.

Ropes and sheets

We will pay for loss of or damage (excluding wear and tear) to tarpaulins, sheets, trailer curtains, ropes, chains, webbing, straps and packing materials which belong to **you** or for which **you** are responsible whilst carried on any **vehicle** described in the **schedule** for this **section**.

Reinstatement of sum insured

We will automatically reinstate the **vehicle sum insured** shown in the **schedule** for this **section** from the date of any loss, unless written notice to the contrary is given by **us**.

Temporary vehicle substitution

If **your vehicle(s)** are individually specified in the **schedule** for this **section**, **we** will insure **property** carried in any similar road **vehicle**, subject to the terms and security requirements in this **section**, when **your own vehicle** is out of use, undergoing repair, maintenance or testing.

Temporary cover for fleet additions

If **your vehicle(s)** are individually specified in the **schedule** for this **section**, subject to the **section** terms, **we** will insure **property** carried in any road **vehicle** **you** operate which is to be added on a permanent basis to the fleet but is not currently included, provided that

- a) after fourteen days from the date **you** take custody or control of the **vehicle**. Cover will cease unless during this period, terms have been mutually agreed between **us** and **you**
- b) a **vehicle sum insured** of £2,000 will apply.

Personal effects

Following the payment of a claim under this **section**, we will pay up to £100 for loss of or damage to drivers personal effects (excluding wear and tear) whilst they are in **vehicles** operated by **you**. We will not pay for audio, visual, telecommunications equipment or clothing, watches and jewellery whilst being worn.

The maximum we will pay under this section including any extensions for any one event will be the amount shown in the schedule as the limit one event.

Extensions

These only apply if shown in the **schedule** for this **section**.

1. Travellers samples

We agree to cover **you** against loss of or damage to travellers samples relating to the **business** shown in the **schedule** for this **section**.

2. Stockroom and hotel

We agree to cover **you** against loss of or damage to **property** or **travellers samples** whilst temporarily removed from the **vehicle** and kept in a stockroom, hotel or private dwelling house, provided that they remain in the custody and control of **you** or **your** employees.

3. Livestock

We will cover **you** against death, loss of, or injury to livestock caused by either fire, accidental means or theft whilst being loaded onto, carried by, or unloaded from any **vehicle** described in the **schedule** for this **section**, anywhere in Great Britain.

Loading starts as the animal mounts the ramp and unloading finishes as the animal leaves the ramp.

We will pay up to £500 for any one animal.

The exclusion of living creatures under What is not covered does not apply to livestock.

Conditions

- a) Any vehicle used must be constructed specifically for the safe carriage of livestock.
- b) The loading and unloading operations must be done under adequate supervision and by means of a specially constructed ramp.

4. Property on approval with customers

We agree to cover **you** against loss of or damage to **property** whilst on customers premises, on approval, excluding loss or damage whilst in use.

We will pay up to £20,000 under this extension for **any one event**.

5. Property on demonstration

We agree to cover **you** against loss of or damage to **property** whilst on customer's premises for demonstration purposes, excluding loss or damage caused during the demonstration itself.

We will pay up to £20,000 under this extension for **any one event**.

6. Exhibitions

We agree to cover **you** against loss of or damage to **property** and stands belonging to **you** or in **your** custody or control whilst at exhibitions.

We will not pay for

- a) loss or damage due to atmospheric, climatic or weather conditions of any kind including flood
- b) loss or damage to machinery due to its own running or operation
- c) breakage of china, glass or scientific instruments or any other property of a brittle or fragile nature unless resulting from fire.

What is not covered

We will not pay for

1. Delays

Loss or damage to **property**, directly or indirectly caused by or arising from a delay.

2. Money

Loss of or damage to **money**, securities for money (which includes certificates of bond, stock certificates, bills of exchange or promissory notes), stamps, watches, precious stones, jewellery, bullion.

3. Consequential loss

Any indirect or consequential loss.

4. Deterioration

Natural deterioration.

5. Deterioration of property

The deterioration of **property** conveyed in a frozen, chilled or insulated condition due to

- a) faulty stowage
- b) incorrect setting or operation of the equipment
- c) variations in temperature

unless directly caused by fire, accident (but not breakdown) to the conveying **vehicle**, theft or attempted theft.

6. Terrorism

Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

Conditions

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

1. Your duty of care

You must take all reasonable care to prevent and minimise loss or damage to **property**. If the **vehicle(s)** are left **unattended** **you** must ensure that all the doors and the boot are securely locked and windows and other openings are securely closed. If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

2. Average

If at the time of any loss or damage the total value of the **property** on the conveying **vehicle** to which this insurance relates exceeds the sum insured for the **property** and **your vehicle(s)**, then **you** shall be deemed **your** own insurer for the difference and will be responsible for a proportional share of the loss or damage accordingly. This will be the amount that the **vehicle sum insured** is, as a proportion to the value of the **property**.

3. Basis of claims settlement

This will normally be a payment in money but **we** have the option to repair, replace or reinstate **property** lost or damaged.

In the event of loss or damage to any part of a machine **we** will only pay for the value of the part actually lost or damaged including any replacement charges.

4. Premium Adjustment

If we base your deposit premium on estimates you supply as shown in the **schedule**, you must provide a declaration of the actual figures for the last **period of insurance** as soon as possible after that period has ended. The actual premium for the period is then calculated.

Special clauses

*Clauses a) to g) apply only if the clause letter appears in the **schedule***

a) Overnight theft restriction

This **section** does not cover theft or attempted theft from any **unattended vehicle(s)** outside of your normal business hours, unless it is secured at all points of access and is garaged within **enclosed premises** which are securely locked or have a watchman in constant attendance.

b) Forcible entry to vehicle restriction

This **section** does not cover theft or attempted theft from any **unattended vehicle(s)** unless there are outward signs of forced entry to the **vehicle(s)**.

c) Immobiliser requirement

You must ensure that all **vehicle(s)** are fitted with a key operated immobiliser approved by us and that whenever the **vehicle(s)** are left **unattended** the immobiliser is put into operation.

d) Alarm requirement

You must have all **vehicle(s)** fitted with an alarm system approved by us. The alarm system must always be switched on and operational when the **vehicle(s)** are left **unattended**. You must have the alarm system regularly serviced and maintained by a qualified person approved by us and you must not make any alterations to the alarm system without our agreement.

e) Never left unattended requirement

When **vehicle(s)** are carrying **property** you must ensure that they will not be left **unattended** and will always be guarded by you or a responsible able bodied adult.

f) Exclusion of overnight theft cover

This **section** does not cover theft or attempted theft from any **unattended vehicle(s)** between 9pm and 6am.

g) Exclusion of theft cover in London

This **section** does not cover theft or attempted theft which occurs within the perimeter of the M25.

Section 5 – Road Risks

Your schedule will show you if this section is in force, and which parts of this section apply.

Cover options

The cover provided under your policy is shown in your schedule. The parts of this section that apply to each type of cover are as follows

Comprehensive	All parts of this section apply.
Semi Comprehensive	All parts of this section apply however cover is limited to the cost of parts and sundries, labour costs are not included for vehicles owned or registered by you.
Third Party Fire & Theft	All parts of this section apply but part 1 – Loss or damage applies only to loss or damage caused directly by fire or theft as described in part 1, sub-section 2 – Fire and theft.
Third Party Only	All parts of this section except for part 1 – Loss or damage.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Employee(s)	<p>Anyone who is</p> <ul style="list-style-type: none"> • under a contract of service or apprenticeship with you • under a work experience training scheme • a labour master or labour only subcontractor or anyone supplied or employed by them • self employed working on a labour only basis • hired to or borrowed by you • a prospective employee who is being assessed by you on their suitability for employment • a voluntary helper working under your supervision and control.
European Union	Countries who have agreed to abide by common international treaties and have been accepted as full members of the European Union by the European Council of Ministers.
Goods carrying vehicle	A motor vehicle manufactured or adapted to carry goods.

Inexperienced	<p>Anyone who holds</p> <ul style="list-style-type: none"> a) a provisional licence <p>or</p> <ul style="list-style-type: none"> b) a full licence for less than 12 months which was issued within the policy territories or any other European Union country <p>or</p> <ul style="list-style-type: none"> c) a full licence that has been in force for less than two years which was issued outside of the policy territories or any non-European Union country.
Insured value	The actual market value of the insured vehicle at the time of the loss or damage.
Insured vehicle	<ul style="list-style-type: none"> a) Any motor vehicle (including accessories, plant, fixed equipment) as detailed under paragraph 1. Description of Vehicle in the effective Certificate of Motor Insurance. b) Any disabled motor vehicle and/or any trailer attached to a vehicle described in a) above for the purpose of being towed. c) Any vehicle and/or trailer whilst being conveyed on a vehicle or trailer described in a) or b) above used in connection with the business or otherwise in accordance with paragraph 6. Limitations as to Use of the effective Certificate of Motor Insurance. <p>excluding</p> <ul style="list-style-type: none"> i) any motor vehicle transporter (or motor vehicle transporter and trailer) capable of carrying more than two motor vehicles at any one time, unless the motor vehicle transporter and/or trailer is in your custody or control for sale, repair, alteration, testing, servicing, maintenance, cleaning or inspection ii) any motor vehicle carried by a motor vehicle transporter (or motor vehicle transporter and trailer) capable of carrying more than two motor vehicles at any one time iii) vehicles hired by you under a hire purchase agreement to any partner or director unless specifically agreed by us in advance, or employee of yours unless the vehicle is in your custody or control for sale, repair, alteration, testing, servicing, maintenance, cleaning or inspection iv) vehicles loaned or hired from you under sponsorship agreements.
Motorcycle	<ul style="list-style-type: none"> a) A mechanically propelled two-wheeled motor vehicle with or without a sidecar or trailer attached. b) A mechanically propelled three-wheeled motor vehicle that has two wheels on one axle, the central points of contact of the wheels and the road, are less than 46 centimetres apart.
Private car	A passenger-carrying motor vehicle with not more than nine seats including the driver's seat.

Part 1 – Loss or damage

What is covered under Part 1

We will indemnify **you** against loss of or damage to the **insured vehicle** up to the **insured value** occurring during the **period of insurance** and within the **policy territories**, by

1. Loss or damage

Any cause including fire and theft more specifically described in 2. below.

2. Fire and theft

- a) fire, self-ignition, lightning or explosion
- b) theft or attempted theft.

including the reasonable cost of

- a) protection and removal to the nearest repairers
- b) delivery to the **premises** after repair.

If to **our** knowledge the **insured vehicle** is subject to a hire purchase, leasing or contract hire agreement **we** will pay any outstanding amount due to the owner described in the agreement first with any balance being paid to **you**.

Clause applicable to Part 1

Claims settlement

We may at **our** own option repair, reinstate or replace the **insured vehicle** or pay in cash the amount of the loss or damage.

The maximum amount payable by **us** for any claim for loss or damage will be the **insured value** immediately prior to the loss or damage, not exceeding the limit of indemnity stated in the **schedule** or in any **endorsement** applicable, unless **you** are entitled to claim for a new replacement vehicle as described in extension 1 below.

Extensions to Part 1

1. New for old vehicle replacement

If during the twelve month period from the date of first registration any **insured vehicle** which is either

- a) owned or registered by **you** since new

or

- b) a **private car, motorcycle** or **goods carrying vehicle** under 4 tonnes gross vehicle weight owned and registered in the name of **your** customer since new and is within **your** custody and control whilst in connection with the **business**.

and is either

- i) lost by theft and not recovered within 28 days of the date from when the theft is first reported to **us**
- or
- ii) damaged to an extent greater than 50% of its list price (inclusive of VAT) at the time of the damage.

We will at **your** request and subject to the consent of any other interested parties known to **us**, replace the **insured vehicle** with a new one of the same manufacture and model subject to availability. The damaged or recovered vehicle will then become **our** property.

If a replacement vehicle of the same manufacture and model is not available, the most **we** will pay is the **insured value** of the vehicle and any permanently fitted accessories and spare parts immediately prior to the loss or damage giving rise to the claim.

2. Replacement locks and keys

We will cover **you** for the cost of replacing locks or lock mechanisms, keys, key cards, remote control transmitters, central locking interfaces, parts of the engine control units, alarms or immobilisers necessary to maintain the security of the **insured vehicle** in the event of the theft or loss of the keys, key cards or remote control transmitters provided there is reasonable belief that

- a) such keys, key cards or remote control transmitters are in the possession of someone other than **you**
- and
- b) that person will know the identity of the garaging address of the **insured vehicle**.

The maximum **we** will pay is £10,000 any one loss subject to a maximum of £50,000 during any one **period of insurance**.

3. Financial loss – new vehicles

If **you** have to discount the sale price of a new and unused **insured vehicle** held for sale by **you** as the direct result of **you** having to declare

- a) damage repair
- or
- b) that the vehicle was stolen

to a prospective purchaser, **we** will consider making a payment to **you** to the value of the discount given, providing **we** had agreed to the level of discount given prior to the sale.

The maximum **we** will pay under this extension for any one **insured vehicle** is £5,000 and £25,000 any one event.

4. Contract sale price

We will cover **you** if an **insured vehicle** sold by **you** which is undelivered and **your** responsibility suffers loss or damage insured by this **section** and with regard to which under the conditions of sale the sale contract is cancelled, or cancelled to the extent of such loss or damage then **our** liability will be based on the contract price and not the **insured value**.

5. Sub-contractors

In the event of an **insured vehicle** sustaining loss or damage whilst in the possession of a sub-contractor appointed by **you** for service or repair, the **vehicle** will be deemed to be in **your** custody or control.

6. Contents of customers vehicles

We will cover **you** against loss of or damage to the contents of customers vehicles whilst in **your** custody or control. **Our** liability is limited to £5,000 for any one loss.

What is not covered under Part 1

We will not pay for

1. the following **excesses**, in addition to any other **section excesses** as specified in the **schedule**, for loss or damage occurring while the **insured vehicle** is being driven by or is in the charge of for the purpose of being driven by any person who is
 - a) under 21 years of age – £250
 - b) 21 to 24 years of age inclusive – £150
 - c) **inexperienced** and 25 years of age and over – £150.

These **excesses** will not apply for loss or damage by fire, self-ignition, lightning, explosion, theft or attempted theft or where the only damage to the **insured vehicle** is a broken window or windscreen, including any resulting scratched bodywork where

- i) the total **excess** under this **section** for loss of or damage to the glass in the **insured vehicle's** windscreen, windows, or for any scratching of the bodywork arising from the breakage of glass is £100 for each and every loss. This excess will not apply when the glass is repaired rather than replaced
 - ii) the maximum **we** will pay including the **excess** is limited to £100 unless the repair or replacement is carried out by a replacement windscreen provider authorised by **us**.
2. loss of use other than as provided under Part 2 – Third party liability
3. depreciation and wear and tear
4. mechanical, electronic or electrical breakdowns, failures or breakages
5. computer and electronic equipment failure or malfunction
6. loss of value following the repair of any **insured vehicle** other than as provided by extension 3 – Financial loss – new vehicles
7. damage to tyres by the application of brakes or by punctures, cuts or bursts

8. loss or damage as a consequence of or arising during riot or civil commotion occurring in Northern Ireland or outside the **policy territories**
9. loss or damage caused by any malicious act or by theft or any attempted theft by any of **your** employees or brought about in any way by them
10. loss or damage through deception by someone pretending to be a buyer or that person's agent
11. any costs arising from the need for
 - a) the repair of the original work or alteration undertaken by **you** or any sub-contractor appointed by **you** that caused loss of or damage to the **insured vehicle**
 - b) carrying out again the service, maintenance, treatment, test or examination undertaken by **you** or any sub-contractor appointed by **you** that caused loss of or damage to the **insured vehicle**
12. Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

Part 2 – Third party liability

What is covered under Part 2

1. Your liability to third parties

We will indemnify **you** against legal liability for damages and costs and expenses incurred through

- a) death of or bodily injury to anyone
- b) damage to property up to £10,000,000 for any one claim or number of claims arising out of one event

as a result of an accident that is caused by or in connection with the **insured vehicle**, including its loading and unloading, during the **period of insurance** and within the **policy territories**.

2. Liability of other people driving or using your vehicle

We will also insure the following people on the same basis that **we** insure **you**

- a) anyone **you** give permission to drive or use the **insured vehicle**, provided that **your** effective Certificate of Motor Insurance allows that person to drive
- b) at **your** request any passenger travelling in, or getting into or out of the **insured vehicle**.

3. Legal defence costs

For any event where **we** provide indemnity under Part 2 – Third party liability, **we** will pay

- a) the solicitors' fees to represent anyone insured under this Part at any coroner's inquest or fatal accident inquiry
- b) for the defence in any Court of Summary Jurisdiction

- c) the cost of legal services to defend a charge of manslaughter or causing death by careless or dangerous driving
- d) any other costs and expenses which **we** agree in writing
- e) legal fees and expenses incurred in connection with defending proceedings, including appeals and costs of prosecution awarded against **you** arising from a health and safety inquiry or criminal proceedings for any breach of the
 - i) Health and Safety at Work etc Act 1974
 - ii) Health and Safety at Work (Northern Ireland) Order 1978
 - iii) Corporate Manslaughter and Corporate Homicide Act 2007.

Provided that for paragraph e) sub-section iii) above **you** have **our** written consent and that **we** will not be liable

1. for more than £5,000,000 in total for any action or series of actions, arising from any one insured event and in total during any one **period of insurance**
2. unless the proceedings relate to an actual or alleged act, omission or incident committed during the **period of insurance** within the **policy territories** in connection with the **business**
3. unless the proceedings relate to an actual or alleged act, omission or incident arising from the ownership, possession or use, by or on behalf of **you** of any motor vehicle or trailer, where compulsory insurance or security is required by the Road Traffic Acts
4. for proceedings which result from any deliberate act or omission by **you**
5. where indemnity is provided by another insurance policy
6. for fines or penalties or the cost of implementing any remedial order or publicity order
7. for any appeal against any fine, penalty, remedial order or publicity order
8. for costs incurred as a result of the failure to comply with any remedial order or publicity order
9. for costs and expenses insured by any other policy
10. for fees of any solicitor or counsel appointed by, or on behalf of, anyone entitled to indemnity unless the appointment has been agreed by **us**.

4. Indemnity to personal representatives

In the event of the death of anyone insured under Part 2 – Third party liability, **we** will continue to provide insurance for their personal representatives for legal liability incurred by that person in accordance with the limitations of this **policy**.

5. Emergency treatment fees

We will pay for emergency treatment fees required by any road traffic legislation arising from the use of an **insured vehicle** in respect of which indemnity is provided. Any payment made by **us** will not affect **your** entitlement to a No Claims Discount.

6. Application of limits of indemnity

In the event of any accident involving indemnity to more than one person, the maximum amount **we** will pay will not exceed the limit of indemnity, regardless of the number of people claiming to be indemnified.

7. Cross liabilities

We will insure each party named as the **insured** in the **schedule** and this Part 2 – Third party liability will apply as if a separate policy had been issued to each. We agree to waive all rights of subrogation against any of these people, provided that the total amount payable for all claims does not exceed any limit of indemnity stated in the **policy**.

8. Contingent motor liability

We will insure **you** against **your** legal liability arising in connection with

- a) any **motor vehicle** which does not
 - i) belong to **you**nor
 - ii) is in **your** custody or controlwhilst it is being used in the course of the **business** within the **policy territories**.
- b) an **insured vehicle** whilst
 - i) in the custody or control of **your** sub-contractor
 - ii) loaned to **your** customer
 - iii) hired to **your** customer whilst the customer's vehicle is in **your** custody or control for repair, alteration, testing, servicing, maintenance, cleaning or inspection

provided that insurance is not available under any other policy.

