

# COMPUTER INSURANCE SECTION

*Only applicable if this Section is shown as operative in the Schedule*

## Definitions

### Computer Equipment

- 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 such computer equipment controlling a manufacturing process
- b) Ancillary Equipment solely for use with the computer equipment comprising air conditioning equipment generating equipment uninterruptable 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 thereon)

owned by or on deferred purchase leased hired or rented to the Insured or whilst on trial with a view to purchase by the Insured

### DAMAGE

The word DAMAGE in capital letters shall mean loss destruction or damage

### Proprietary Software Programs

The package of software programs purchased by the Insured with the Computer Equipment at the original date of purchase plus any subsequent upgrades excluding any bespoke computer software without the prior consent of the Company

### Deferred Purchase

An arrangement whereby the Insured enters into an agreement which entitles the Insured to defer payment for Computer Equipment for a period exceeding 90 days (or a period in excess of usual trade credit)

### Indemnity Period

The period beginning with the occurrence of an Insured Event 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

### Premises

The situation shown in the Schedule

### Insured Event

- i) DAMAGE insured under Part 1 and/or Part 2 of this Section
- ii) Loss distortion corruption or erasure of programs and/or information insured under Part 2 of this Section
- iii) DAMAGE where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance rental hire or lease or any provision in an agreement for the supply of the Computer Equipment

- iv) DAMAGE to any item of Category (a) or (b) of the Computer Equipment due to its own breakdown or derangement
- v) the accidental failure or fluctuations of the supply of electricity to Categories (a) and (b) of the Computer Equipment at the Premises in which the Computer Equipment is situated
- vi) the accidental failure of any telecommunications system (other than satellite systems) used in connection with the Computer Equipment
- vii) the Insured being denied access to the Computer Equipment due to
  - i) DAMAGE to the Computer Equipment at or in the vicinity of the Premises
  - ii) the exercise by any authority of its powers for the sole purpose of safeguarding life or property

### **Loss of Interest**

- i) interest payable in respect of loans raised
- ii) interest foregone on reduction in investment capital in lieu of loans raised as a direct result of minimising or to minimise the effect of the interruption or interference

## Part 1 – Computer Equipment

### **Indemnity**

The Company agrees if any Computer Equipment described in the Schedule be lost destroyed or damaged at the Premises the Company will pay the Insured the amount of the DAMAGE or at the Companys option replace or repair the Computer Equipment or any part of it

### **Exclusions applicable to Part 1**

#### **1. Breakdown**

The Company will not be liable for DAMAGE to the property described in paragraphs (a) and (b) of the Definition Computer Equipment due to its own breakdown or derangement unless the Insured have in force a maintenance agreement with the manufacturers or other approved company in respect of such Computer Equipment providing for

- a) free repairs to or replacement of the Computer Equipment following breakdown or stoppage from any internal cause other than the negligence of the Insured
- b) preventative maintenance or adjustment of mechanical moving parts

#### **2. Excluded Perils**

This Part does not cover DAMAGE (other than whilst in transit) caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons theft earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

### **Special Condition applicable to Part 1**

#### **Declaration of Values**

The Insured shall prior to each renewal supply the Company with declarations of the new replacement value of each of the categories of Computer Equipment insured

## Part 2 – Reinstatement of Data

### **Indemnity**

The Company will indemnify the Insured 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) the liability of the Company is limited solely to the cost of reinstating data
- b) the Company shall not be liable for DAMAGE to software insured under Part 1

### **Exclusions applicable to Part 1 and Part 2**

The insurance by Parts 1 and 2 does not cover

#### **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 breach of the Insureds obligations under the agreement

#### **3. Consequential Loss**

Financial loss loss of profits loss due to delay and or any consequential loss of any kind whatsoever 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

- i) offered or to be offered for lease hire rent or loan by the Insured
- ii) leased hired rented or lent by the Insured to others
- iii) offered or to be offered for sale or sold by the Insured where the sale of such Computer Equipment is in the course of the Business of the Insured

#### **5. Property of Others**

DAMAGE or loss resulting from DAMAGE to any Computer Equipment which is not owned leased rented hired or loaned to the Insured whilst in the custody or control of the Insured for programming repair service adjustment alteration storage or transit purposes

**Clauses applicable to Parts 1 and 2**

**Reinstatement**

In the event of the Property Insured by Parts 1 and 2 being destroyed or damaged the amount payable shall be the reinstatement of the property