9. Compensation for court attendance

If **you** have to attend court as a witness at **our** request in connection with a claim and are entitled to indemnity under this **section**, compensation per day for each day that attendance is required is payable at the following rates to

- a) **you** or any director or partner £250
- b) any employee £150

10. Unauthorised movement

We will indemnify **you** against **your** legal liability for death, bodily injury or damage to property (including damage to the vehicle being moved) arising out of the movement of any **motor vehicle** which does not belong to **you** nor is in **your** custody or control (with or without the owners permission) by **you** or any partner, director or employee of **yours** for the purpose of

- a) parking
- b) loading or unloading
- c) allowing free passage of

any **insured vehicle**.

11. Unauthorised use

We will insure **you** for damage to an **insured vehicle** and **your** legal liability arising from the use of an **insured vehicle** when used without the knowledge or consent of an authorised official of **you**. There will be no liability to indemnify the person driving or using the vehicle.

12. Loss of use (customers vehicles)

We will indemnify **you** for **your** legal liability to pay for the consequential loss arising from the loss of use of a customer's vehicle following accidental loss, destruction or damage whilst in **your** custody or control which is insured under Part 1 – Loss or damage provided that

- a) **you** repair or replace the customer's vehicle as quickly as possible
- b) **our** liability is limited to £50,000 for any one loss.

13. Driving other vehicles

We will indemnify **you** or any partner or director of **yours** who is driving for social, domestic or pleasure purposes any **motor vehicle**

- a) not owned by or in the custody or control of **you** in connection with the **business**
or
- b) not owned by or hired under a hire purchase agreement to such partner or director
provided that
 - i) indemnity is not provided under any other policy
 - ii) the limit of indemnity will not be exceeded as a result of indemnifying more than one person
 - iii) indemnity is not provided for use to secure the release of any **motor vehicle** which has been seized by or on behalf of any government or public authority which was not **your** property or in **your** custody or control at the time of the seizure.

Each indemnified person will be subject to the terms of this **policy** so far as they apply.

14. Trailers

We will insure **you** in terms of subsection 1. **Your** liability to third parties of this Part 2 – Third party liability. For any damage or **injury** caused by any trailer owned by **you** or in **your** custody or control whilst detached from any vehicle, only so far as it is necessary to meet the requirements of any law relating to compulsory insurance in the territory concerned, providing that the insurance of the trailer is **your** responsibility.

What is not covered under Part 2

We will not be liable

1. for loss, damage, bodily injury or death caused or happening outside the limits of any carriageway or thoroughfare in connection with the bringing of a load to the **insured vehicle** (for loading on to it) or taking a load away from the **insured vehicle** (having unloaded it), other than by the driver or attendant of the **insured vehicle**
2. for death of or bodily injury to anybody arising due to their employment by the person claiming indemnity, except as is required by any road traffic legislation

3. under subsections 2, 3 or 4 of this Part 2 – Third party liability to indemnify any person
 - a) if anyone insured under this **section** does not observe the terms, exceptions and conditions of this **policy**
 - b) if anyone is entitled to indemnity under any other policy
4. for loss or damage to property belonging to, held in trust by or in the custody or control of the person claiming to be indemnified including property being carried in or on the **insured vehicle**
5. for loss or damage to the **insured vehicle**
6. for death, bodily injury or damage (except so far as is necessary to meet the requirements of any road traffic legislation) as a consequence of the operation as a tool of the **insured vehicle**, or any plant forming part of such vehicle, unless the operation is a necessary requirement in its overhaul, upkeep or repair
7. for any contractual liability
8. for death or bodily injury to anyone or damage arising from the presence of the **insured vehicle**, in or on that part of an aerodrome, airport, airfield or military base used for
 - a) the take off or landing or movement of aircraft
 - b) aircraft parking aprons and the associated service roads, refuelling areas, ground equipment, parking areas, maintenance areas and hangars

except so far as is necessary to meet the requirements of any road traffic legislation
9. loss or damage, cost or expense or any consequential loss directly or indirectly caused by resulting from or in connection with **terrorism** except where **we** are required to provide insurance under any road traffic legislation.

Part 3 – European cover

What is covered under Part 3

1. If **you** take an **insured vehicle** abroad, the **policy territories** are extended to provide indemnity in line with EU Directives to meet the laws on compulsory insurance of **motor vehicles** in
 - a) any other country which is a member of the **European Union**
 - b) any country which the European Commission is satisfied has made arrangements to meet the requirements of Article 7(2) of EC Directive 72/166/EEC relating to civil liabilities arising from the use of a **motor vehicle**. (**Your** insurance adviser should be able to tell **you** the list of countries to which this applies.)

The level of cover provided will be the minimum that is required to comply with the laws on the compulsory insurance of **motor vehicles** of the country in which the accident occurs.

Where an accident occurs in another **European Union** member state and the minimum cover required by the laws of Great Britain is wider than that member state's, then the level of cover provided will be that of the minimum cover required by the laws of Great Britain.

2. In addition **we** will provide insurance cover as set out in the **policy**, the **schedule** and the Certificate of Motor Insurance for any **insured vehicle** used in, or travelling between such countries as noted in 1a) and b) above for Social Domestic and Pleasure purposes.

General average contributions and other charges

We will insure **you** against general **average** contributions, salvage and sue and labour charges incurred during the transportation of the **insured vehicle** by air or sea within such countries as noted in 1 and 2 above.

Customs duty

We will insure **you** against customs duty on the **insured vehicle** after its temporary importation into any country within the **policy territories**.

What is not covered under Part 3

Important Information

This insurance will not be valid if **you** intend to take an **insured vehicle** to countries not mentioned in 1 a) or b) above. **You** will need to contact **us** to see whether **we** will extend the **policy territories** to include the country in which **you** wish to use the **insured vehicle**.

What is not covered under Parts 1, 2 and 3

Driving and use of the insured vehicle

You are not covered for any accident, injury, loss or damage while any **insured vehicle** is

- a) in, on or about **premises** owned by **you** or in **your** occupation in connection with the **business** except so far as is necessary to meet the requirements of any road traffic legislation
- b) being used or driven other than in accordance with the terms of **your** effective Certificate of Motor Insurance except in respect of which indemnity is provided by extension 11 – Unauthorised use
- c) being used or driven by **you** if **you** do not hold a licence to drive the **insured vehicle** or have held and are not disqualified from holding or obtaining such a licence
- d) being used or driven by anyone else with **your** permission who to **your** knowledge does not hold a licence to drive the **insured vehicle** has never held one or is disqualified from holding or obtaining one
- e) in storage at any other premises
- f) registered and being used or driven outside the **policy territories**.

Exclusion b) above will not apply and **we** will insure **you** if the claim arises because the **insured vehicle** was stolen or taken without **your** permission.

Exclusions c) and d) will not apply when a licence to drive is not required by law.

Conditions

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

1. Reasonable precautions

You must

- a) take all reasonable steps to keep the **insured vehicle** from being lost or damaged
- b) maintain the **insured vehicle** in an efficient and roadworthy condition and **we** must be able to inspect it at any time.

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

2. Motor Insurance Database

Your policy details will be added to the Motor Insurance Database (MID) run by the Motor Insurers Information Centre (MIIC).

This may be consulted by

- a) the Police for establishing whether a driver's use of the **insured vehicle** is likely to be covered by a motor insurance policy and for preventing and/or detecting crime
- b) other UK insurers, the Motor Insurer's Bureau and MIIC to ascertain relevant **policy** information if **you** have been involved in an accident in the UK or abroad
- c) the Driver and Vehicle Licensing Agency (DVLA) and Driver and Vehicle Licensing Northern Ireland (DVLNI) for the purposes of Electronic Vehicle Licensing
- d) people pursuing a claim for a motor traffic accident (including citizens of other countries).

You should show this notice to anyone insured to drive the **insured vehicle** under this **policy**.

You can find out more about the Motor Insurance Database and its use by contacting us or at www.miic.org.uk

Failure to maintain the Motor Insurance Database

If **you** are advised by **us** that it is **your** responsibility to maintain **your** vehicle details on the Motor Insurance Database (MID) then **you** should update the MID immediately upon any changes or deletions to any licensed **insured vehicle** or trade plate. The impact upon **you** for failing to maintain **your** vehicle schedule on the MID is that **you** may be liable for a fine of up to £5,000 for failing to comply with the Road Traffic Act obligation.

3. Avoidance of certain terms and rights of recovery

Nothing in this **policy**, will affect the right of any people indemnified or of anyone else to recover an amount under the provisions of the law within the **policy territories** of the **policy** relating to the insurance of liability to third parties.

However **you** will repay to **us** all sums paid by **us** which **we** would not have been liable to pay but for the provisions of such law.

4. No claims discount

The renewal premium will be reduced in accordance with **our** current scale of No Claims Discount, providing no claim has been made under **your policy**.

If **you** make a claim under **your policy**, **your** NCD will be reduced as detailed by the table below:

NCD at policy start date or previous renewal	NCD following a claim or claims		
	One	Two	Three
1 year	Nil	Nil	Nil
2 years	Nil	Nil	Nil
3 years	1 year	Nil	Nil
4 years or more	2 years	Nil	Nil

No Claims Discount is not transferable

A payment made in respect of a claim arising under Part 1 of this **section** where the only loss or damage sustained by the **insured vehicle** is breakage of glass in the windscreen or windows (or any scratching of bodywork resulting solely and directly from such breakage) will not be deemed to be a claim for the purpose of this condition.

Part 4 – Uninsured loss recovery and Motor prosecution defence

This part of **your policy** gives **you** 24 hours a day telephone access to **Lawphone** for advice on any commercial legal matter. The advice **you** get will always be in accordance with the laws of Great Britain and Northern Ireland.

Please note that all calls are recorded for **your** protection.

Phone: 0370 241 4140

When **you** call **Lawphone** quote **34035**.

All claims and calls to **Lawphone** will be managed by **Lawclub** on **our** behalf.

Lawclub Legal Protection is a trading name of Allianz Insurance plc registered in England no 84638 at 57 Ladymead, Guildford, Surrey GU1 1DB, United Kingdom. Allianz Insurance plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register No. 121849.

Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in Part 4 of this **section**.

These definitions are in addition to the **policy** definitions and the definitions for this **section**.

If the same word appears in both the **policy** and **section** definitions, the definition given below will apply.

Costs	<p>Under this Part 4 of Section 5 – Road Risks, we will pay</p> <p>a) The professional fees and expenses reasonably and properly charged by the legal representative on a standard basis, up to the standard rates set by the courts, which you cannot recover from your opponent</p> <p>b) Your opponent’s costs in civil cases which you are ordered to pay by a court or tribunal or which you pay your opponent with the written agreement of Lawclub.</p> <p>We will only pay costs which we consider are necessary and in proportion to the value of your claim.</p> <p>We will only start to cover costs from the time we have accepted your claim and Lawclub have appointed the legal representative on our behalf.</p>
Lawclub	Lawclub Legal Protection, whose address is Redwood House, Brotherswood Court, Great Park Road, Bradley Stoke, Bristol BS32 4QW.
Legal representative	The solicitor or other person appointed with the agreement of Lawclub under this Part 4 of section 5 – Road Risks of your policy to represent you .
Standard basis	The assessment of costs which are proportionate to your claim.
Territorial limit	For uninsured loss recovery, the territorial limit is Great Britain, Northern Ireland, the Channel Islands, the Isle of Man, Andorra, Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Gibraltar, Greece, Hungary, Italy, Liechtenstein, Luxembourg, Monaco, the Netherlands, Norway, Poland, Portugal, the Republic of Ireland, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland and Turkey. For motor prosecution defence, the territorial limit is Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.
You/Your	<p>The person shown on your schedule as the policyholder and</p> <p>a) anyone allowed by the Certificate of Motor Insurance to drive the insured vehicle and</p> <p>b) anyone who, with your permission, is in, getting into, or out of, the insured vehicle.</p>

What is the most we will pay

We will pay up to £100,000 in **costs** for all claims arising out of any one event.

What is covered under Part 4

1. Uninsured loss recovery

We will pay the **costs** of **you** taking legal action as a result of any road accident which causes

- **your** death or bodily injury while **you** are in, on or getting into or out of the **insured vehicle**
- damage to the **insured vehicle**
- damage to property which **you** own or are legally responsible for and which is in or on the **insured vehicle**.

2. Motor prosecution defence

We will pay the **costs** of defending **your** legal rights (including making an appeal against **your** conviction or sentence) after any event which results in criminal proceedings being brought against **you** for a breach of road traffic laws or regulations relating to **your** owning or using an **insured vehicle**.

We will provide cover for uninsured loss recovery and motor prosecution defence as long as

- the event that led to **your** claim happened within the **territorial limit** and within the **period of insurance**
- the claim will be decided by a court within the **territorial limit**
- **you** have a reasonable chance of a successful defence, recovering damages or getting any other remedy.

What is not covered under Part 4

We will not pay for any

1. claim arising out of a contract **you** have with another person or organisation
2. claim for an event which is also covered under Part 1 – Loss or damage to the **insured vehicle** or Part 2 – Third party liability of this **policy**
3. claim for an event resulting in legal proceedings where **you** are accused of corporate manslaughter or corporate homicide
4. claim for an event which is not covered under **your** current motor insurance **policy**
5. claim where the **insured vehicle** is being used for racing, rallies or competitions
6. disputes between **you** and **us** or **Lawclub**
7. fines, penalties or compensation awards
8. **costs** or expenses **you** are ordered to pay by a criminal court
9. application for a judicial review
10. disputes or claims arising from **your** deliberate, conscious, intentional or careless disregard of the need to take all reasonable steps to avoid, prevent and limit any dispute or claim
11. **costs we** have not agreed to in writing
12. **costs** covered by another insurance policy
13. **costs you** have paid directly to the **legal representative** or any other person without the permission of **Lawclub**
14. VAT which **you** can recover from elsewhere
15. parking offences for which **you** do not get points on **your** licence
16. criminal proceedings to do with driving while under the influence of drink or drugs
17. criminal proceedings brought against **you** because **you** have allowed other people to use an **insured vehicle**
18. claim where **you** do not have a valid
 - a) motor insurance policy
 - b) road fund licence or MOT certificate for the **insured vehicle**
 - c) driving licence.

19. claim while
- a) **you** are insolvent (or have committed an act of insolvency or bankruptcy)
 - b) **you** have made an arrangement with the people **you** owe money to
 - c) **you** have entered into a deed or arrangement
 - d) **you** are in liquidation
 - e) part or all of **your** affairs, assets or property are in the care or control of a receiver or a liquidator or
 - f) there is an administration order over **your** affairs, assets or property
20. **costs** where **you** knowingly and materially mislead **Lawclub** or the **legal representative**, or fail to pass important information to **Lawclub** or the **legal representative** in connection with any claim made under this Part 4 of Section 5 – Road Risks. If this happens **we** can reclaim from **you** any money already paid in respect of any relevant claim.

Conditions

If **you** do not keep to the conditions **we** will have the right to cancel this Part 4 of Section 5 – Road Risks of **your** policy and **Lawclub** will have the right to refuse any claim and withdraw from any current claim.

1. You must

- a) give **us** written details of **your** claim as well as any other information **we** or **Lawclub** ask for
- b) make **your** claim within six months of the date of the event which led to the dispute
- c) not appoint a **legal representative**
- d) follow the **legal representative's** advice and provide any information they request
- e) take every step to recover **costs** and pay them to **us**
- f) get **Lawclub's** written permission before making an appeal
- g) make sure that the **legal representative** keeps to condition 2 below.

2. The legal representative must do the following

- a) get **Lawclub's** written permission before instructing a barrister or expert witness
- b) tell **Lawclub** if there is no longer a reasonable chance of a successful defence, recovering damages or getting any other remedy
- c) tell **Lawclub** immediately if the other party makes a payment into court or any offer to settle the matter
- d) report the result of the claim to **Lawclub** when it is finished.

3. Lawclub will have the right to

- a) take over and conduct any claim or proceedings in **your** name
- b) ask **us** to settle a claim by paying the amount in dispute
- c) appoint the **legal representative**, in **your** name, and on **your** behalf
- d) have any legal bill audited or assessed
- e) contact the **legal representative** at any time, and have access to all statements, opinions, reports and any other information to do with **your** claim
- f) end **your** cover if, during the course of the claim, **Lawclub** think there is no longer a reasonable chance of success. If **you** continue the claim and get a better settlement than **we** expected, **we** will pay **your** reasonable **costs** which **you** cannot get back from anywhere else
- g) settle the **costs** covered by this Part 4 of Section 5 – Road Risks at the end of the claim
- h) end **your** claim and get any **costs** back from **you** that **we** have paid or agreed to pay if
 - i) the **legal representative** reasonably refuses to go on acting for **you** because of any unreasonable act or failure to act by **you** or
 - ii) **you** unreasonably withdraw **your** claim from the **legal representative** without the agreement of **Lawclub** and
 - iii) **Lawclub** do not agree to appoint another **legal representative** to continue **your** claim.

4. Your agreements with others

We or **Lawclub** will not be bound to any agreement between **you** and the **legal representative** or **you** and any other person or organisation.

5. Choosing the legal representative

At any time before **Lawclub** agree that legal proceedings need to be issued or defended, they will choose the **legal representative**. **You** can only choose the **legal representative** if **Lawclub** agree that legal proceedings need to be issued or defended or if a conflict of interest arises which means that the **legal representative** cannot act for **you**. **You** must send their name and address to **Lawclub**.

If **Lawclub** agree to appoint a **legal representative** that **you** choose, he or she will be appointed on the same terms as they would have appointed their chosen **legal representative**. **Lawclub** may decide not to accept **your** choice of **legal representative**. If **Lawclub** do not agree with **your** choice, the matter will be settled using the procedure as set out under condition 6.

When choosing the **legal representative**, **you** must remember **your** duty to keep the cost of any legal proceedings as low as possible.

6. Disputes

If there is a dispute between **you** and **Lawclub**, the matter may be referred to an arbitrator. If **you** and **Lawclub** cannot agree on an arbitrator, the President of the Law Society or the Chairman of the Bar Council will choose one.

The loser of the arbitration must pay all the costs involved. If the decision is not clearly made against either **you** or **Lawclub**, the arbitrator will decide how the costs will be shared.

7. Notices

Every notice which needs to be given under this Part 4 of Section 5 – Road Risks must be given in writing. If **you** give **us** notice, **you** must send it to **our** address. If **we** give **you** notice, **we** must send it to **your** last known address.

8. How to make a claim

Your claim will be managed by **Lawclub** on **our** behalf.

If **you** need to make a claim for uninsured loss recovery contact **us** on 0370 9000 860. **We** will pass the details of **your** claim on to a **legal representative**.

If **you** need to make a claim for motor prosecution defence call the Lawphone legal helpline and follow the instructions. A claim form will be sent to **you**, please fill it in and send it to:

Lawclub claims	
	The Claims Department Lawclub Legal Protection Redwood House Brotherswood Court Great Park Road Bradley Stoke Bristol BS32 4QW United Kingdom

Lawclub will contact **you** once they have received the claim form. **You** must not appoint a solicitor **yourself**.

If **you** have already seen a solicitor before **Lawclub** have accepted **your** claim, **we** will not pay any fees or other expenses that **you** have incurred. If **your** claim is covered, **Lawclub** will appoint the **legal representative** that they have agreed to in **your** name and on **your** behalf and **we** will only start to cover the **costs** from the time **Lawclub** have accepted the claim and appointed the **legal representative** in **your** name and on **your** behalf.

Section 6 – Business Interruption and Loss of Licence

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions. There are further definitions in the Loss of Licence extension to this section.

If the same word appears in both the policy and section definitions the section definition will apply.

Note 1: to the extent that you are accountable to the tax authorities for Value Added Tax all terms in this section will be exclusive of such tax.

Note 2: for the purpose of these definitions, any adjustments implemented in current cost accounting will be disregarded.

Accounts receivable	The total amount of the balances debited to customers in your accounts as declared in the last statement given under the provisions of the premium adjustment clause after equitable allowances have been made for bad debts, and for amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through books at the time of the incident) to customers accounts in the period between the date of the statement and the date of the incident .
Annual gross rentals	The gross rentals during the twelve months immediately before the date of the incident .
Annual gross revenue	The gross revenue during the twelve months immediately before the date of the incident .
Annual turnover	The turnover during the twelve months immediately before the date of the incident .
Customers	All of your customers who obtain goods or services from you on a credit basis.
Estimated gross profit	The amount declared by you to us as the anticipated gross profit which will be earned by the business during the financial year concurrent with the period of insurance (or a proportionately increased multiple of the anticipated gross profit where the maximum indemnity period exceeds twelve months).
Estimated gross rentals	The amount declared by you to us as the anticipated gross rentals which will be earned by the business during the financial year concurrent with the period of insurance (or proportionately increased multiple of the anticipated gross rentals where the maximum indemnity period exceeds twelve months).
Estimated gross revenue	The amount declared by you to us as the anticipated gross revenue which will be earned by the business during the financial year concurrent with the period of insurance (or proportionately increased multiple of the anticipated gross revenue where the maximum indemnity period exceeds twelve months).

Gross profit	The amount by which the sum of the amount of the turnover and the amounts of the closing stock and work in progress will exceed the sum of the amount of the opening stock and work in progress and the amount of uninsured working expenses . Note: the amounts of the opening and closing stocks (including work in progress) will be calculated in accordance with your usual accounting methods with provision also made for depreciation.
Gross revenue	The money paid or payable to you for services rendered in the course of the business at the premises , less the amount of any uninsured working expenses .
Gross rentals	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 .
Incident	Loss, destruction or damage to property used by you at the premises for the purposes of the business or Loss, destruction or damage to your books of account, other business books or records at the premises for any item on accounts receivable .
Indemnity period	The period during which the business will be affected beginning when the incident occurred and ending not later than the maximum indemnity period .
Maximum indemnity period	As stated in the schedule
Rate of gross profit	The rate of gross profit earned on the turnover during the financial year immediately before the date of the incident .
Standard gross rentals	The gross rentals during the period which corresponds with the indemnity period twelve months immediately before the date of the incident .
Standard gross revenue	The gross revenue during the period which corresponds with the indemnity period twelve months immediately before the date of the incident .
Standard turnover	The turnover during the period in the twelve months immediately before the date of the incident which corresponds with the indemnity period .
Turnover	The money paid or payable to you for goods sold and delivered and for services rendered in the course of the business at the premises .
Uninsured working expenses	As stated in the schedule .

What is covered

Indemnity Clause A

(Applicable to all items other than items on **accounts receivable** or Loss or Licence)

We agree that if any building or other property used by **you** at or from the **premises** or whilst in transit for the purpose of the **business** is accidentally lost, destroyed or damaged by the risks insured against under Section 1 – Material Damage and/or Section 5 – Road Risks and as a consequence the **business** is interrupted or interfered with, then **we** will pay **you** for each item in the **schedule** the amount of the consequential loss resulting from the interruption or interference provided that

1. at the time of the loss, destruction or damage there is an insurance in force covering **your** interest in the property against such loss, destruction or damage and that
 - a) payment has been made or liability admitted under such insurance
 - or
 - b) payment would have been made or liability admitted but for the clauses in the specified insurance, excluding liability for losses below a specified amount.
2. **our** liability under this **section** will not exceed
 - a) the total sum insured or for any item its sum insured, at the time of the loss, destruction or damage
 - b) the sum insured remaining after deduction for any other interruption or interference as a consequence of a claim following loss, destruction or damage occurring during the same **period of insurance**, unless **we** have agreed to reinstate the sum insured

adjusted in accordance with the Inflation Protection Clause if applicable.

Adjustments will be made as necessary to allow for the trends of the **business** and variations and other circumstances affecting the **business**, either before or after the **incident**, or which would have affected the **business** had the **incident** not occurred so that the adjusted figures represent as closely as possible, the results which would have been obtained during the relative period after the **incident**.

Indemnity Clause B – Accounts receivable

(Applicable to any item on **accounts receivable**)

We agree that if any of **your** books of account or other books or records of the **business** at the **premises** are destroyed or damaged by the risks insured under Section 1 – Material Damage and it is impossible for **you** to obtain from **customers** all amounts due to **you** and outstanding at the date of the damage, then **we** will pay **you** the amount **you** may be entitled to recover under the provisions of this **section** provided **our** liability does not exceed

- a) the total sum insured or for any item its sum insured at the time of the loss, destruction or damage
- b) the sum insured remaining after deduction for any other interruption or interference as a consequence of a claim following loss, destruction or damage occurring during the same **period of insurance**, unless **we** have agreed to reinstate **the** sum insured

adjusted in accordance with the Inflation Protection Clause if applicable.

Adjustments will be made as necessary to allow for the trends of the **business** and variations and other circumstances affecting the **business**, either before or after the **incident**, or which would have affected the **business** had the **incident** not occurred so that the adjusted figures represent as closely as possible, the results which would have been obtained during the relative period after the **incident**.

Basis of loss settlement

These terms of settlement apply only if the paragraph title appears in the **schedule** for this **section**.

1. Gross profit/Estimated gross profit

The insurance under this item is limited to loss of **gross profit** due to a) reduction in **turnover** and b) increase in cost of working and the amount payable will be

- a) for reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover**, during the **indemnity period**, will fall short of the **standard turnover** as a consequence of the **incident**
- b) for increase in cost of working: the additional cost (subject to the provisions of the **uninsured working expenses** clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a reduction in **turnover** which would have taken place during the **indemnity period** as a consequence of the **incident**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges and expenses of the **business**, payable out of **gross profit** that may stop or be reduced as a consequence of the **incident**.

Provided that if the sum insured by the item on **gross profit** is less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

2. Gross revenue/Estimated gross revenue

The insurance under this item is limited to a) loss of **gross revenue** and b) increase in cost of working and the amount payable will be

- a) for loss of **gross revenue**: the amount by which the **gross revenue**, during the **indemnity period**, will fall short of the **standard gross revenue** as a consequence of the **incident**
- b) for increase in cost of working: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a reduction in **gross revenue** which would have taken place during the **indemnity period** as a consequence of the **incident**, but not exceeding the amount of the reduction in **gross revenue** which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges or expenses of the **business**, payable out of **gross revenue** that may stop or be reduced as a consequence of the **incident**.

Provided that if the sum insured by the item on **gross revenue** is less than the **annual gross revenue** (or a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

3. Additional increased cost of working

The insurance under this item is limited to further additional costs beyond those recoverable under paragraphs 1b), 2b) or 5b) that **you** necessarily and reasonably incur during the **indemnity period** as a consequence of the **incident**, for the sole purpose of avoiding or diminishing a reduction in **turnover, gross revenue or gross rentals**.

4. Increase in cost of working

The insurance under this item is limited to increased cost of working and the amount payable will be the additional expenditure necessarily and reasonably incurred by **you** as a consequence of the **incident** in order to prevent or minimise the interruption of the **business** during the **indemnity period**. **We** will not be liable for more than 50% of the sum insured during the first 3 months of the **indemnity period** and the balance will follow in equal monthly proportions.

5. Gross rentals/Estimated gross rentals

The insurance under this item is limited to a) loss of **gross rentals** and b) increase in cost of working and the amount payable will be

- a) for loss of **gross rentals**: the amount by which the **gross rentals** will fall short of the **standard gross rentals** as a consequence of the **incident** during the **indemnity period**
- b) for increase in cost of working: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a loss of **gross rentals** which would have taken place during the **indemnity period** as a consequence of the **incident**, but not exceeding the amount of the reduction in **gross rentals** which had been avoided by this additional cost

less any amount saved during the **indemnity period** for the expenses and charges payable out of **gross rentals** that may stop or be reduced as a consequence of the **incident** provided that, if the sum insured by the item on **gross rentals** is less than the **annual gross rentals** (or a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months) the amount payable will be proportionately reduced.

6. Accounts receivable

The insurance under this item is limited to a) loss of **accounts receivable**, and b) additional cost and the amount payable will be

- a) for loss of **accounts receivable**: the difference, solely due to the **incident**, between the amount of the **accounts receivable** at the date of the **incident** and the total amount received in payment of them during the twelve months after the **incident**
- b) for additional cost: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing a loss of **accounts receivable** which would have taken place as a consequence of the **incident**, but not exceeding the amount which would otherwise have been payable under a) above by this additional cost.

Provided that if at the time of the **incident** the sum insured by this item is less than the total amount of the **accounts receivable**, the amount payable will be proportionately reduced.

New Business Clause

For the purpose of any claim for an **incident** occurring before the first years trading of the **business** at the **premises** is completed. The following terms will have these meanings and not as otherwise stated.

Rate of gross profit	The rate of gross profit earned on the turnover during the period between the date of the start of the business and the date of the incident .
Annual turnover	The proportional equivalent for a twelve month period, of the turnover produced during the period between the start of the business and the date of the incident .
Standard turnover	The proportional equivalent for a period equal to the indemnity period , of the turnover produced during the period between the start of the business , and the date of the incident .
Annual gross revenue	The proportional equivalent for a twelve month period of the gross revenue gained during the period between the start of the business and the date of the incident .
Standard gross revenue	The proportional equivalent for a period equal to the indemnity period of the gross revenue gained during the period between the start of the business and the date of the incident .
Annual gross rentals	The proportional equivalent for a twelve month period of the gross rentals gained during the period between the start of the business and the date of the incident .
Standard Gross Rentals	The proportional equivalent for a period equal to the indemnity period of the gross rentals gained during the period between the start of the business and the date of the incident .

Adjustments will be made as necessary for trends of the **business** and variations and other circumstances affecting the **business**, either before or after the **incident**, or which would have affected the **business** had the **incident** not occurred so that the adjusted figures represent as closely as possible, the results which would have been obtained during the relative period after the **incident**.

Extensions

Any loss insured by this **section**, resulting from interruption of or interference with the **business** as a consequence of loss, destruction or damage at the premises or situations specified within items 1 to 6 below will be deemed to be an **incident**.

Provided that after the application of all other terms, conditions and provisions of the **policy**, the liability under this extension does not exceed for any one loss the percentage of the total of the sums insured or the specified monetary amount (or 133 1/3% of the sum insured by any item on **estimated gross profit**, **estimated gross revenue** or **estimated gross rentals**) or the specified monetary amount shown below as the limit.

1. Property stored

Your property whilst stored anywhere within the **policy territories** other than at the **premises** in your occupation provided that **our** liability does not exceed 15% of the sum insured or £1,000,000 whichever is the less.

2. Customers

The premises of any of your customers anywhere within the **policy territories** who, at the time of the loss, destruction or damage you have agreed to supply goods or services provided that **our** liability does not exceed 15% of the sum insured or £1,000,000 whichever is the less.

3. Exhibition sites

Any site within the **policy territories** not in your occupation where you are exhibiting your goods for sale provided that **our** liability does not exceed 15% of the sum insured or £1,000,000 whichever is the less.

4. Suppliers

The premises of any of your suppliers, including any motor vehicle manufacturer or any manufacturer supplying them with components or materials provided that **our** liability does not exceed 25% of the sum insured or

- a) £2,500,000 whichever is the less for any of your suppliers situated within the **policy territories**
- b) £1,000,000 whichever is the less for any of your suppliers situated within any other member country of the European Union
- c) £250,000 whichever is the less for any of your suppliers situated anywhere in the world within territories situated outside a) and b) above, but only so far as any loss, destruction or damage is caused following fire, aircraft or explosion.

5. Public utilities

Accidental failure of the public supply of

- a) electricity
- b) gas
- c) water

at the terminal ends of your suppliers feed to the **premises**

- d) telecommunications services to the incoming line terminals or receivers at the **premises**.

Provided that

- a) we will not be liable for any loss or failure lasting for less than 12 hours or which results from
 - i) your wilful act or neglect
 - ii) a deliberate act of any supply company or by the exercise of your suppliers power, to withhold or restrict supply or services
 - iii) any industrial action, drought or atmospheric weather conditions
 - iv) the failure of any satellite.
- b) our liability will not exceed £1,000,000.

6. Prevention of access

Property in the vicinity of the **premises** that prevents or hinders access to, or the use of the **premises** whether the **premises** or **your** property is damaged or not (but excluding loss, damage or destruction to property of any supply undertaking from which **you** obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of the services) provided **our maximum liability** will be the **estimated gross profit** sum insured, specified in the **schedule**.

Clauses

1. Fire resisting safes

Your books of account, other business books or records in which **customers** accounts are shown must be kept in fire resisting safes or fire resisting cabinets when not in use. If **you** do not comply with this condition **you** will not be covered and **we** will not pay **your** claim.

2. Premium adjustment

- a) The premium paid may be adjusted by **us** following a declaration of **gross profit, gross revenue** or **gross rentals** earned during the financial year concurrent with the **period of insurance** as reported by **your** auditors.

If any **incident** occurred giving rise to a claim for loss of **gross profit, gross revenue** or **gross rentals**, the above declaration will be increased by **us** for the purpose of premium adjustment by the amount by which **gross profit, gross revenue** or **gross rentals** was reduced during the financial year solely as a consequence of the **incident**.

If either declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months) is less than the sum insured on **gross profit, gross revenue** or **gross rentals** for the relative **period of insurance**, **we** will allow a pro rata return of premium not exceeding 50% of the **premium** paid.

NB Accountants may be substituted for auditors for companies exempt from credit requirements.

- b) Where **accounts receivable** are insured by this **section** **you** must, within thirty days of the end of each month, deposit with **us** a signed statement showing the total amount of the balance in **your** accounts, debited to **customers** and remaining unpaid as at the end of the month in review.

In the event of the average amount of the signed statements, during any annual **period of insurance**, being less than the sum insured by the item on **accounts receivable**, a pro rata return of premium not exceeding 50% of the premium paid on the sum insured for the **period of insurance** will be made in respect of the difference.

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

3. Subrogation rights waiver

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

- a) Any company standing in the relationship of Parent to Subsidiary (Subsidiary to Parent) to **you** as defined in Section 736 of the Companies Act 1985.
- b) Any company which is a Subsidiary of the Parent Company of which **you** are a Subsidiary in each case within the meaning of Section 736 of the Companies Act 1985.

4. Alternative trading

If during the **indemnity period** goods are sold or services rendered elsewhere other than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf the money paid or payable for these sales or services will be included in arriving at the **turnover** during the **indemnity period**.

5. Automatic reinstatement of sum insured

In the event of any loss the sum insured stated in the **schedule** will not be reduced by the amount of any claim unless there is written notice by **us** or **you** to the contrary. **You** will have to pay an additional premium for this.

6. Inflation protection

We will adjust the sum insured in line with suitable indices of costs. The renewal premium for this **section** will be based on the adjusted sum insured.

7. Professional accountants

Any particulars or details contained in **your** books of account, other business books or documents that are required by **us** for investigating or verifying any claim, may be produced by professional accountants if, at the time they are regularly acting for **you**. Their report will be prima facie evidence of the particulars and details that the report relates to.

We will pay **you** the reasonable charges that **you** have to pay for professional accountants in producing the particulars or details or any other proofs, information or evidence as **we** may require and reporting these particulars or details are in accordance with **your** books of account, other business books or documents.

Provided that the sum of the amount payable under this clause, and the amount otherwise payable under the extension does not exceed the sum insured as specified in the **schedule**.

What is not covered

1. Liquidation, receivership or winding-up

We will not cover **you** if after the commencement of this insurance, the **business** is wound up or carried on by a liquidator, receiver or is permanently discontinued.

2. Steam pressure

The bursting of any vessel, machine or apparatus (not being a boiler or economiser on the **premises** or a boiler used for domestic purposes only) in which internal pressure is due to steam only, belonging to **you** or under **your** control.

3. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date but this will not exclude subsequent **damage** not otherwise excluded which results from a **defined peril**.

4. Electronic risks

We will not pay for **damage** directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

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

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

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

5. Terrorism

Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

Special clauses

Clauses ~~XXX~~ apply only if the clause numbers appear in the *schedule*~~X~~

1. Deposit premium

The first and annual premiums are provisional being 75% of the premium which is payable at the start of the **period of insurance** and the balance of 25% to be paid within 6 months of the expiry of that period. Except for any item on **gross profit, gross revenue** or **gross rentals** the premium paid will be adjusted on receipt by **us** of a declaration of **gross profit, gross revenue** or **gross rentals** earned during the financial year most closely concurrent with the year of insurance as reported by **your** auditors.

If any **incident** occurred giving rise to a claim for loss of **gross profit, gross revenue** or **gross rentals**, the above declaration will be increased by **us** for the purpose of premium adjustment by the amount by which the **gross profit, gross revenue** or **gross rentals** was reduced during the financial year solely as a consequence of the **incident**.

If the declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months)

- a) is less than 75% of the sum insured on **gross profit, gross revenue** or **gross rentals** for the relative period **we** will allow a pro rata return of premium not exceeding 33 1/3% of the provisional premium paid
- b) is greater than 75% of the sum insured on **gross profit, gross revenue** or **gross rentals** for the relative period **you** will pay a pro rata additional premium not exceeding 33 1/3% of the provisional premium paid.

In the event that no declaration is received within 6 months of the expiry of the **period of insurance**, the balance of 25% will be paid.

Part a) of the Premium Adjustment Clause is deleted.

2. Declaration linked

- a) Prior to each renewal **you** must furnish **us** with the **estimated gross profit, estimated gross revenue** or **estimated gross rentals** for the financial year most closely concurrent with the ensuing year of insurance.
- b) The first and annual premiums for each item on **estimated gross profit, estimated gross revenue** and **estimated gross rentals** are provisional and are based on the **estimated gross profit, estimated gross revenue** or **estimated gross rentals**.

Not later than six months after the expiry of the **period of insurance** **you** must provide **us** with a declaration confirmed by **your** auditors, of the **gross profit, gross revenue** or **gross rentals** earned during the financial year most closely concurrent with the **period of insurance**.

Accountants may be substituted for auditors for companies exempt from audit requirements.

If any **incident** occurred giving rise to a claim for loss of **gross profit, gross revenue or gross rentals**, the above declaration will be increased by **us**, for the purpose of premium adjustment by the amount which the **gross profit, gross revenue or gross rentals** was reduced during the financial year solely as a consequence of the **incident**.

If the declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months)

- i) is less than the **estimated gross profit, estimated gross revenue or estimate gross rentals** for the relative **period of insurance** we will allow a pro rata return of the premium paid on the **estimated gross profit, estimated gross revenue or estimated gross rentals** but not exceeding 50% of such premium.
- ii) is greater than the **estimated gross profit, estimated gross revenue or estimated gross rentals** for the relative **period of insurance** you shall pay a pro rata addition to the premium paid on the **estimated gross profit, estimated gross revenue or estimated gross rentals**.
- c) Despite proviso 2 in Indemnity Clause A under 'What is covered', **our** liability will not exceed for **gross profit, gross revenue or gross rentals** 133 1/3% of the **estimated gross profit, estimated gross revenue or estimated gross rentals** stated and for each other item 100% of the sums insured by the items or other amounts, as may be substituted by memorandum signed by or on **our** behalf.