For this purpose reinstatement shall mean

- 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 or if such be impossible its replacement by Computer Equipment having 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 of the Computer Equipment to a working condition substantially the same as but not better or more extensive than its condition when new  
provided that:
  - i) The liability of the Company for loss of or DAMAGE to Computer Equipment shall not exceed the Sum Insured stated in the Schedule or additionally provided under the Automatic Cover Condition
  - ii) The work of Reinstatement commences and is carried out without unreasonable delay

- iii) No payment beyond the amount which would have been payable if this Condition had not been incorporated shall be made until the cost of Reinstatement shall have been incurred
- iv) No payment beyond the amount which would have been payable if this Condition had not been incorporated shall be made if at the time of any DAMAGE to the same Computer Equipment insured it shall be covered by any other insurance effected by or on behalf of the Insured which is not upon a Reinstatement basis
- v) Each item insured is declared to be separately subject to the following condition of average namely:-  
If at any time of Reinstatement the sum representing 85% of the cost which would have been incurred in Reinstatement in the event there had been a total loss exceeds the Sum Insured or any further increase allowed under the provisions of the Automatic Cover Clause at the time of DAMAGE to the Computer Equipment the Insured shall be considered as being his own insurer for the difference and bear a rateable proportion of the DAMAGE accordingly
- vi) Where by reason of the above provisions no payment is made beyond the amount which would have been payable if this Condition had not been incorporated the rights and liability of the Company and the Insured in respect of the DAMAGE shall be subject to the terms and conditions of this Policy as if this Condition had not been incorporated

### **Transit or Abroad**

The Insurance by Parts 1 and 2 extends to cover the Property Insured thereby whilst at any other situation or whilst in transit anywhere in the world The liability of the Company shall not exceed 10 % of the Sum Insured under Part 1 or £100,000 any one loss whichever is the less whilst the Computer Equipment is in transit or located outside the United Kingdom or Republic of Ireland

### **Theft from Unattended Vehicles**

The liability of the Company shall not exceed £5,000 any one loss in respect of theft from unattended vehicles

### **Limit of Liability**

The liability of the Company under Parts 1 and 2 shall not exceed

- i) in the whole the total sum insured or in respect of any item its sum insured at the time of the DAMAGE
- ii) the sum insured remaining after deduction for any other interruption or interference consequent upon DAMAGE occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such sum insured

### **Extensions of Cover applicable to Parts 1 and 2**

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The Cover extends to include

#### **Debris Removal Costs**

Costs necessarily and reasonably incurred with the consent of the Company in removal of debris and the protection of the machinery consequent upon DAMAGE insured by this Section Provided the liability of the Company under this extension shall not exceed 10% of the Sum Insured under Part 1 or £50,000 whichever is the less

### **Consulting Engineers Fees and Investigation Costs**

Costs (including consulting engineers fees) incurred with the prior consent of the Company in conducting investigations and/or tests into possible repair replacement or reinstatement of Computer Equipment suffering DAMAGE regardless of whether such investigations and/or tests are successful or not

### **Expediting Costs**

Costs necessarily and reasonably incurred in making temporary repairs upon and/or expediting the repair reinstatement or replacement of insured items as a result of DAMAGE (but excluding costs recoverable under Part 3) provided that the liability of the Company shall not exceed 10% of the cost of such loss or damage or £50,000 whichever is the less

### **Automatic Cover**

Additional Computer Equipment belonging to the Insured or for which they are responsible at any existing Premises shown in the Schedule until the next renewal date at no additional charge provided that the Companys liability under this Clause does not exceed £250,000 at any one Premises or 10% of the sum insured under Part 1 whichever is the less

**Incompatibility of Records**

Where Reinstatement of Data is insured the Company will indemnify the Insured in respect of

- 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 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 lost or damaged
- ii) the amount payable under this Extension shall not exceed 50% of the Sum Insured under Part 2 or £50,000 whichever is the less

**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 reasonably be expected if such measures were not implemented
- b) the Company are satisfied that DAMAGE has been avoided or mitigated by means of 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) the liability of the Company under this Extension shall not exceed 10% of the Sum Insured under Parts 1 and 2 or £50,000 whichever is the less