Part a) of the Premium Adjustment Clause is deleted.

3. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

4. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated in the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance** and to pay the premium annually in advance it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) the sum insured may be reduced at any time to correspond with any reduction in **business**.

The above-mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this special clause.

Loss of Licence Extension

Your schedule will show **you** if this extension is in force.

Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this extension.

These definitions are in addition to the **policy** definitions and the definitions for this **section**.

If the same word appears in either the **policy** or **section** definitions the definition given below will apply.

Note 1: to the extent that **you** are accountable to the tax authorities for Value Added Tax all the terms in this extension will be exclusive of such tax.

Note 2: for these definitions, any adjustments implemented in the current cost accounting will be disregarded.

Annual turnover	The turnover during the period in the twelve months immediately before the date of suspension or withdrawal of the MOT licence .
Gross profit	The amount by which <ul style="list-style-type: none"> a) the sum of the amount of the turnover and the amounts of the closing stock and work in progress will exceed b) the sum of the amount of the opening stock and work in progress, less purchases, discounts received and discounts allowed. <p>Note: The amounts of the opening and closing stocks (including work in progress) will be calculated in accordance with your usual accounting methods with provision also made for depreciation.</p>
Indemnity period	The period beginning with the suspension or withdrawal of the MOT licence and ending not later than the maximum indemnity period during which the results of the business will be affected as a consequence of the suspension or withdrawal of the MOT licence .
Maximum indemnity period	As stated in the schedule .
MOT licence	The licence granted by the Vehicle and Operator Services Agency or any successor or government agency to carry out tests on motor vehicles under Section 45 of the Road Traffic Act 1988 or subsequent legislation issued to you as an authorised examiner or to a nominated tester, employed by you in connection with the business .
Rate of gross profit	The rate of gross profit earned on the turnover during the financial year immediately before the date of the suspension or withdrawal of the MOT licence .
Standard turnover	The turnover during the period in the twelve months immediately before the suspension or withdrawal of the MOT licence which corresponds with the indemnity period .
The business	Vehicle and Operator Services Agency testing and retesting. Vehicle repair work carried out and/or goods supplied directly in connection with such testing conducted solely at or from the premises .

What is covered

Indemnity

If during the **period of insurance** the **MOT licence** is suspended or withdrawn and **your business** that is carried on from or at the **premises** is interrupted or interfered with as a consequence **we** will pay **you** the amount of loss resulting from the interruption or interference provided that **our** liability does not exceed the limit shown in the **schedule**.

Basis of loss settlement

The insurance, under the item on Loss of Licence as shown on **your schedule** is limited to loss of **gross profit** due to

- a) reduction in **turnover** and
- b) increase in cost of working and

the amount payable will be

- a) for reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** will fall short of the **standard turnover** as a consequence of the suspension or withdrawal of the **MOT licence**
- b) for increase in cost of working: the additional cost (subject to the provisions of the uninsured working expenses clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** during the **indemnity period** as a consequence of the suspension or withdrawal of the **MOT licence**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges and expenses of **the business**, payable out of **gross profit** that may stop or be reduced as a consequence of the suspension or withdrawal of the **MOT licence**.

Provided that, if the sum insured by the item on Loss of Licence as shown on **your schedule** is less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple where the **maximum indemnity period** exceeds twelve months), the amount payable will be proportionately reduced.

Adjustments will be made as necessary for trends of **the business** and variations and other circumstances affecting **the business**, either before or after the suspension or withdrawal of the **MOT licence**, or which would have affected **the business** had the suspension or withdrawal of the **MOT licence** not occurred so that the adjusted figures will represent as closely as possible, the results which would have been obtained during the relative period after the suspension or withdrawal of the **MOT licence**.

What is not covered

This extension does not cover any loss arising from

1. where **you** or a principal/director has received a final warning for the suspension or withdrawal of the **MOT licence** within the five years prior to the inception of this cover
2. where **you** have a warning for the suspension or withdrawal of the **MOT licence** which is current at the inception of this cover
3. a suspension or warning received during the four weeks immediately following the inception of this cover
4. actual or proposed compulsory purchase of the **premises**
5. any scheme of town or country planning improvement or development
6. any policy by the Vehicle and Operator Services Agency to reduce the number of authorised examiners and nominated testers
7. any alteration after the commencement of cover of any relevant law, unless confirmed in writing by **us** that cover will continue
8. failure to maintain the **premises**, equipment or machinery in good general repair
9. failure to keep accurate and up to date documentation as required by the Vehicle and Operator Services Agency
10. a criminal conviction.

Conditions

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

In the event of the **MOT licence** being suspended or withdrawn **you** will

1. give **us** written notice within 48 hours of being made aware, stating the reason why the **MOT licence** was suspended or withdrawn
2. give **us** all the assistance **we** may require for an appeal against the suspension or withdrawal and allow **us** and **our** solicitors full discretion in the conduct of the proceedings
3. apply if required by **us** for the grant of a new **MOT licence** for the same or alternative **premises** that will enable **you** to continue **the business** in a similar or alternative form
4. provide a statement of **your** loss, if any, together with documents, statements and accounts that **we** may require to verify the loss, and make a statutory declaration as to their truth, accuracy and comprehensiveness, if required by **us**.

Clauses

1. Alternative trading

If during the **indemnity period** goods are sold or services rendered elsewhere other than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf the money paid or payable for these sales or services will be included in arriving at the **turnover** during the **indemnity period**.

2. Automatic reinstatement of sum insured

In the event of any loss the sum insured stated in the **schedule** will not be reduced by the amount of any claim unless there is written notice by **us** or **you** to the contrary. **You** will have to pay an additional premium for this.

3. Inflation protection

We will adjust the sum insured in line with suitable indices of costs. The renewal premium for this **section** will be based on the adjusted sum insured.

4. New Business

For the purpose of any claim for the suspension or withdrawal of the **MOT licence** occurring before the first years trading of **the business** at the **premises** is completed. The following terms will have these meanings and not as otherwise stated

Rate of gross profit	The rate of gross profit earned on the turnover during the period between the date of the start of the business and the date of the suspension or withdrawal of the MOT licence .
Annual turnover	The proportional equivalent for a twelve month period, of the turnover produced during the period between the start of the business and the date of the suspension or withdrawal of the MOT licence .
Standard turnover	The proportional equivalent for a period equal to the indemnity period , of the turnover produced during the period between the start of the business , and the date of the suspension or withdrawal of the MOT licence .

Adjustments will be made as necessary for trends of **the business**, variations and other circumstances affecting **the business**, either before or after the **incident**, or which would have affected **the business** had the **incident** not occurred so that the adjusted figures represent as closely as possible, the results which would have been obtained during the relative period after the **incident**.

5. Professional accountants

Any particulars or details contained in **your** books of account, other business books or documents that are required by **us** for investigating or verifying any claim, may be produced by professional accountants if, at the time they are regularly acting for **you**. Their report will be prima facie evidence of the particulars and details that the report relates to.

We will pay **you** the reasonable charges that **you** have to pay for professional accountants in producing the particulars or details or any other proofs, information or evidence as **we** may require and reporting these particulars or details are in accordance with **your** books of account, other business books or documents.

Provided that the sum of the amount payable under this clause, and the amount otherwise payable under the extension does not exceed the sum insured as specified in the **schedule**.

Section 7 – Equipment Breakdown

This **section** is automatically included when Section 1 – Material Damage is in force.

Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions.

If the same word appears in both the **policy** and **section** definitions, the **section** definition will apply.

<p>Accident</p>	<p>Direct physical loss caused by</p> <ul style="list-style-type: none"> a) electrical or mechanical breakdown, including rupture or bursting caused by centrifugal force b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires c) explosion or collapse of covered equipment operating under steam or other fluid pressure owned or leased by you, or operated under your control d) loss or damage to covered equipment operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded), occurring inside the equipment e) loss or damage to hot water boilers or other water heating equipment and heating oil storage tanks caused by or resulting from any condition or event (not otherwise excluded), occurring inside the equipment f) or due to operator error g) materials being processed. <p>If an initial accident causes other accidents, all will be considered one accident. All accidents that are the result of the same event will be considered one accident.</p>
<p>Breakdown</p>	<p>The actual breaking, failure, distortion or burning out of any part of the covered equipment whilst in ordinary use, arising from any defects in the covered equipment causing its sudden stoppage and necessitating repair or replacement before it can resume work.</p> <p>Fracturing of any part of the covered equipment by frost, when the fracture renders the covered equipment inoperative.</p> <p>The actual and complete severance of a rope, but not breakage or abrasion of wires or strands even though replacement may be necessary.</p>
<p>Collapse</p>	<p>The sudden and dangerous distortion (whether or not attended by rupture) of any part of the covered equipment caused by crushing, stress by force of steam or other fluid pressure (other than pressure of chemical action, or ignited flue or ignition of the contents).</p>
<p>Computer equipment</p>	<p>Electronic, computer or other data processing equipment, including media and peripherals used in conjunction with such equipment.</p>

Covered equipment	<p>Equipment built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilisation of energy.</p> <p>Covered equipment excludes the following</p> <ul style="list-style-type: none"> a) supporting structure, foundation, masonry, brickwork, cabinet compartment or air supported structure or building b) insulating or refractory material and safety or protective devices c) sewer, piping, underground tanks, vessels or piping or piping forming a part of a sprinkler system d) water piping other than boiler feedwater piping, boiler condensate, return piping or water piping forming part of a refrigerating or air conditioning system e) vehicles, aircraft, floating vessels or any equipment mounted on these vehicles (other than vehicle recovery cranes or equipment) aircraft or floating vessels f) mobile plant and equipment (other than fork lift trucks used by you at the premises) dragline, excavation or construction equipment g) equipment you manufacture to sell or customers' machinery brought on to your premises for processing, repair or overhaul h) tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands, bulbs, valves, tubes, batteries or any consumable or part that requires periodic renewal i) electronic equipment, other than vehicle diagnostic equipment or computer equipment, which is used for research, diagnostic treatment, experimental or for other medical or scientific purposes j) Domestic, laundry, kitchen, audio visual and home entertainment equipment when the equipment is used in private living quarters k) Equipment owned by your tenants l) Neon signs m) Underground fuel installations or any calibration costs associated with fuel pumps.
Explosion	<p>The sudden and violent rending of the covered equipment by force of internal steam or other fluid pressure (other than pressure of chemical action, ignited flue gases or ignition of the contents) causing bodily displacement of any part of the covered equipment together with forcible ejection of the contents.</p>
Hazardous substance	<p>Any substance other than ammonia that has been declared as hazardous to health by a governmental agency.</p>
Media	<p>All forms of electronic, magnetic and optical tapes and discs (including hard discs) for use in any electronic computer or electronic data processing equipment including all current and back up computer software and programs.</p>
Verified	<p>Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration.</p>

What is covered

Cover under this **section** is provided in respect of any **accident to covered equipment** owned by **you** or for which **you** are responsible at the **premises** specified in the **schedule**, subject to the limit of indemnity specified in the **schedule**.

Extensions and sub limits

The following extensions of cover also apply to loss caused by or resulting from an **accident to covered equipment**. These extensions of cover are within and they do not increase the limit of indemnity shown in the **schedule**.

1. Hazardous substance

We will be liable for the additional cost to repair or replace **covered equipment** because of contamination by a **hazardous substance** as a result of any **accident**. This includes the additional expenses to clean up or dispose of the property. Additional costs mean those beyond what would have been required had no **hazardous substance** been involved.

We will not be liable for more than £10,000 for loss or damage under this extension, including, if shown as covered, any Business Interruption claim sustained where extension 3 – Business Interruption of this section applies.

2. Computer equipment, reinstatement of data and increased costs of working

a) Computer equipment

We will be liable under this extension for loss or damage caused by or resulting from an **accident to computer equipment**. Our liability in any one **period of insurance** will not exceed £100,000 for damage to **computer equipment**.

b) Reinstatement of data

In addition we will be liable for costs incurred in reinstating data lost or damaged as a consequence of an **accident to computer equipment**.

Provided that

- i) liability is limited solely to the cost of reinstating data onto **media**
- ii) we will not be liable for any losses discovered later than six months after the loss was initiated
- iii) our liability will not exceed £25,000 for the costs
- iv) we will not be liable for loss or damage to software
- v) we will not be liable under this extension for costs more specifically described under c) Increased cost of working below.

c) Increased cost of working

In addition we will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to **your** computer operations. Our total liability in any one **period of insurance** will not exceed £25,000 for these additional costs.

3. Business interruption

This extension is only applicable when Section 6 – Business Interruption and Loss of Licence is shown as operative in the **schedule**.

We will provide cover as described under the basis of loss settlement detailed within Section 6 – Business Interruption and Loss of Licence that is caused by any **accident to covered equipment and computer equipment** but will not exceed £30,000.

Business interruption losses following damage to own surrounding property (as insured by extension 9. Damage to own surrounding property below) are excluded from this extension.

4. Public authorities/Law or ordinance

If an **accident** to **covered equipment** damages a building that is covered under this **policy**; and the loss is increased by the enforcement of any public authority, ordinance or law at the time of the **accident**, that regulates the construction or repair of buildings, or establishes zoning or land use requirements.

We will be liable for the following additional costs to comply with the ordinance or law

- a) **your** actual expenditures for the cost to demolish and clear the site of undamaged parts
- b) **your** actual expenditures for increased costs to repair, rebuild or construct the building. If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by zoning or land use, ordinance or law
- c) loss as described under Section 6 – Business Interruption and Loss of Licence of this **policy**, caused by loss covered in (a) or (b) above.

We will not cover

- a) any fine
- b) any liability to a third party
- c) any increase in loss due to a **hazardous substance** other than specifically granted under extension 1 – Hazardous substance
- d) Increased construction costs until the building is actually repaired or replaced.

5. Expediting expenses

For damaged **covered equipment**, **we** will be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or replacement. **We** will not be liable for more than £20,000 under this extension.

6. Hire of substitute item

If **covered equipment** is damaged as a result of an **accident**, **we** will also indemnify **you** against the cost of hire charges actually incurred by **you** during the **period of insurance**, for the necessary hire of a substitute item of similar type and capacity during the period of repair, or until a permanent replacement of the item lost or damaged. **We** will not be liable for more than £5,000 under this extension.

7. Storage tanks and loss of contents

The insurance under this **section** also includes damage caused by an **accident** to oil storage or water tanks used solely for and forming part of hot water or heating installations. Including connected pipework belonging to **you** or for which **you** are responsible at the **premises**. This also covers loss of the contents of oil from the storage tanks (other than underground tanks) belonging to **you** or for which **you** are responsible at the **premises** by

- a) escape of contents – leakage, discharge or overflow from the oil storage tanks caused by or resulting from an **accident**
- b) contamination of the contents of the oil storage tanks caused by or resulting from an **accident**

including cleaning costs incurred as a result of the loss.

But excluding

1. loss caused by fire regardless of how the fire may have been caused
2. loss resulting from corrosion, erosion or wasting
3. contamination of the contents resulting from
 - a) the natural settling, separation or accumulation of fluids or materials constituting the normal contents
 - b) the deliberate use of fluids or materials in the oil storage for cleaning, flushing or similar purposes.
4. loss sustained whilst oil storage tanks are in transit between **premises**
5. costs or expenses arising from pollution or contamination of property not covered by this extension.

We will not be liable for more than £7,500 under this extension for any one **accident** or series of **accidents** arising out of one event.

8. Loss avoidance measures

We will pay the reasonable costs necessarily incurred by **you** to take exceptional measures to prevent or mitigate impending damage to **covered equipment** as a result of an **accident**.

Provided that

- a) damage would be reasonably expected if the measures were not implemented
- b) **we** are satisfied that damage has been avoided or mitigated by implementing the exceptional measures
- c) the amount payable will be limited to the cost of damage, which would have otherwise occurred
- d) the terms, conditions and exclusions of this **section** and the **policy** apply as if damage has occurred
- e) if damage had occurred, it would have resulted in a claim that would have been accepted by **us** under this **section** of the **policy**.

A limit of £5,000 for any one **period of insurance**.

9. Damage to own surrounding property

We will be liable for damage to property belonging to or in **your** custody and control for which **you** are responsible, resulting directly from **explosion** or **collapse** of any steam boiler, steam generator, economiser, superheater, and steam pipework or steam vessel.

We will not be liable for more than £1,000,000 under this extension.

10. Territorial limit

The cover provided by this **section** is restricted to **your premises** as insured in Section 1 – Material Damage other than in respect of **your** own equipment as described below

- i) vehicle recovery cranes/winches (and any other lifting equipment normally used in addition)
- ii) portable Computer equipment insured under Section 8 – Computer Insurance

where the **policy territories** apply.

Conditions

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

1. Precautions

You must exercise due diligence in

- a) complying with any statute or order
- b) ensuring that **your** items are properly maintained and used in accordance with manufacturers' recommendations and in taking reasonable precautions to prevent loss or damage.

2. Back-up records

You will maintain a minimum of two generations of **verified** back up computer records, taken at regular intervals and not less than every 48 hours. One copy, as a minimum, being held off site. All reasonable precautions are taken to store and maintain records in accordance with the maker's recommendations.

What is not covered

1. **We** will not pay for loss or damage caused by or resulting from
 - a) a hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment
 - b) any defect, virus, loss of data (other than as specifically provided under extension 2b) or other situation within **media** or
 - c) depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an **accident** results, **we** will be liable for that resulting loss or damage
 - d) loss due to solidification, biological activity or spontaneous chemical reaction
 - i) in the contents of tanks or
 - ii) occurring in the materials being processed.
2. **We** will not be liable for loss or damage recoverable under the maintenance agreement or any warranty or guarantee, which would be recoverable but for breach of **your** obligations under the agreement.
3. For Business Interruption, **we** will not be liable for the delay in resuming operations due to the need to reconstruct or re-input data or programs on **media**, where **you** have not fully complied with **section** condition 2 – back-up records.
4. The **excess** applicable under this **section** is either the **excess** applicable under Section 1 – Material Damage or Section 6 – Business Interruption and Loss of Licence (as appropriate) or £300 whichever is greater.
5. This insurance does not cover any loss or damage which is insured by any other **section** of this **policy**, or other policies except for any excess beyond the amount that would have been payable under those **sections** or policies had the insurance not been effected.

6. Loss or damage arising out of any intentional act or wilful omission by **you** (other than an act or omission which is classed as an exceptional measure to prevent injury, loss or damage) with regard to the nature and circumstances of the act or omission could reasonably be expected to cause, contribute to or exacerbate any loss or damage.
7. Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.
8. Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with
 - a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

Section 8 – Computer Insurance

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions, the section definition will apply.

<p>Computer equipment</p>	<ul style="list-style-type: none"> a) all computer equipment (including interconnecting wiring, fixed disks and telecommunications equipment used for the storage and communication of electronically processed data) but excluding any computer equipment controlling a manufacturing process b) ancillary equipment solely for use with the computer equipment, comprising air conditioning equipment, generating equipment, uninterruptible power supply voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat, smoke and water detection equipment, lightning and transient over voltage protection devices, computer furniture, gas flooding cylinders and pipework and computer room partitioning c) proprietary software programs and other information stored upon fixed disks d) all current and back up computer records (excluding paper records of any description) incorporating stored programs and/or information owned by or on deferred purchase, lease hired or rented to you or whilst on trial with a view to purchase.
<p>Damage</p>	<p>Loss, destruction or damage.</p>
<p>Deferred purchase</p>	<p>Any agreement which entitles you to defer payment for computer equipment for a period exceeding 90 days (or a period in excess of usual trade credit).</p>
<p>Indemnity period</p>	<p>The period beginning when an insured event occurs and ending not later than the number of months thereafter shown in the schedule, during which the computer operations are affected as a result of the insured event.</p>
<p>Insured event</p>	<ul style="list-style-type: none"> a) Damage insured under part 1 and/or part 2 of this section. b) Loss, distortion, corruption or erasure of programs and/or information insured under Part 2 of this section. c) Damage to any item of category a) or b) of the computer equipment due to its own derangement where such cost of repair or remedy is recoverable under any guarantee or agreement for maintenance, rental hire or lease, or any provision in an agreement with the supply of the computer equipment. d) The accidental failure or fluctuations of the supply of electricity to categories a) and b) of the computer equipment at the premises where the computer equipment is situated. e) The accidental failure of any telecommunications system (other than satellite systems) used in connection with the computer equipment. f) You being denied access to the computer equipment due to <ul style="list-style-type: none"> i) Damage to the computer equipment at or in the vicinity of the premises ii) Any authority exercising its powers, for the sole purpose of safeguarding life or property.

Loss of interest	<ul style="list-style-type: none"> a) Interest payable for loans raised b) Interest foregone on reduction in investment capital, in lieu of loans raised as a direct result of minimising the effect of the interruption or interference.
Proprietary software programs	The package of software programs purchased by you with the computer equipment at the original date of purchase, plus any subsequent upgrades excluding any bespoke computer software purchased by you without our prior consent.
Reinstatement	<ul style="list-style-type: none"> a) where any item of computer equipment suffers damage to the extent that repair is uneconomic or impractical, its replacement by new computer equipment of equal performance and/or capacity. If this is not possible its replacement will have the nearest higher performance and/or capacity to the computer equipment lost or damaged b) where the computer equipment suffers damage, the repair of the damage and the restoration of the damaged portion, will be made to a working condition the same as, but not better or more extensive than its condition when new.

Part 1 – Computer equipment

What is covered under Part 1

If any **computer equipment** described in the **schedule** is damaged at the **premises** we will pay **you** the amount of the **damage**, or at **our** option replace or repair the **computer equipment** or any part of it.

What is not covered under Part 1

1. Breakdown

Any **damage** to the property described in paragraphs a) and b) of the definition **computer equipment** due to its own breakdown.

2. Derangement

Derangement, unless **you** have in force, a maintenance agreement with the manufacturers or other approved company for the **computer equipment** covering

- a) free repairs to, or replacement of the **computer equipment** following breakdown or stoppage from any internal cause other than **your** negligence
- b) preventative maintenance or adjustment of mechanical moving parts.

3. Excluded perils

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

Conditions applicable to Part 1

These conditions of cover apply only to Part 1 of this **section**. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Declaration of values

Prior to each renewal **you** will supply **us** with declarations of the replacement value of the property as new for each of the categories of **computer equipment** insured.

Part 2 – Reinstatement of data

What is covered under Part 2

We will cover **you** in the event of loss, distortion, corruption or erasure of programs and/or information from any cause, not otherwise excluded to property described in paragraphs c) and d) of the definition **computer equipment** whilst at the **premises**.

Provided that

- a) **our** liability is limited solely to the cost of reinstating data
- b) **we** will not be liable for damage to **proprietary software programs** insured under Part 1.

What is not covered under Parts 1 and 2

1. Excess

The first £100 of each and every claim.

2. Maintenance agreement

Damage recoverable under the maintenance agreement or any warranty or guarantee or which would be recoverable but for the breach of **your** obligations under the agreement.

3. Consequential loss

Financial loss, loss of profits, loss due to delay and/or any kind of consequential loss not specifically insured by this **section**.

4. Lease, hire, rent, loan or sale

Damage or loss resulting from **damage** to any **computer equipment** which is

- a) offered, or to be offered for lease, hire, rent or loan by **you** or leased, hired, rented or lent by **you** to others
- b) offered, or to be offered for sale or sold by **you**, where the sale of the **computer equipment** is in the course of **your business**.

5. Property of others

Damage or loss resulting from **damage** to any **computer equipment** which is not owned, leased, rented, hired or loaned to **you**, whilst in **your** custody or control for programming, repair, service, adjustment, alteration, storage or transit purposes.

Clauses applicable to Parts 1 and 2

1. Reinstatement

In the event of the property insured by Parts 1 and 2 being destroyed or **damaged**, the amount payable will be the **reinstatement** of the property.

Provided that

- i) **our** liability for loss of, or **damage** to **computer equipment** will not exceed the sum insured stated in the **schedule**, or additionally provided under extension 4 – Automatic cover
- ii) the work of **reinstatement** commences and is carried out, without unreasonable delay
- iii) **we** will not pay beyond the amount which would have been payable if this clause had not been incorporated until the cost of **reinstatement** has been incurred
- iv) **we** will not pay beyond the amount which would have been payable if this clause had not been incorporated, if at the time of any **damage** to the **computer equipment** insured it is covered by any other insurance effected by or on **your** behalf which is not on a **reinstatement** basis
- v) each item insured, is declared to be separately subject to the following condition of average:
If at any time of **reinstatement**, the sum representing 85% of the cost which would have been incurred in **reinstatement** if there had been a total loss, exceeds the sum insured or any further increase allowed, under the provision of extension 4 Automatic Cover at the time of **damage** to the **computer equipment** **you** will be considered as being **your** own insurer for the difference and will be responsible for a proportionate share of the **damage**.
- vi) Whereby reason of the above provisions **we** will not pay beyond the amount which would have been payable if this clause had not been incorporated. The rights and liability of **us** and **you** in respect of **damage** will be subject to the terms and conditions of this **policy** as if this clause had not been incorporated.

2. Transit or abroad

The insurance covers the property insured whilst at any other site or whilst in transit anywhere in the world. **Our** liability will not exceed 10% of the sum insured under Part 1 or £100,000 for any one loss, whichever is the less, whilst the **computer equipment** is in transit or located outside the United Kingdom or Republic of Ireland.

3. Theft from unattended vehicles

Our liability will not exceed £5,000 for any one loss for theft from unattended vehicles.

4. Limit of liability

Our liability under Parts 1 and 2 will not exceed

- a) the total sum insured for any item, at the time of the **damage**
- b) The sum insured remaining after deduction for any other **claim** as a consequence of **damage** occurring during the same **period of insurance**, unless **we** have agreed to reinstate any sum insured.

Extensions applicable to Parts 1 and 2

This cover also includes

1. Debris removal costs

Costs necessarily and reasonably incurred with **our** consent in the removal of debris and the protection of the equipment as a consequence of the **damage** insured by this **section**, provided **our** liability under this extension does not exceed 10% of the sum insured under Part 1 or £50,000 whichever is the less.

2. Consulting engineers fees and investigation costs

Costs (including consulting engineers fees) incurred with **our** prior consent while conducting investigations and/or tests into the possible repair, replacement or **reinstatement** of the damaged **computer equipment** regardless of whether the investigations and/or tests are successful or not.

3. Expediting costs

Costs necessarily and reasonably incurred in making temporary repairs and/or expediting the repair, **reinstatement** or replacement of insured items as a result of **damage** (excluding costs recoverable under Part 3). Provided that **our** liability will not exceed 10% of the cost of **damage** or £50,000 whichever is the less.

4. Automatic cover

Additional **computer equipment** purchased by **you** during the **period of insurance** or for which **you** are responsible at any existing **premises** shown in the **schedule** until the next renewal date at no additional charge. Provided that **our** liability does not exceed £250,000 at any one **premises** or 10% of the sum insured under Part 1, whichever is the less.

5. Incompatibility of records

Where reinstatement of data is insured **we** will cover **you** for

- a) the cost of modifying the **computer equipment** insured under Part 1
- or
- b) the cost of replacing the data carrying materials together with reinstatement of data, whichever is the less as a result of an indemnifiable loss in order to achieve equivalent compatibility to that existing immediately prior to the loss, due to undamaged data carrying materials being incompatible with the replacement **computer equipment** provided that

- i) the replacement **computer equipment** is the nearest equivalent to that damaged
- ii) the amount payable under this extension does not exceed 50% of the sum insured under Part 2 or £50,000 whichever is the less.

6. Loss avoidance measures

Reasonable costs incurred in taking exceptional measures to prevent or mitigate impending **damage** for which indemnity is provided by Parts 1 and 2 provided that

- a) **damage** would be reasonably expected if these measures were not implemented
- b) **we** are satisfied that **damage** has been avoided or mitigated by implementing the exceptional measures
- c) the amount payable will be limited to the cost of **damage** which would have otherwise occurred
- d) the terms and conditions of this **policy** apply as if **damage** had occurred
- e) **our** liability does not exceed 10% of the sum insured under Parts 1 and 2 or £50,000 whichever is the less.

7. Accidental discharge of gas flooding systems

The cost of recharging gas flooding systems installed solely for the protection of the **computer equipment** following accidental discharge provided that

- a) **we** will not be liable for any loss as a result of gradual leakage, discharge or drop in pressure
- b) **you** will maintain at **your** own expense, the gas flooding system in accordance with the suppliers and/or makers recommendations
- c) **our** liability will not exceed £10,000 for any one loss or 10% of the sum insured under Part 1 whichever is the less.

8. Virus seek and destroy costs

Costs necessarily and reasonably incurred with **our** consent in locating and removing a detected computer virus infecting any insured host program or disk. Provided that the amount payable does not exceed 10% of the sum insured under Part 1 or £5,000 whichever is the less.

9. Research and development costs

Costs of rewriting any data processing research or development projects to the stage they had reached prior to the **damage**, but excluding any benefit which **you** would have obtained from the completion of the projects had the **damage** not occurred provided that

- a) part 2 is insured
- b) the amount payable for any one claim will not exceed the sum insured under Part 2 or £5,000 whichever is the less
- c) **you** have fully complied with paragraphs d) and e) of condition 3 Precautions of the conditions applicable to all Parts 1, 2 and 3 of this **section**.

Conditions applicable to Parts 1 and 2

These conditions of cover apply only to Parts 1 and 2 of this **section**. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Unattended vehicle security

For cover to operate under Parts 1 and 2, whilst any item of **computer equipment** is being carried in a vehicle which is left unattended **you** must ensure that the following must be complied with:

- a) the doors of the vehicle must be locked and all its windows and other openings fully closed and properly fastened
- b) the vehicle must be in a locked garage or locked parking area if left overnight
- c) the **computer equipment** must be concealed from view in a locked boot, or concealed from view by other secure means where such facilities are unavailable (secure means security devices which have been approved by **us**).

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

Part 3 – Increase in cost of working

What is covered under Part 3

If the computer operations of the **business** are interrupted or interfered with due to an **insured event** during the **period of insurance**, **we** will pay as increase in cost of working the additional cost necessarily and reasonably incurred by **you** (including loss of interest) during the **indemnity period** as a consequence of an interruption or interference.

Our liability will not exceed in any one **period of insurance**

- a) the sum insured stated in the **schedule** and/or
- b) for any **loss of interest**, 10% of the sum insured as stated in the **schedule**.

Clauses applicable to Part 3

1. Additional rental

In addition to the limit of **our** liability under this part, **we** will pay for additional lease or rental charges up to £15,000 arising from the replacement of a lease or hire agreement for the **computer equipment** by a new contract for similar **computer equipment** as a consequence of **damage** insured under Part 1 of this **section**.

2. Professional accountants charges

Any particulars or details contained in **your** books of accounts or other business books or documents which

may be required under condition 2 of Part 3. For the purpose of investigating or verifying any claim they may be produced by professional accountants if, at the time they are regularly acting for **you** and their report will be prima facie evidence of the particulars and details to which the report relates.

We will pay **you** the reasonable charges, payable by **you** to **your** professional accountants for producing particulars or details of any other proofs, information or evidence as may be required by **us** under the terms of condition 2 of part 3, and reporting that the particulars or details are in accordance with **your** books of account or other business books or documents.

Provided that the sum of the amount payable under this clause and the amount payable under this Part 3 does not exceed **our** liability as stated.

3. Current cost accounting

For the purpose of this Part 3 any adjustment implemented in current cost accounting will be disregarded.

4. Value Added Tax

To the extent that **you** are accountable to the tax authorities for Value Added Tax, all terms in this Part are exclusive of tax.

What is not covered under Part 3

1. Costs of reinstatement of information

Costs of **reinstatement** of programs and/or information onto computer records and/or fixed disks.

2. Exclusion Period

Increase in cost of working incurred during

- a) the first 24 hours following derangement of any item of category a) of the definition **computer equipment**, if a maintenance, rental, hire or lease agreement is not in force on the item
- b) the first 30 minutes for a failure of the supply of electricity
- c) the first four hours for a failure of telecommunications equipment.

3. Deliberate supply and service withdrawal

The deliberate act of **you** or any supply authority to withhold or restrict operation of the supply or system, or the inability of **you** or any authority to maintain the supply or system due to industrial action by any of its employees.

4. Acts of telecommunications authorities

The failure of any telecommunications system directly or indirectly due to

- a) the deliberate act of any telecommunications authority to withhold or restrict operation of the system, or the inability of the authority to maintain the system due to industrial action by its employees
- b) the use by **you** of any equipment which is not approved by the telecommunications authority as properly installed and compatible.

Conditions applicable to Part 3

These conditions of cover apply only to Part 3 of this **section**. **You** must comply with the following conditions to have the full protection of **your policy**. Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Claims conditions

- a) In the event of any **damage** and as a consequence a claim is, or may be made under this Part **you** will with due diligence carry out any action which may be reasonably practical, to minimise, avoid or dismiss the loss or any interruption of, or interference with the **business**.
- b) In the event of a claim being made under this Part, at **your** expense **you** will
 - i) within 30 days after the **indemnity period** has expired (or further time if **we** agree in writing) provide **us** with written details of **your** claim, together with details of all other insurances covering property used by **you** at the **premises** for the purpose of the **business**, or any part of it or any resulting and consequential loss
 - ii) deliver to **us** **your** books of accounts and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence that **we** may require for the purpose of investigating or verifying the claim. Together with a statutory declaration of the truth of the claim and of any matters connected with it if requested.
- c) If the terms of this condition have not been complied with
 - i) **you** will not be covered and **we** will not pay **your** claim.
 - ii) any payment already made on account of the claim will be repaid to **us** at once.

Clauses applicable to Parts 1, 2 and 3

1. Payments on account

In the event of loss, if **you** want, **we** will make monthly payments on account to **you**.

2. Waiver of subrogation rights

The cover provided by this **section** is extended to indemnify the categories of users shown below, and **we** waive rights of recovery or subrogation against

- a) any parent company of **you**
- b) any subsidiary company of **you**
- c) any subsidiary company of a parent company, of whom **you** are a subsidiary
- d) any user of the **computer equipment** explicitly authorised by **you** provided that
 - i) any users included observe and fulfil the terms and conditions of this **policy** as if they were **you**
 - ii) **you** do not receive any form of indemnity or damages from these users.

3. Automatic reinstatement

Sums insured or limits of indemnity will be reinstated from the date of when the claim occurred. We will waive the additional premium if the cost of the claim does not exceed £25,000.

4. Misuse or contamination of computer systems

This section covers **damage** and/or reinstatement of data resulting from misuse of the **computer equipment**. Our liability for **damage** and/or reinstatement of data will not exceed £100,000 (or the sum insured or any other stated limit of liability if less) after the application of all the provisions of the **section**, including any **excess**. Misuse of the **computer equipment** means the deliberate or accidental misuse or contamination of any computer and/or computerised system (including programs and data) from

- a) any act carried out through accessing the system
- b) any infection of any kind within the system.

What is not covered under Parts 1, 2 and 3

1. Pollution or contamination

Damage caused by pollution or contamination (unless otherwise excluded) except **damage** caused by

- a) pollution or contamination which results from any **damage** insured
- b) any **damage** insured which results from pollution or contamination.

2. Intentional acts

Damage caused by

- a) **your** intentional act or wilful neglect
- b) intentional overloading
- c) testing or experiments involving the imposition of any abnormal conditions.

3. Wear and tear

Damage solely due to

- a) wear and tear, gradual deterioration or rust
- b) gradually developing defects
- c) scratching or chipping of painted or polished surfaces
- d) erosion or corrosion

but this does not exclude subsequent **damage** not otherwise excluded.

4. Guarantees of performance

Penalties for delay or detention, or in connection with guarantees of performance or efficiency.

5. Excluded parts

Damage to safety or protective devices as a result of their operation.

6. Error, virus or similar mechanism or hacking

This section does not cover

- a) for Part 1 – computer equipment

Damage to computer equipment or other equipment, component, system or item which processes, stores, transmits or retrieves data or any part thereof, whether tangible or not (including any information or programs or software) directly or indirectly caused by or arising from programming or operator error, **virus or similar mechanism or hacking**

- b) for Part 2 – reinstatement of data

loss directly or indirectly caused by or arising from programming or operator error, **virus or similar mechanism or hacking**

- c) for Part 3 – increase in cost of working

loss as a consequence, directly or indirectly of programming or operator error, **virus or similar mechanism or hacking**.

7. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

8. Terrorism

Damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with

- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any **damage**, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

Conditions applicable to Parts 1, 2 and 3 of this section

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

1. Claims notification and requirements

If **you** make a claim for **damage** under this **section you** must retain any damaged machinery or parts for inspection.

2. Claims settlement

We will be entitled to take over, defend or settle any claim in **your** name.

3. Precautions

You will

- a) exercise diligence in complying with any statute or order
- b) maintain the **computer equipment** in good order and efficient operating condition
- c) observe the manufacturers and/or suppliers instructions for use, operation, storage, transit and inspection of the **computer equipment**
- d) back up information (other than software programs) at least once every forty eight hours, verify and store, taking all reasonable precautions for their safe storage, and separately maintain one verified back up copy in a location away from the **premises**
- e) maintain one verified and up to date set of back up software programs, in a separate location away from the **premises**
- f) obtain, keep in force and effect a proper and valid licence for any software programs in **your** possession.

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

4. Access

We or **our** representatives will have right of access to the equipment at reasonable times.

5. Alteration or modification

You will notify **us** of any proposed alterations or modifications to the insured **computer equipment**.

Special clauses applicable to Parts 1, 2 and 3 of this section

Clauses 1 and 2 are only applicable if the clause number appears in the **schedule**.

1. Temporary cover

The first premium has been calculated to take into account the cost of temporary cover (in accordance with details lodged with **us**) pending issue of this **policy**.

2. Long term agreement

The discount shown in the **schedule** is allowed off the net premiums on this **section** in return for **you** giving an undertaking (expiring on the date stated on the **schedule**) to offer annually the insurance under this **section** based on the terms and conditions in force at the expiry of each **period of insurance**, and to pay the premium annually in advance, it being understood that

- a) **we** will be under no obligation to accept an offer made
- b) where appropriate the sum insured may be reduced at any time to correspond with any reduction in value.

The above mentioned undertaking applies to any **section(s)** which may be issued by **us** in substitution for this **section** and the same discount will be allowed off the net premiums on any substituted **section(s)** issued by **us** as previously stated.

Payment of the premium due at the expiry date shown in the **schedule** will be deemed acceptance by **you** of the terms of this clause.

Section 9 – Public and Products Liability

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions, the section definition will apply.