**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) the Company shall not be liable under this Extension for any loss as a result of gradual leakage or discharge or drop in pressure
- b) the Insured shall maintain at his own expense the gas flooding system in accordance with the suppliers and/or makers recommendations
- c) the Companys liability shall not exceed £10,000 any one loss or 10% of the Sum Insured under Part 1 whichever is the less

**Virus Seek and Destroy Costs**

Costs necessarily and reasonably incurred with the Companys consent in locating and removing a detected computer virus infecting any insured host program or disk provided that the amount payable under this Extension shall not exceed 10% of the Sum Insured under Part 1 or £5,000 whichever is the less

### **Research and Development Costs**

Costs of re-writing any data processing research or development project(s) to the stage they had reached immediately prior to the DAMAGE but excluding any benefit to the Insured which would have been obtained from completion of the project(s) had the DAMAGE not occurred provided

- i) that Part 2 is insured
- ii) that the amount payable in respect of any one claim shall not exceed the sum insured under Part 2 or £5,000 whichever is the less
- iii) that the Insured has fully complied with paragraphs (d) and (e) of General Condition 3 (Precautions)

### **Special Conditions applicable to Parts 1 and 2**

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#### **Unattended Vehicle Security**

It is a condition precedent to liability under Parts 1 and 2 that whilst any item of Computer Equipment is being carried in a vehicle which is left unattended

- i) the doors of the vehicle must be locked and all its windows and other openings fully closed and properly fastened
- ii) the vehicle must be in a locked garage or locked parking area if left overnight
- iii) the Computer Equipment must be concealed from view in a locked boot where such facilities are available or concealed from view by other secure means where such facilities are unavailable (Secure shall mean security devices which have been approved by the Company)



## Part 3 – Increase in Cost of Working

### **Indemnity**

If the computer operations of the Business are interrupted or interfered with due to the occurrence during the period of insurance of an Insured Event the Company will pay as Increase in Cost of Working the additional expenditure necessarily and reasonably incurred by the Insured (including Loss of Interest) during the Indemnity Period in consequence of such interruption or interference

The liability of the Company shall not exceed in any one period of insurance

- a) the sum insured stated in the Schedule and/or
- b) in respect of any Loss of Interest 10% of the sum insured stated in the Schedule

### **Clauses applicable to Part 3**

#### **Additional Rental**

In addition to the limit of the Company's liability under this Part the Company will indemnify the Insured against the payment of additional lease or rental charges up to an amount not exceeding £15,000 arising out of the replacement of a lease/hire agreement in respect of the Computer Equipment by a new contract for similar Computer Equipment and consequent upon DAMAGE insured under Part 1 of this Section

#### **Professional Accountants Charges**

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required under Special Condition 2 of this Part for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Company shall pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details of any other proofs information or evidence as may be required by the Company under the terms of Special Condition 2 of this Part and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents

Provided that the sum of the amount payable under this clause and the amount otherwise payable under this Part shall in no case exceed the liability of the Company as stated

#### **Current Cost Accounting**

For the purpose of this Part any adjustment implemented in current cost accounting shall be disregarded

#### **Value Added Tax**

To the extent that the Insured is accountable to the tax authorities for Value Added Tax all terms in this Part shall be exclusive of such tax

### **Exclusions applicable to Part 3**

This Part does not cover

- 1. Costs of Reinstatement of Information**  
Costs of reinstatement of programs and/or information onto Computer Records and/or Fixed Disks
- 2. Exclusion Periods**  
Increase in Cost of Working incurred during
  - i) the first 24 hours following breakdown or 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 such item - Insured Event (iii) refers

- ii) the first 30 minutes in respect of failure of the supply of electricity - Insured Event (v) refers
- iii) the first 4 hours in respect of failure of telecommunications equipment - Insured Event (vi) refers

### 3. Deliberate Supply/Service Withdrawal

The deliberate act of the Insured or any supply authority nor the exercise by any such supply authority of its power to withhold or restrict operation of the supply or system nor the inability of the Insured or any such 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 or the exercise by any authority of its powers 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 the Insured of any equipment which is not approved by the telecommunications authority as properly installed and compatible

### Special Conditions applicable to Part 3

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#### 1. Alterations

This Part shall be avoided if after the commencement of this insurance the Business be wound up or carried on by a liquidator or receiver or permanently discontinued

### 2. Claims Conditions

a) In the event of any loss destruction or damage in consequence of which a claim is or may be made under this Part the Insured shall