Costs and expenses	<ul style="list-style-type: none"> a) Legal costs of any claimant for which you are legally liable. b) All solicitors fees, incurred with our written consent for your legal representation <ul style="list-style-type: none"> i) at any Coroners inquest or Fatal Accident Inquiry ii) at proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty, resulting in injury or damage to property. c) All costs and expenses incurred, with our written consent for a claim against you, where indemnity is provided and applies under this section.
Damage	Physical loss, destruction or damage.
Employee(s)	<p>Anyone who is</p> <ul style="list-style-type: none"> • under a contract of service or apprenticeship with you • under a work experience training scheme • a labour master or labour only subcontractor or anyone supplied or employed by them • self employed working on a labour only basis • hired to or borrowed by you • a prospective employee who is being assessed by you on their suitability for employment • a voluntary helper <p>working under your supervision and control</p>
Injury	<ul style="list-style-type: none"> a) Bodily injury, death, disease, illness or nervous shock. b) Wrongful arrest, detention, eviction, wrongful accusation of shoplifting or false imprisonment.
Limit of Indemnity	<ul style="list-style-type: none"> a) The maximum amount specified in the schedule which we will pay for any one claim or series of claims, as a consequence of and attributable to one source or original cause. b) For pollution or contamination the limit of indemnity will apply to the total of all events happening during any one period of insurance. c) For products supplied the limit of indemnity will apply to all events in any one period of insurance. d) For any claim or claims arising directly or indirectly out of a terrorist act the limit of indemnity will apply to the total of all events happening during any one period of insurance and will not exceed £5,000,000 or the amount specified in the schedule whichever is the less.
Offshore	On or working from or travelling by sea or air to from or between an offshore rig, platform or similar offshore installation.

Pollution or contamination	<p>a) All pollution or contamination of buildings or other structures, or of water, land or the atmosphere and</p> <p>b) all loss, damage or injury directly or indirectly caused by pollution or contamination.</p> <p>All pollution or contamination which arises out of one incident will be deemed to have occurred at the time the incident takes place.</p>
Products supplied	<p>Products including containers, packaging, labels and instructions for use which have been sold, supplied, processed, delivered or transported by you or on your behalf in connection with the business and are no longer in your custody or control.</p>
Property	<p>Material property.</p>
Servicing	<p>Repair, testing, servicing, maintenance, alteration, cleaning, installation, erection, treatment or inspection of any motor vehicle.</p>
Territorial limits	<p>a) Anywhere within the policy territories other than offshore.</p> <p>b) Elsewhere in the world (other than offshore) in the course of the business conducted by you in the territories described in a) above.</p>

What is covered

We will indemnify **you** against legal liability to pay damages **costs and expenses** for accidental

1. **injury** to anyone
2. loss of or **damage** to **property**
3. obstruction, trespass, nuisance or interference with any right of way or air light or water occurring within the **territorial limits** during the **period of insurance** and in connection with the **business**.

The maximum **we** will pay is the **limit of indemnity** and any **costs and expenses**.

However for any claims against **you**, made within the legal jurisdiction of the United States of America or Canada, the **limit of indemnity** will be inclusive of the amount of all **costs and expenses** incurred in connection with the defence of such claims.

People insured

We will indemnify **your** legal representatives for legal liability incurred by **you**.

We will also cover at **your** request

1. any director, partner or **employee** of **yours**
2. any principal for whom **you** are carrying out a contract for the performance of work but only to the extent required by the conditions of such contract
3. the owners of plant hired in by **you**, but only to the extent required by the conditions of hire

against legal liability for which **you** would have been entitled to indemnity if the claim had been made against **you**

4. any officer or member of **your** canteen, sports, social, educational or welfare organisation established for the benefit of **employees**
 5. anyone who provides first aid, medical, ambulance, fire or security services in connection with **premises** occupied by **you**
 6. any director, partner or senior official of **yours** for whom an **employee** is undertaking private work, with **your** consent
 7. anyone driving or using a **motor vehicle** with **your** permission
 8. any passenger being carried in or upon, or entering or alighting from a **motor vehicle**
- against legal liability arising from the provision of such services facilities or work.

Provided that

- a) each of the parties indemnified under this **section** will, as though they were **you**, observe, fulfil and be subject to the terms, exclusions and conditions of the **policy** in so far as they can apply
- b) **we** will have the control and conduct of all claims
- c) if **we** are required to indemnify more than one party for any event, **our** liability will not exceed the **limit of indemnity**.

Extensions

1. Financial loss (products supplied)

Where **you** are legally liable to pay damages to the retail purchaser for any **products supplied** by **you** during the **period of insurance**, at or from the **premises** in connection with the **business**, which are not of merchantable quality or fit for the intended purpose, **we** will provide indemnity against such legal liability.

This indemnity will not apply to

- a) any amount exceeding £250,000 for all claims or events during any one **period of insurance**
- b) the first 10% of each and every claim or event subject to a minimum of £500
- c) the cost of replacing, reinstating, repairing or recalling any goods sold
- d) legal liability for **injury** or loss of or **damage** to **property**.

2. Health and safety at work including manslaughter – legal defence costs

We will indemnify **you** and at **your** request any director, partner or **employee** of **yours** for

- a) **costs and expenses** incurred with **our** written consent for defending proceedings including appeals
- b) **costs and expenses** of prosecution awarded against **you**

arising in connection with any health and safety inquiry or criminal proceedings against any offence under the

- a) Health and Safety at Work etc Act 1974
- b) Health and Safety at Work (Northern Ireland) Order 1978
- c) Corporate Manslaughter and Corporate Homicide Act 2007

in connection with the **business** and where injury is caused during the **period of insurance** within the **policy territories**

Provided that

- a) the maximum amount payable in respect of c) above, does not exceed £1,000,000 in total during any one **period of insurance**
- b) the proceedings relate to Health and Safety, Welfare and/or death of people other than employees
- c) **we** will not be liable to pay for
 - i) fines or penalties
 - ii) an appeal against any fine, penalty or remedial or publicity order
 - iii) an appeal, unless advice has been obtained from a Queen's Counsel that the appeal has a strong prospect of success
 - iv) the fees of any solicitor or counsel appointed by, or on behalf of anyone entitled to indemnity, unless **we** have agreed the appointment
 - v) costs incurred as a result of the failure to comply with any remedial or publicity order
 - vi) prosecutions which arise out of any activity or risk excluded from this **section**
 - vii) prosecutions as a consequence of any deliberate act or omission
 - viii) **costs and expenses** insured by any other policy.

3. Cross liabilities

We will indemnify each party named in the **schedule** as **you**, as if a separate policy had been issued to each. Provided that **our** total liability to all parties in respect of any event indemnified does not exceed the **limit of indemnity**.

4. Tenants liability for hired or rented premises

Exclusion 1 – Property under 'what is not covered' will not to apply buildings (including fixtures and fittings) within the territories specified in part a) of the **territorial limits** definition which are leased, hired, rented or loaned by **you** for the purpose of occupancy by **you** in connection with the **business**.

Provided that **we** will not be liable for

- a) the first £250 of damages, **costs and expenses** for **damage** caused other than by fire or explosion
- b) **damage** caused by fire or any other peril, against which a tenancy or other agreement stipulates that insurance will be effected by or on behalf of **you**
- c) liability imposed on **you** under any tenancy or other agreement, unless liability is applicable in the absence of such agreement.

5. Defective Premises Act liability

Where **you** are legally liable for **injury** or **damage** to **property** by virtue of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975, in connection with any **premises** which have been disposed of by **you**, and that prior to disposal were owned by **you**, **we** will indemnify **you** for legal liability provided that **we** will not be liable for the cost of rectifying any defect or alleged defect, or faulty workmanship in the **premises**.

6. Personal liability

We will indemnify **you** and at **your** request, any director, partner or **employee** of **yours** and any accompanying spouse or civil partner or children for legal liability incurred in a personal capacity for **injury** or **damage** to **property** whilst away from **your business premises** in connection with the **business**.

We will not provide indemnity for legal liability arising from

- a) any agreement or contract, unless such liability would have existed otherwise
- b) ownership or occupation of land or buildings
- c) the carrying on of any trade or profession
- d) where indemnity is provided by any other insurance
- e) ownership, possession or use of wild animals, firearms (other than sporting guns) mechanically propelled vehicles, aircraft or watercraft.

7. Data protection

We will indemnify **you** for legal liability to pay compensation for damages or distress resulting from failure to comply with Data Protection legislation, caused in connection with the **business** during the **period of insurance** provided that **you** are

- a) a data controller with a current and appropriate registration in accordance with the terms of the legislation
- b) not operating as a data processor.

The maximum payable including all **costs and expenses** under this extension will not exceed £250,000 in total during any one **period of insurance**.

We will not be liable to make any payment under this extension for

- a) the recording or provision of data for reward or for determining the financial status of anyone
- b) any liability which arises as a result of a deliberate act or omission by **you** and which could reasonably have been expected by **you** due to **you** being aware of the nature and circumstances of the act or omission
- c) any **damage** or distress caused by any act of fraud or dishonesty
- d) the **cost and expenses** of rectifying, rewriting or erasing data
- e) fines or penalties.

8. Consumer Protection and Food Safety Acts

We will indemnify **you** and if **you** request any director, partner or **employee** of **yours** for **costs and expenses** incurred with **our** consent in the defence of any criminal proceedings brought or an appeal against conviction, arising from the proceedings for a breach of

- a) Part II of the Consumer Protection Act 1987
- or
- b) Part II of the Food Safety Act 1990

being committed or alleged to have been committed, during the **period of insurance** within the territories specified in part a) of the **territorial limits** definition and in connection with the **business**.

We will not make any payment under this extension

- i) for fines or penalties
- ii) where indemnity is provided by any other policy
- iii) for proceedings or appeals for any deliberate act or omission.

9. Defective workmanship to vehicles

We will indemnify **you** against legal liability to pay damages up to the **limit of indemnity** and any **costs and expenses** in respect of **damage** to any **motor vehicle** which is or has been in **your** custody or control for **servicing**, occurring during the **period of insurance** and in connection with the **business**.

Provided that

we will not pay for the cost of rectification of faulty or defective **servicing**.

10. Loss of use (customers motor vehicles)

Exclusion 1b) – Property under ‘what is not covered’ will not apply for **your** legal liability for any consequential loss arising from the loss of use following **damage** to any customers **motor vehicle**, whilst temporarily in **your** custody and/or control, arising from its **servicing**.

Provided that

- a) repairs or replacement of the vehicle is undertaken as quickly as possible
- b) **our** liability is limited to £50,000 for any one loss.

We will not make any payment under this extension for

- i) any reduction in value
- ii) any fines or penalties
- iii) liability arising from any agreement or contract, unless liability would have existed otherwise.

11. Compensation for court attendance

We will compensate **you** whilst any of the people mentioned below attend court as a witness, at **our** request in connection with a claim for which **you** are entitled to indemnity under this **section**. The following rates are payable per day for each day that attendance is required

- a) **you** or any director or partner £250
- b) any **employee** £150

What is not covered

We will not pay for

1. Property

Damage to any property including motor vehicles

- a) belonging to or hired, loaned, leased or rented by **you**
- b) held in trust by or in **your** custody or control other than
 - i) directors or **employees** personal effects, including vehicles or their contents
 - ii) visitors **property**, including **motor vehicles** or their contents, whilst temporarily on or about the **premises**, other than for **servicing** or being stored for a fee or other consideration
 - iii) **damage** caused by faulty or defective **servicing** in accordance with extension 9 – Defective workmanship to vehicles.

2. Liquidated damages and penalties

- a) Liquidated damages, penalties or fines.
- b) Aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication or compensatory damages or other non-compensatory damages.

3. Vehicles and other craft

Liability caused by or arising out of the ownership, possession or use by or on behalf of **you** of any

- a) mechanically propelled vehicle or attached trailer
 - i) elsewhere than in or on the **premises**
 - ii) whilst on any road or public highway within the meaning of the Road Traffic Acts or other road traffic legislation, other than liability caused by or arising from the use of any plant or equipment as a tool of trade
 - iii) if liability is insured by any other policy or where compulsory insurance or other security is required by any road traffic legislation.
- b) craft designed to travel through water, air or space other than hand propelled watercraft.

4. Employees

Injury to any **employee** of **yours** arising out of and in the course of employment by **you** in connection with the **business**.

5. Guarantee warranty or contract

Liability which arises solely by virtue of an express guarantee, warranty, condition or indemnity, given or accepted by **you** in connection with **products supplied**.

6. Products to the United States of America or Canada

Liability arising in connection with **products supplied** by **you** or with **your** knowledge, for use in the United States of America or Canada.

7. Damage to products supplied

The cost of

- a) removing, replacing, reinstating or repairing **products supplied**, other than **motor vehicles** sold or supplied by **you**, where loss or **damage** to the **motor vehicle** is a direct result of work undertaken by **you** or on **your** behalf
- b) recalling, altering or making refunds for **products supplied**.

8. Design and advice

Liability arising from advice, instruction, consultancy, design, formula or specification provided or performed separately for a fee, or under a separate contract.

9. Products supplied and installed

Any work or any **products supplied** for and which, to **your** knowledge (or **you** could be reasonably expected to know), was intended to be installed or incorporated in any

- a) aircraft or other aerial device
- b) nuclear or petrochemical installation or structure.

10. Airside

Any work in or on any aircraft, airport or aerodrome runways, manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access.

11. Pollution or contamination

Pollution or contamination other than caused by a sudden identifiable unintended and unexpected incident, which takes place in its entirety at a specific time and place during the **period of insurance**.

12. Date recognition

Failure by equipment (including hardware or software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

Conditions

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

Fire precautions

You must ensure that the following precautions are complied with by **you**, **your employees** or by any sub contractors acting on **your** behalf for any work involving the use of any process for heat application or angle grinders away from **your premises**.

1. A thorough examination of the area where the work is to be carried out (including adjoining shafts or openings and the area on the other side of any wall or partition) will be checked to see whether any combustible **property** (other than the **property** to be worked on) is in danger of ignition either directly or by conduction of heat, or by use of angle grinders.
2. All moveable and combustible **property** (other than unharvested crops) to be removed to a distance of not less than 6 metres from the vicinity of the work. **Property** which cannot be moved will be covered and fully protected by overlapping sheets or screens of non-combustible and non-heat conducting material or other equivalent protection.
3. If it is necessary to carry out work in an area of unharvested crops
 - a) so far as it is possible
 - i) crops in the immediate vicinity of the work will be removed to a distance of not less than two metres radiating from the point of heat application or use of angle grinders
 - ii) a wind break of not less than 1.5 metres high, enclosing the area of the heat application or use of angle grinders will be erected.
 - b) the total area radiating two metres from the point of heat application or use of angle grinders will be saturated with water to prevent the ignition of any residual combustible material.
4. Suitable fire extinguishing appliances are to be kept available for immediate use at the point of work or as near as is practical.
5. All equipment, tools and appliances that are used for the process of heat application must not be lit under power or otherwise operational, until required for use, and extinguished and switched off immediately after use or when unattended.
6. The battery of any vehicle, machine or equipment being worked on will be disconnected and removed.
7. If any welding or heat application work is carried out on any vehicle within 1 metre of any fuel tank, pipe or line, the fuel must be drained from the vehicle using a proprietary fuel retriever pump into a suitable metal canister. This must be sealed and removed to a distance of not less than 6 metres from the vicinity of the work and fully protected by overlapping sheets or screens or non-combustible and non-heat conducting material or other equivalent.
8. Gas cylinders not in use will be kept outside the building where the work is taking place at least 15 metres from the point of application of the heat.
9. The use of all equipment for heat application, cutting or angle grinding will be strictly in accordance with the manufacturers instructions.
10. **You** will arrange for a person who is competent in the use of fire extinguishing appliances to work in conjunction with the operative using the equipment, tools or appliances to act as a firewatcher and to remain in attendance at all times until the lighted flame, tool, equipment or appliance is extinguished and switched off.
11. Upon completion of each period of work, a thorough fire safety check will be made of the vicinity of the work.

The fire safety check must be undertaken at regular intervals, for at least one hour after completion, to ensure nothing has been damaged or left smouldering and there is no risk of fire.

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

Section 10 – Employers Liability

Your schedule will show **you** if this **section** is in force.

Definitions

Where **we** have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this **section**.

These definitions are in addition to the **policy** definitions.

If the same word appears in both the **policy** and **section** definitions the **section** definition will apply.

Costs and expenses	<p>a) Legal costs of any claimant for which you are legally liable.</p> <p>b) All solicitors fees, incurred with our written consent for legal representation of you</p> <p>i) at any Coroners inquest or Fatal Accident Inquiry</p> <p>ii) at proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty, resulting in injury.</p> <p>c) All costs and expenses incurred, with our written consent for a claim against you, where indemnity is provided and applies under this section.</p>
Employee(s)	<p>Anyone who is</p> <ul style="list-style-type: none"> • under a contract of service or apprenticeship with you • under a work experience training scheme • a labour master or labour only subcontractor or anyone supplied or employed by them • self employed working on a labour only basis • hired to or borrowed by you • a prospective employee who is being assessed by you on their suitability for employment • a voluntary helper <p>working under your supervision and control</p>
Injury	Bodily injury, death, disease, illness or nervous shock.
Limit of Indemnity	<p>The maximum we will pay for all damages, costs and expenses for any one claim or series of claims arising out of one event is the amount stated as the limit of indemnity in your schedule.</p> <p>For any claim or claims arising directly or indirectly from a terrorist act the limit of indemnity will not exceed £5,000,000 for any one claim or series of claims arising out of one event and will apply in place of and not in addition to the limit of indemnity specified in the schedule.</p>
Offshore	On or working from or travelling by sea or air to from or between an offshore rig, platform or similar offshore installation.
Territorial limits	<p>a) Anywhere within the policy territories other than offshore.</p> <p>b) Elsewhere in the world (other than offshore) in the course of the business conducted by you in the territories described in a) above.</p>

What is covered

We will indemnify **you** against all sums that **you** become legally liable to pay as damages, together with **costs and expenses** for **injury** caused to any **employee** during the **period of insurance** within the **territorial limits** arising out of and in the course of employment by **you** in the course of the **business**.

People insured

1. In the event of the death of anyone entitled to indemnity under this **section**, **we** will indemnify the deceased's legal personal representatives, but only for liability incurred by the deceased person.
2. **We** will also cover at **your** request
 - a) any director, partner or **employee of yours**
 - b) any principal for whom **you** are carrying out a contract for the performance of work but only to the extent required by the conditions of such contract
 - c) the owners of plant hired in by **you**, but only to the extent required by the conditions of hire against legal liability provided that **you** would have been entitled to indemnity under this **section** if the claim had been made against **you**.
 - d) any officer or member of **your** canteen, sports, social, educational or welfare organisations established for the benefit of **employees**
 - e) anyone who provides first aid, medical, ambulance, fire or security services in connection with **premises** occupied by **you**
 - f) any director, partner or senior official of **yours** for private work undertaken by any **employee** for such director or senior official against legal liability arising from the provision of such services, facilities or work provided that
 - i) everyone will observe, fulfil and be subject to the terms of this **section** so far as they apply, as though they were **you**
 - ii) **we** will have the control and conduct of all claims
 - iii) if **we** are required to indemnify more than one party for any event, **our** liability will not exceed the **limit of indemnity**.

Extensions

1. Health and safety at work including manslaughter – legal defence costs

At **your** request **we** will indemnify **you**, any director, partner or **employee of yours** for

- a) **costs and expenses** incurred with **our** written consent for defending proceedings including appeals
- b) **costs and expenses** of prosecution awarded against **you**

arising in connection with any health and safety inquiry or criminal proceedings against any offence under the

- a) Health and Safety at Work etc Act 1974
- b) Health and Safety at Work (Northern Ireland) Order 1978
- c) Corporate Manslaughter and Corporate Homicide Act 2007

in connection with the **business** where **injury** is caused during the **period of insurance** within the territories specified in part a) of the **territorial limits** definition.

Provided that

- a) the maximum amount payable in respect of c) above will not exceed £1,000,000 in total during any one **period of insurance**
- b) the proceedings relate to the Health and Safety, Welfare and/or death of any employee
- c) **we** will not be liable to pay for
 - i) fines or penalties
 - ii) an appeal against any fine, penalty, remedial or publicity order
 - iii) an appeal, unless advice has been obtained from a Queen's Counsel that such an appeal has a strong prospect of success
 - iv) the fees of any solicitor or counsel appointed by, or on behalf of anyone entitled to indemnity unless **we** have agreed the appointment
 - v) costs incurred as a result of the failure to comply with any remedial or publicity order
 - vi) prosecutions which arise out of any activity or risk excluded from this **section**
 - vii) prosecutions as a consequence of any deliberate act or omission
 - viii) **costs and expenses** insured by any other policy.

2. Compensation for court attendance

We will compensate **you** whilst any of the people mentioned below attend court as a witness, at **our** request in connection with a claim for which **you** are entitled to indemnity under this **section**.

The following rates are payable per day for each day that attendance is required

- a) **you** or any director or partner £250
- b) any **employee** £150

3. Unsatisfied court judgements

In the event of **injury** to an **employee**, sustained during the **period of insurance** and arising out of and in the course of employment by **you** in connection with the **business**, which results in the judgement for damages being given to the **employee** or their legal personal representative, which remains unsatisfied in whole or in part, six months after the date of the judgement, **we** will at **your** request pay the **employee** or their legal personal representatives the amount of any damages and any costs awarded that remain unsatisfied, provided that

- a) the judgement for damages is obtained
 - i) in a court of law within the territories specified in part a) of the **territorial limits** definition
 - ii) against a company partnership or individual other than **you** conducting a business at or from premises within the territories specified in part a) of the **territorial limits** definition
- b) there is no appeal outstanding
- c) if any payment is made under the terms of this extension, the **employee** or their legal personal representatives will assign the judgement to **us**.

4. Injury to working partners

If **you** are a working partner the cover will apply as though **you** were an **employee** as long as

- a) **injury** is sustained while **you** are working in connection with the **business**
- b) **injury** is caused by another partner or **employee** while working in connection with the **business**
- c) **you** have a valid right of action for negligence against the other partner or **employee**.

What is not covered

Vehicles

We will not pay for legal liability for **injury** to any **employee** when they are carried in, or on, or getting into or out of a mechanically propelled vehicle where compulsory insurance or security is required by any road traffic legislation.

Conditions

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

1. Right of recovery

The cover under this **section** is in line with any law relating to the compulsory insurance of liability to **employees** in the territories specified in part a) of the **territorial limits** definition. **You** must repay **us** all amounts **we** pay which **we** would not have been liable to pay but for the law.

2. Certificate of Employers Liability

If this **policy** or **section** is cancelled, any certificate of Employers Liability insurance will be cancelled from the same date.

Section 11 - Terrorism

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Business interruption	Loss resulting from interruption of or interference with the business carried on by you at the premises as a result of damage to property used by you at the premises for the purpose of the business .
Damage	Accidental loss, destruction or damage.
Terrorism	Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty’s Government in the United Kingdom or any other government de jure or de facto.

What is covered

The cover provided under the section(s) applicable as shown in the Terrorism section of your schedule is extended to include **damage** to the property insured or **business interruption** where covered directly or indirectly caused by happening through or as a result of **terrorism**.

What is not covered

We will not pay for

1. Electronic risks

Any losses directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

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

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

2. Excluded property

Any losses directly or indirectly caused by or resulting from loss, destruction or damage to any

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

3. Motor exclusion

Any mechanically propelled vehicle or attached trailer

- a) elsewhere than in or on the **premises**
- b) if insured by any other policy or where compulsory insurance or other security is required by any road traffic legislation.

4. Other insurances exclusion

Any property which is insured by or would but for the existence of this **section**, be insured by any form of transit, aviation or marine policy.

5. War risks

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

Conditions

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

1. Proof of cover

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

2. Limitation of liability

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

- a) the total sum insured, or
- b) for each item its individual sum insured, or
- c) any other limit of liability

whichever is the less as stated within the **sections** applicable shown in the Terrorism **section** of **your schedule**.

Section 12 - Legal Expenses

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions, the section definition will apply.

Acts of Parliament	All Acts of Parliament referred to in the section will include any subsequent amendments, re-enactments or regulations and equivalent legislation enforceable within the policy territories .
Any one claim	All claims as a consequence of the same original cause, event or circumstance arising during the period of insurance . For a claim under 6 Tax Protection within 'What is covered', an HM Revenue & Customs (HMRC) investigation into a later year's self assessment return, where a previous year's self assessment return is still subject to an open enquiry will be deemed as any one claim.
Appointed representative	A consultant, solicitor, barrister or other appropriately qualified person appointed to act for you by us in accordance with the terms of this section .
Awards of compensation	Basic and compensatory awards and compensation for unlawful discrimination made against you by an employment tribunal or settlement, subject to our consent but not including additional awards, protective awards, interim relief, and arrears of pay or awards of damages under the Equal Pay Act, or arising out of failure to comply with awards for reinstatement or re-engagement. We will not pay any fine, award or damages incurred by deliberately avoiding a payment or liability under statutory requirements. We will not pay any redundancy payment or any monies due or properly payable arising from a contract of employment, service agreement or related document, or from any related, implied or incorporated terms of a contract of service.
Company/our/us/we	AXA Insurance UK plc as the insurer. For the purpose of managing claims its appointed agent, Arc Legal Assistance Ltd.
Claim	A claim under this section for legal expenses, professional expenses, awards of compensation or jury service allowance .
Contracting party	A person, firm or company operating within the policy territories with whom you have a direct contractual relationship.
Debt collection service	The debt collection service nominated by us .
Due date	The date monies owed to you , first becomes due and payable.
Employee(s)	Anyone under a contract of service with you .
HMRC investigation	Inland Revenue investigation and VAT dispute .
Injury	Physical, bodily injury or death.

Inland Revenue Investigation(s)	<p>a) Business self assessment full enquiry The investigation which takes place when an officer of HM Revenue & Customs (HMRC) makes a request to examine all of your business books and records and issues a formal notice under S9A of S12AC of the Taxes Management Act 1970 or under paragraph 24(1) Schedule 18 Finance Act 1998.</p> <p>b) Employer compliance dispute The enquiries which take place following an expression of dissatisfaction with your Pay As You Earn and/or National Insurance Contribution affairs, following an employer compliance visit by HMRC or following an expression of dissatisfaction with your P11Ds or P9Ds.</p> <p>c) Business self assessment aspect enquiry The enquiry which takes place when an officer of HMRC issues a formal notice under paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an aspect enquiry into only certain boxes on your self assessment return.</p>
Jury service allowance	<p>The amount of money you are liable to pay the employee each day they attend on jury service less any recovery from the Court.</p>
Legal expenses	<p>a) Fees</p> <ul style="list-style-type: none"> i) Any professional fees, expenses and other outlay reasonably incurred by the appointed representative with our consent and ii) Any costs incurred by other parties where you have been held liable in court or arbitration or tribunal proceedings to pay costs, or become liable to pay costs under a settlement made with another party with our consent, but excluding any costs which you may be ordered to pay by a court of criminal jurisdiction. <p>b) Witness attendance allowance The amount of money you are liable to pay the employee each day they are required by the appointed representative to attend as a witness at a court or tribunal hearing. Indemnity is limited to £100 per day and a maximum of £1,000 in any one claim.</p>
Professional expenses	<p>Any fees, expenses and other outlay reasonably incurred by the appointed representative with our consent. Excluding any tax or VAT, additional tax or VAT, interest or penalties demanded, assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction.</p>
VAT disputes	<p>The enquiries which take place following a written decision, assessment or statement of alleged arrears made by HMRC into your Value Added Tax return and/or any related Value Added Tax default, surcharges and misdeclaration penalties.</p>

What is covered

We will cover **you** against **legal expenses, professional expenses, awards of compensation and jury service allowance** as specified in this **section**.

We will only cover **you** for claims where the dispute, legal proceedings and **HMRC investigations** are in respect of activities within the scope and extent of **your business** and brought within the **policy territories** and the claim is notified during the **period of insurance**. We will not cover **you** for claims relating to the exclusions specified in this **section**.

This is a 'claims made' **section** of the **policy**. It only covers claims notified to **us** during the **period of insurance**.

Unless expressly stated, nothing in this **section** will create rights under the Contracts (Right of Third Parties) Act 1999.

Limits of liability

Our maximum liability under this **section** is limited to

- a) Subsections 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11 – £50,000 **any one claim**
- b) Subsection 10 – £1,000 **any one claim**
- c) £500,000 all claims notified during the **period of insurance**.

1. Contract disputes

Legal expenses incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against **you** in a contractual dispute with a **contracting party** over a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service with the meaning laid down in the Sale of Goods Act 1979, and/or the Supply of Goods and Services Act 1982 provided that

- a) **legal expenses** incurred in the pursuit of any dispute or legal proceedings will be limited to 75% of the amount in dispute
- b) the amount in dispute exceeds £1,000
- c) where the contract is a construction contract, as defined by the Housing Grants Construction and Regeneration Act 1996, the construction operations are carried out by the **contracting party** on the property owned by **you**, and the contract is incidental to **your business**
- d) Where the dispute relates to monies owed to **you** and
 - i) liability is not contested and
 - ii) **you** refer the debt to the **debt collection service**, within 30 days of the **due date**

this will be paid for by **you** and will not be indemnified by **us**. If the **debt collection service** exhausts its normal recovery procedure and recommends to **us** that legal proceedings are necessary, **you** must immediately notify a **claim** under this **section**.

2. Employment disputes

Legal expenses and **awards of compensation** incurred by **you** in defending legal proceedings brought against **you** by an **employee**, **ex-employee** or prospective **employee** in respect of their contract of employment with **you**, or a breach of employment related legislation, provided that **you** have sought and followed all the advice from the legal advice line as to the procedure to be adopted, and **you** have received specific authorisation from the legal advice line

- a) prior to carrying out any disciplinary procedure or action or suspension of any **employee**
- b) prior to dismissal of any **employee**
- c) prior to notifying an **employee** of their intended retirement date or retiring an **employee**
- d) prior to instituting a redundancy programme and prior to making an **employee** redundant
- e) upon notification formally or informally of a grievance from an **employee** or **ex-employee**
- f) upon notification formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation
- g) prior to any adverse variation or proposed variation of the terms and conditions of employment (including altering the hours, time or place worked, demotion or deduction from or reduction in an **employees** remuneration)
- h) immediately an **employee** walks out, with or without written notice
- i) upon receipt of an appeal from an **employee** or **ex-employee**, against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss.

3. Criminal prosecution

Legal expenses incurred in

- a) defending a prosecution against **you** in a court of criminal jurisdiction
- b) an appeal by **you** against the service of an Improvement or Prohibition Notice under the Health and Safety at Work Act 1974 or the Food Safety Act 1990.

4. Property disputes

Legal expenses incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against **you**

- a) over the physical possession of the **premises**, provided that all statutory and contractual notices have been correctly served by **you**
- b) over the terms of a tenancy agreement between **you** and a **contracting party** relating to the use or maintenance of the **premises** including dilapidations
- c) other than with a tenant, over the actual or alleged negligence, damage or nuisance to the **premises**

provided that **you** will suffer financial loss if **you** fail to pursue or defend the dispute or legal proceedings.

5. Data protection

Legal expenses incurred in defending any dispute or legal proceedings brought against **you** under the Data Protection Act 1998, including an appeal by **you** against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement, Deregistration or Transfer Prohibition Notice. **We** will also agree to indemnify **you** against compensation awards which **you** are ordered to pay under Section 13 of the Data Protection Act 1998, upon the holding loss or unauthorised disclosure of data provided that any compensation follows **your** unsuccessful defence of an action under the Data Protection Act 1998 to which **our** consent had been granted and has not been withdrawn.

6. Tax Protection

6A) Inland Revenue Investigations

Professional expenses incurred in representing **you** at an **Inland Revenue investigation**, including representation at an HMRC tribunal or Commissioners' hearing and at an appeal against a decision following the hearing or tribunal, provided that in the case of an employer compliance dispute there is a reasonable prospect of reducing the liabilities alleged by HMRC.

6B) VAT disputes

Professional expenses incurred in representing **you** at a **VAT dispute** for

- a) the local review procedure in order to reach agreement with HMRC
- b) a VAT and duties tribunal or other HMRC hearing or tribunal, including an appeal provided that there is reasonable prospect of reducing the liabilities alleged by the HMRC.

7. Statutory licence

Legal expenses incurred in an appeal by **you** against the suspension, revocation, imposed alteration of or refusal to renew a licence or certificate of registration, issued under statute or statutory instrument or by government or local authority to **you**, provided that

- a) the licence or certificate of registration is necessary for **you** to engage in **your business** and has been declared to **us**
- b) **you** have sought the advice of the legal advice line as to the procedure to be adopted immediately upon receipt of any verbal or written warning, from a person in authority, which in any way either directly or indirectly affects or may affect **your** licence or certificate of registration and have acted on all the advice with due diligence.

8. Personal injury

Legal expenses incurred in the pursuit of any dispute or legal proceedings or damages for injury to **you** caused by the actual or alleged act or omission of a third party.

9. Wrongful arrest defence

Legal expenses incurred in the defence of civil legal proceedings brought against **you** in respect of allegations of wrongful arrest or malicious prosecution.

10. Jury service allowance

Jury service allowance with the indemnity being limited to £100 per day and a maximum of £1,000 in **any one claim**.

11. Pension trustee defence

Legal expenses incurred in defending civil proceedings brought against **you**, in **your** capacity as a trustee of a pension fund set up for the benefit of **your employees**.

What is not covered

1. In respect of contract disputes **you** do not have cover for
 - a) the first £250 of **legal expenses** incurred in **any one claim**
 - b) contracts that provide or arrange credit insurance, securities or guarantees
 - c) contracts where **your** liability or right of recovery is incurred through their agent or by assignment
 - d) franchise contracts
 - e) contracts governed by or alleged to be governed by the Consumer Credit Act 1974
 - f) contracts of employment
 - g) contracts for the use of property.
2. In respect of criminal prosecution **you** do not have cover for
 - a) any prosecution relating to or arising from investigations by HMRC
 - b) any prosecution for offences against the person, including offences of a sexual nature other than charges under the Corporate Manslaughter and Corporate Homicide Act 2007
 - c) any prosecution for criminal damage
 - d) any prosecution alleging dishonesty
 - e) any prosecution which relates to the ownership, possession, hiring, driving or use of **motor vehicles**.
3. In respect of property disputes **you** do not have cover for
 - a) the payment or non payment or review of any tax, rent or service charge
 - b) a dispute relating to planning or building regulations, decisions, compulsory purchase orders or any actual planned or proposed works by or under the order of any government or public or local authority
 - c) any dispute arising from the negotiation, review or renewal of a tenancy agreement or the subsequent purchase of the **premises** whether or not the purchase is completed
 - d) any dispute where **you** have failed to maintain in full force and effect during a tenancy agreement, buildings insurance covering the standard range of perils if **you** were contractually obliged to have the insurance in force
 - e) a dispute over subsidence or heave however caused
 - f) a contract dispute, other than where the contract is a tenancy agreement with a **contracting party**.

4. In respect of tax protection **you** do not have cover for
- a) technical or routine treatment of matters, not connected with nor arising out of an expression of dissatisfaction with **your** affairs
 - b) the defence of any criminal prosecution
 - c) taxation proceedings which arise out of negligent misstatements or omissions made by or on **your** behalf for returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
 - d) any **HMRC investigation** which results solely from investigation of earlier accounts or records
 - e) any **claim** where the Tax Return is submitted outside the statutory time limits and/or in a penalty position
 - f) the preparation and/or correction of Self Assessment Returns, P11Ds, P35s, VAT returns and any other statutory returns
 - g) any investigation undertaken by the Special Civil Investigations or Criminal Investigations offices of HMRC or where a Notice 730 or Code of Practice 8 or 9 Notice has been issued by HMRC
 - h) an enquiry into the validity of a claim for Working Families Tax Credit or a dispute concerning the payment of the Working Families Tax Credit by an employer
 - i) any dispute in connection with the payment of the National Minimum Wage
 - j) a dispute or enquiry in respect of IR35 legislation
 - k) any **claim** made where a return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items
 - l) an investigation arising out of a voluntary disclosure made to the HMRC in respect of omitted tax NIC or VAT liabilities which become due as a result of **your** deliberate act
 - m) an investigation by HMRC into a tax planning arrangement where the Anti Avoidance Intelligence Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return.
5. In respect of statutory licence **you** do not have cover for
- a) the first £250 of **legal expenses** incurred in **any one claim**
 - b) any disciplinary or internal procedures conducted by authorities, charged with **your** regulation in the performance of their **business** or for any appeal following such procedures
 - c) a suspension, revocation, alteration or refusal to renew a Statutory Licence which is imposed by Act of Parliament
 - d) any costs incurred to comply with a notice or order
 - e) driving licences.
6. In respect of wrongful arrest defence **you** do not have cover for allegations made by or against, or on behalf of an **employee** or former **employee** or any other person working for **you** whether or not an **employee**.

In respect of all claims **you** do not have cover for

1. **Your** defence in civil legal proceedings arising from
 - a) injury or disease including psychiatric injury and stress
 - b) loss, destruction or damage of or to property
 - c) alleged breach of any professional duty
 - d) any tortious liability (other than as specified in 4 – property disputes and 11 – pension trustee defence within ‘What is covered’)
2. any dispute, legal proceedings or **HMRC investigation**, made, brought or started outside the **policy territories**
3. **legal expenses** or **professional expenses** incurred without the **our** prior written consent
4. **awards of compensation** where **our** consent to incur **legal expenses** has not been granted or has been withdrawn
5. any **claim** relating to or arising from any cause, event or circumstance occurring prior to, or existing at the inception of this **policy**, and which has or which **you** knew, or ought to have known may give rise to a dispute, legal proceedings or **HMRC investigation** by or against **you**
6. fines or other penalties imposed by a court or tribunal
7. any dispute, legal proceedings or **HMRC investigation** for which **you** are or but for the existence of this **policy** would be, entitled to indemnity under any insurance policy whether a legal expenses insurance or not, or under a legal aid certificate or representation order
8. any **claim** arising out of the deliberate, conscious, intentional or negligent disregard by **you** of the need to take all reasonable steps to avoid and prevent claims disputes, legal proceedings or **HMRC investigations**
9. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges
10. disputes or legal proceedings between **you** and/or each party named in the **schedule** or any **endorsement**, with any parent company, subsidiary company or associated company or partner
11. any dispute between **you** and **us**, the **appointed representative** or **your** insurance adviser
12. any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off, whether related to intellectual property or not
13. any dispute or legal proceedings arising out of or in connection with the ownership or existence of any intellectual property rights
14. any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood
15. any **legal expenses** or **professional expenses** incurred in respect of or in connection with a judicial review
16. appeals arising out of legal proceedings or **HMRC investigations** to which we have not granted consent
17. Any **claim**, directly or indirectly caused by or contributed to by seepage, pollution or contamination of any kind
18. any **legal expenses** or **professional expenses** which **you** should or would have had to incur irrespective of any dispute

19. Loss or damage, cost or expense or any consequential loss directly or indirectly caused by, resulting from, or in connection with
- a) any act of **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - b) any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**.

If **we** allege that any loss or damage, cost, expense or consequential loss is not covered by this **policy** the burden of proving the contrary will be with **you**.

If any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

Conditions for claims settlement

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

1. Claims procedure

You must tell **us** in writing immediately **you** become aware of any cause, event, circumstance, dispute or investigation which results in a **claim** or legal proceedings involving **you**.

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

2. Company's consent

You must obtain **our** written consent to incur **legal expenses** or **professional expenses**. **We** will grant consent if **you** can satisfy **us** that it is reasonable to incur **legal expenses** or **professional expenses** having regard to the proportionality between the remedy claimed and the **legal expenses** or **professional expenses** to be incurred and

- a) where **you** are pursuing, there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought or
- b) where **you** are defending, the other party does not have reasonable prospects of proving **your** legal liability or
- c) For a criminal prosecution and where **you** plead guilty, there is a reasonable prospect of a significant mitigation of **your** sentence or fine.

If during the course of a **claim you** cease to satisfy **us** in respect of 2. a) or b) above, indemnity will be withdrawn for **legal expenses, professional expenses** and **awards of compensation**. The decision to grant consent or to withhold it will be taken on receipt of

- a fully completed insurance claim form
- the information and documentation **we** reasonably request
- a legal opinion for the **appointed representative** as to a) and b) above
- any advice **we** may deem it necessary to take.

With **your** agreement **we** may provide assistance in settling disputes, these costs will be covered under this **section**.

At **our** discretion **we** may require **you** to obtain an opinion from Counsel at **your** expense, as to the merits of the **claim**, to cover the same issues that **we** have covered in assessing the merits of any legal action. If based upon such opinion **we** are satisfied in respect of 2a) and b) above **we** will pay the **legal expenses** and **professional expenses** in obtaining that opinion, within the limits of liability.

In granting **our** consent, **we** agree to provide indemnity to **you** subject to the terms and conditions of this **section**, but the consent does not imply that all **legal expenses**, **professional expenses** or **awards of compensation** will be paid. In particular **legal expenses** or **professional expenses** matters that go beyond the immediate scope of the **claim** will be deemed by **us** to fall outside the indemnity provided by this **section**.

We reserve the right to limit **our** consent by time and/or financial amount of **legal expenses** or **professional expenses** and/or stage of proceedings, to allow for a review of **our** continued consent.

If after **we** have granted consent it is shown that the **claim** has not been brought within the terms and conditions of this **section**, **our** consent will be withdrawn and no indemnity will be provided. **We** will be entitled to recover any **legal expenses**, **professional expenses**, **awards of compensation** and **Jury Service allowance** previously paid.

If **you** elect to proceed with the pursuit or defence of a dispute or legal proceedings to which **our** consent has been refused through lack of reasonable prospects as required in 2. a) and b) above, and **you** are successful in such pursuit or defence, **we** will pay **legal expenses** or **professional expenses** incurred after such consent had been refused subject to the terms and conditions of this **section**.

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

3. Instruction and choice of appointed representative and counsel

Where recourse is necessary to a lawyer and proceedings are issued **you** are free to choose an **appointed representative** to act in **your** name and on **your** behalf, in any legal proceedings to which **we** have consented, with **you** paying the first £1,000 of **legal expenses** incurred for **any one claim**.

The name and address of the **appointed representative** **you** propose to instruct must be notified to **us** in writing. **We** will accept the nomination provided that **we** are satisfied the proposed **appointed representative** will cooperate and enable **you** to comply with the terms and conditions of this **policy**, and provided the proposed **appointed representatives** charging rates are fair and reasonable in regard to the particular legal proceedings.

In all other **claims** **we** will choose the **appointed representative** to act on **your** behalf.

A dispute arising from **your** choice may be referred to arbitration in accordance with **policy** condition 14.

You must not enter into any agreement with the **appointed representative** as to the basis of calculation of **legal expenses** or **professional expenses** without our written consent. **We** may withdraw consent previously given at any time. In selecting the **appointed representative** **you** will have regard to its duty to minimise the cost of any **claim**. In all cases the **appointed representative** will be appointed in the name of and on behalf of **you**. If in the course of any **claim** the **appointed representative** wishes to instruct Counsel, an expert Counsel's or the expert's name and an explanation of the necessity for such instruction, must be submitted to **us** for consent to the proposed instruction which will not be unreasonably withheld.

4. Disclosure

- a) **you** must give the **appointed representative** and **us** all the necessary help and information, including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in **your** possession. **You** must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested
- b) **we** are entitled to receive from the **appointed representative** and **you** any information, document or advice in connection with any **claim** and the subject matter of any **claim** even if privileged. In addition **you** must instruct the **appointed representative** to provide **us** with regular updates on the progress of the subject matter of any **claim**, and inform **us** immediately if any or when any circumstances adversely impact the factors taken into account in granting **our** consent. On request **you** will give to the **appointed representative** any instructions necessary to secure the required access.

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

5. Payment of legal expenses, professional expenses and awards of compensation

All bills for **legal expenses** or **professional expenses** which **you** receive from the **appointed representative** should be forwarded to **us** without delay. If **we** request **you** must ask the **appointed representative** to submit the bill of costs for assessment or certification by the appropriate Law Society court or tribunal. **You** are responsible for payment of all **legal expenses**, **professional expenses** and **awards of compensation**. **We** may settle these direct if requested by **you** to do so. The payment of some **legal expenses** or **professional expenses** does not imply that all **legal expenses**, **professional expenses** or **awards of compensation** will be paid.

6. Offer of settlement

You must inform **us** in writing as soon as an offer to settle the subject matter of the **claim** is received, and/or **you** propose to make an offer of settlement. In any settlement **you** must have regard to **legal expenses**, **professional expenses** or **awards of compensation** incurred or likely to be incurred and their recovery.

No indemnity will be provided if **you** enter into any agreement to settle without **our** prior written consent (such consent not to be unreasonably withheld) and **we** will be entitled to recover any **legal expenses**, **professional expenses** or **awards of compensation** previously paid. If **you** unreasonably reject an offer of settlement which **we** recommend acceptance of, or make an offer which **we** do not agree with no further indemnity will be provided.

We may at **our** absolute discretion decide to pay **you** the amount of damages that **you** are claiming or is being claimed against **you**, instead of indemnifying **you** for **legal expenses**, **professional expenses** or **awards of compensation**. Where **we** exercise this discretion **we** will cease to be liable for any further **legal expenses**, **professional expenses** or **awards of compensation**.

7. Recovery of costs

Whenever **you** are awarded costs, or under the terms of any settlement where costs are included, those costs are to be repaid to **us**. **You** and **your appointed representative** must make every effort to make a full recovery of costs.

Where a settlement is suggested to be a global or a without costs settlement or where costs are awarded but not recovered, **you** agree that a fair and reasonable proportion of that settlement will be deemed costs and due to **us**. Where such a settlement is paid in instalments all costs to **us** will be paid first.

8. Appeal procedure

If following legal proceedings to which **we** have consented, **you** wish to appeal against the judgement or decision of a court or tribunal, the grounds for the appeal must be submitted to **us** through the **appointed representative** immediately or as soon as practical, so that **we** may consider whether to consent to further action.

If an appeal is lodged against a judgement or decision of a court or tribunal made in **your** favour following legal proceedings to which **we** have consented, **you** must notify **us** immediately in order that cover will continue. **We** will inform the **appointed representative** of **our** decision and **you** must cooperate in an appeal against the judgement or decision of a court or tribunal.

9. Insolvency or liquidation

If **you** become insolvent or are placed in liquidation, receivership, administration or bankruptcy or enter into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose, **we** have the right to immediately cease to provide indemnity for **legal expenses, awards of compensation** and **professional expenses** even if **we** have previously granted consent.

10. Value Added Tax

If **you** are registered for VAT, **we** will not pay the VAT element of any **legal expenses** or **professional expenses**.

Section 13 – Personal Accident and Sickness

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Death	Death through injury .
Injury	Bodily injury caused by violent, accidental, external and visible means including <ul style="list-style-type: none"> • exposure to the elements • accidental drowning, gassing or poisoning • lawfully arresting, detaining, assisting to arrest or detain a criminal or suspected criminal
Insured person(s)	All of your principals, partners, directors or employee(s) unless otherwise specified.
Loss of limb	Total and permanent loss by severance of a hand at or above the wrist, or a foot at or above the ankle or total and permanent loss of use of a hand or foot.
Occupation	The tasks, duties and other functions which you normally pay the insured person(s) to perform in connection with your business described in the schedule .
Partial disablement	Disablement which in the opinion of a doctor prevents the insured person(s) from engaging in or attending to a substantial part of their usual occupation, but is not permanent total disablement .
Permanent total disablement	Permanent disablement (other than loss of limb(s) or loss of sight) which <ul style="list-style-type: none"> • lasts for more than 24 consecutive months and • in the opinion of a doctor will in all probability continue for the remainder of the insured person(s) lifetime and • wholly prevents the insured person(s) from engaging in or giving attention to their usual occupation
Sickness or disease	Sickness or disease that results in incapacity covered by this section within 24 months of its commencement as described in the schedule and as certified by a doctor.
Total disablement	Disablement which in the opinion of a doctor wholly prevents the insured person(s) from engaging in or attending to all functions of their usual occupation , but is not permanent total disablement .
Weekly wage or earnings	One fifty-second part of the annual earnings .
Annual earnings	The total wages or salaries (excluding overtime, bonus payments and all other allowances) shown in the wages and salaries books as having been paid by you to an insured person(s) in connection with their usual occupation for the 52 weeks immediately preceding the date of the injury .
	If the period of employment with you is less than 52 weeks, the annual earnings paid by you to an insured person(s) is divided by the number of weeks during which the insured person(s) has been employed by you and multiplied by 52.

What is covered

We will pay you (or in the event of your death, your personal representative(s)) benefit as stated in the schedule if during the period of insurance an insured person(s) sustains injury, or if sickness or disease becomes evident, resulting directly and independently of any other cause, in death or disablement described in the schedule within 24 months of the injury, sickness or disease.

Maximum Benefit

The maximum benefit payable by us under this section will not exceed in total

1. the amount stated in the schedule for any one insured person or £500,000 whichever is the less
2. £2,000,000 for insured person(s) as a result of any one claim or series of claims arising out of one source or original cause.

In the event that limitation 2 above applies the benefits payable will be reduced proportionally between the insured persons(s).

Application of Benefits

1. We will not pay benefit under more than one of the items 1 to 4 and 7 or 8 as stated in the schedule.
2. Any payment made for benefit items 5, 6 or 9 as stated in the schedule will be deducted from any subsequent payment made for items 1 to 4 and 7 or 8 as stated in the schedule arising from the same injury, sickness or disease.

Extensions of cover

1. Disappearance

If an insured person(s) has been missing for a period of 12 months it will be presumed that death has occurred if sufficient evidence is produced to confirm that the insured person(s) sustained injury likely to have caused death. However if the insured person(s) is found to be alive any amount already paid will be refunded to us.

2. Hijack, kidnap, unlawful detention

If the insured person(s) is subject to a hi-jack, kidnap or unlawful detention anywhere in the world, we will pay £50 for each day or any part of a day that the insured person(s) is detained up to a maximum period of 30 days for any one claim.

What is not covered

We will not make any payment

1. if the sickness or disease of an insured person(s) becomes evident in any period of insurance which commences after the insured person(s) has reached the age of 65.
2. if the injury, sickness or disease arises from the insured person(s) taking a drug which is not lawfully available or is lawfully available on prescription by a doctor or dentist but not prescribed specifically to the insured person(s).

3. if the **injury, sickness or disease** results from any existing defect or chronic or recurring disease, disorder or other condition, which you or the **insured person(s)** knew about in the 12 months immediately prior to
 - a) the start of the first **period of insurance** of this **section** or
 - b) the date the **insured person(s)** was included in this insurance.
4. if the **injury** arises from, is traceable to, or caused by any gradually developing bodily deterioration, whatever the cause of deterioration.
5. if the **injury, sickness or disease** arises from flying or other aerial activities (except as a passenger in an aircraft operating under its own power).
6. if the **injury, sickness or disease** arises from the **insured person(s)** committing or attempting to commit suicide, intentional self-injury or insanity.
7. if the **sickness or disease** is contracted outside Europe, the United States of America, Canada, Australia or New Zealand.
8. for any claims arising directly or indirectly from any nuclear, chemical or biological contamination arising from any **terrorist act** regardless of any other contributory cause or event.

Conditions

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

Claims procedure

- a) The **insured person(s)** will have to undergo regular medical examinations as often as required at **your** expense for any alleged **injury, sickness or disease**.
- b) In the case of **death**, **we** will be entitled to have a post mortem examination completed, at **our** expense.

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

Section 14 - Engineering Inspection

Your schedule will show you if this section is in force.

Definitions

Where we have explained what a word means it will be highlighted in bold and will have the same meaning wherever it is used in this section.

These definitions are in addition to the policy definitions.

If the same word appears in both the policy and section definitions the section definition will apply.

Company/our/us/we	HSB Houghton Engineering Insurance Services Limited (HSB Houghton).
Competent person	An engineer surveyor employed and authorised by us to perform the thorough examination/inspection service .
Inspection option 1	<p>Boiler & Pressure Plant</p> <ul style="list-style-type: none"> • Thorough examination/inspection service of all pressure systems containing a relevant fluid, which require a Written Scheme of Examination as defined within The Pressure Systems Safety Regulations 2000. • The inspection frequency under this service will be as detailed in the Written Scheme of Examination. <p>Lifting & Handling Plant</p> <ul style="list-style-type: none"> • Thorough examination/inspection service of equipment used for the purpose of raising or lowering a load (where the load can include persons) as required by The Lifting Operations & Lifting Equipment (LOLER) Regulations 1998. • The inspection frequency will be in accordance with and as detailed in the LOLER Regulations.
Inspection option 2	<p>Includes inspection option 1 plus: Visual inspection of motors and compressors connected to any vessels inspected under inspection option 1. Local Exhaust Ventilation (LEV) Plant Thorough examination/inspection and test of all dust and fume LEV systems as required by The Control of Substances Hazardous to Health (COSHH) Regulations 2004. This excludes the initial commissioning evaluation as defined under the Health and Safety Guidance note HSG258.</p>
Normal working hours	8:00 a.m. to 6:00 p.m. Monday to Friday excluding public bank and local holidays.
Thorough examination/inspection service	<p>Thorough examination of machinery in accordance with the requirements of such statutory regulations as apply to the machinery or inspection of machinery in compliance with good established engineering practice. Unless otherwise agreed in writing this term shall not include approval or verification of the fitness for purpose of any design or design features of machinery performing or witnessing tests of a non-routine nature including but not limited to ultrasonic radiographic hydrostatic or other non-destructive examination or in the case of lifting and handling machinery any proof load stability anchorage or similar test.</p>

What is provided

1. We will, during the **period of insurance**
 - a) perform a **thorough examination/inspection service** of machinery within **normal working hours**
 - b) provide a **thorough examination/inspection service** report within 28 days
 - c) comply with **your** safe systems of work provided such systems are notified to **us** in advance of any visit
2. We may, during the **period of insurance**
 - a) decline to undertake any **thorough examination/inspection service** if, at **our** sole discretion, to do so would pose a health safety or welfare risk
 - b) appoint sub-contractors to provide services to support the **thorough examination/inspection service**
 - c) make a charge (payable directly to **us**) in addition to the fee shown in the **schedule** if **you**:
 - i) request and **we** agree to perform a **thorough examination/inspection service** outside **normal working hours**
 - ii) require additional copies of reports
 - iii) fail to prepare or make the machinery available at the date and time agreed
 - iv) require additional services
 - v) require the **competent person** to undertake training or particular risk assessment specific to **your premises**, health safety and welfare procedures.

Your responsibilities

You will

1. be responsible for the care custody and control of the machinery at all times
2. allow **us** access to **your** site or site of operation and machinery at reasonable times as agreed
3. provide **us** with
 - a) a safe working environment on the site on where the machinery is located
 - b) a safe physical means to gain access to perform a **thorough examination/inspection service**
4. have the machinery properly prepared, dismantled and reassembled as necessary, in order to enable **us** to carry out the appropriate **thorough examination/inspection service**
5. cooperate with, and upon request provide **us** with information and data relating to the machinery as required in order to perform the **thorough examination/inspection service**.

Fees

1. We will charge fees for the provision of the **thorough examination/inspection service** and the fees will be subject to Value Added Tax at the appropriate rate.
2. You must pay the fee shown in the **schedule** at the inception and subsequent renewals of the **policy**.
3. If you add or delete locations or individual items of machinery to or from the **schedule** during the **period of insurance** the fee may be adjusted.

Confidentiality

1. Unless agreed otherwise, all reports and similar material prepared by us in connection with our **thorough examination/inspection service** will be released only to you or your designated representative.
2. We may use data gathered in connection with our **thorough examination/inspection service** for statistical use.

Limitation of liability and indemnification

1. Neither we nor any of our employees will be liable, directly or indirectly for any loss, damage or injury to property or persons resulting from any accident or defect in any machinery; nor will we be liable, directly or indirectly for loss, damage or injury of any kind arising from or connected in any way with any **thorough examination/inspection service** or documentation of any **thorough examination/inspection service** or from the omission of any **thorough examination/inspection service**, whether or not such **thorough examination/inspection service** documentation or omission was at your request.
2. Neither we nor any of our employees make any warranty express or implied concerning the activities described in this section.
3. Regardless of anything else in this section to the contrary to the fullest extent permitted by law
 - a) we will not be liable to you for any special, incidental, indirect consequential or exemplary damages, including, but not limited to, loss of profits or revenue, loss of use, loss of opportunity, loss of goodwill, cost of substitute facilities, goods or services, cost of capital, governmental and regulatory sanctions and claims of third parties for such damages.
 - b) our total cumulative liability to you, whether in tort or in contract, for all claims, losses, damages and expenses resulting in any way from carrying out the **thorough examination/inspection service** will not be greater than the total amount received by us from you as consideration during the term specified in the **schedule**.
 - c) except in the case of death or personal injury caused by our negligence or in other circumstances where liability may not be so limited under applicable law our liability under or in connection with this section whether arising in contract, tort, negligence, breach of statutory duty or otherwise will not exceed the sum of £5,000,000.
 - d) upon completion of the **thorough examination/inspection service** or termination of the **policy**, the provisions relating to indemnity, waivers, limitations of remedies and limitations of liability including, but not limited to those contained in this section, will remain in full force and effect.

Force Majeure

We will not be liable for any delay or the consequences of any delay, if such delay is due to any cause beyond its reasonable control and will be entitled to a reasonable extension of time for performance of the **thorough examination/inspection service**.

Conditions

1. All matters relating to the validity, performance or interpretation of this **section** will be governed by the laws of England and **we** and **you** submit to the exclusive jurisdiction of the Courts of England.
2. No term of this **section** is intended, either expressly or by implication or other inference, to intend to provide a benefit or right of action upon any third party.

No such third party (whether in existence or not at the date of this **policy**) is named or described within. The Contracts (Rights of Third Parties) Act 1999 is expressly excluded to the fullest extent permitted by law.

3. The provision of the **thorough examination/inspection service** does not relieve **you** of any statutory obligation to have the machinery inspected.
4. Subcontracting of the **thorough examination/inspection services** will only be undertaken with suitably qualified subcontractors with **your** agreement. **We** will retain responsibility for the execution of such work.

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