- notify the Company immediately
- deliver to the Company at the Insureds expense within 7 days of its happening full details of loss destruction or damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons
- with due diligence carry out and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss

b) In the event of a claim being made under this Part the Insured at their own expense shall

- not later than 30 days after the expiry of the Indemnity Period or within such further time as the Company may allow deliver to the Company in writing particulars of their claim together with details of all other insurances covering property used by the Insured at the Premises for the purpose of the Business or any part of it or any resulting and consequential loss
- deliver to the Company such books of account and other business books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may be reasonably required by the Company for the purpose of investigating or verifying the claim together with if demanded a statutory declaration of the truth of the claim and of any matters connected with it

- c) If the terms of this condition have not been complied with
- no claims under this Part shall be payable and
  - any payment on account of the claim already made shall be repaid to the Company forthwith

**Clauses applicable to Parts 1,2 and 3**

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**Payments on Account**

In the event of loss the Company will make monthly payments on account to the Insured if desired

**Waiver of Subrogation Rights**

The cover provided by this Section is extended to indemnify the categories of users shown below and the Company waive rights of recovery or subrogation against:-

- i) any parent company of the Insured
- ii) any subsidiary company of the Insured
- iii) any subsidiary company of a parent company of whom the Insured are a subsidiary
- iv) any user of the Computer Equipment explicitly authorised by the Insured provided that
  - a) any users so included observe and fulfil the terms and conditions of this Policy as if they were the Insured
  - b) the Insured do not receive any form of indemnity or damages from such users

**Automatic Reinstatement**

Sums Insured or Limits of Indemnity will be reinstated from the date of occurrence of any claim at additional premium The Company will waive the additional premium if the cost of the claim does not exceed £25,000

**Misuse or Contamination of Computer Systems**

Insofar as this Section covers DAMAGE and/or Reinstatement of Data resulting from misuse of the Computer Equipment the liability of the Company in respect of such DAMAGE and or Reinstatement of Data shall 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 shall mean the deliberate or accidental misuse or contamination of any computer and/or computerised system (including programs and data) from

- a) any act executed through accessing the system
- b) any infection of any kind within the system

**General Exclusions**

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This Section does not Cover

**1. War Risks**

Any loss or damage directly or indirectly occasioned by or in consequence of war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority

**2. Nuclear Risks**

Loss destruction or damage to property or loss expense or consequential loss directly or indirectly caused by or arising from

- i) ionising radiations or contamination by radioactivity from any 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 nuclear component

#### 4. Sonic Bangs

Any loss directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

#### 4. Pollution or Contamination

DAMAGE caused by pollution or contamination (unless otherwise excluded) except DAMAGE caused by

- a) pollution or contamination which itself results from any DAMAGE insured
- b) any DAMAGE insured which itself results from pollution or contamination

#### 5. Intentional Acts

DAMAGE caused by

- a) the intentional act or wilful neglect of the Insured:
  - b) i) intentional overloading
  - ii) testing or experiments involving the imposition of any abnormal conditions

#### 6. 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 shall not exclude subsequent loss or damage not otherwise excluded

#### 7. Guarantees of Performance

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

#### 8. Excluded Parts

DAMAGE to safety or protective devices due to their functioning

#### 9. Date Recognition

DAMAGE directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000

- i) correctly to recognise any date as its true calendar date
- ii) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- iii) to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date but this shall not exclude subsequent DAMAGE not otherwise excluded which itself results from fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked out workers persons taking part in labour disturbances malicious persons theft earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal provided such contingency is insured by this Section

**10. Terrorism**

Applicable to Parts 1 2 and 3 of this Section

This section does not cover

Loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with

1. any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
2. any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism

If the Company alleges that by reason of this exclusion any loss damage cost or expense is not covered by this Section of the Policy the burden of proving the contrary shall be upon the Insured

In the event any portion of this exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect

**Definition – Terrorism**

For the purpose of this exclusion an act of Terrorism shall mean 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

**11. Northern Ireland**

DAMAGE in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

- i) civil commotion
- ii) TERRORISM as defined under Terrorism

In any action suit or other proceedings where the Company alleges that by reason of this definition any DAMAGE is not covered by this Section the burden of proving that such DAMAGE is covered shall be upon the Insured

**12. Error Virus or Similar Mechanism or Hacking**

This Section does not cover

1. Error Virus or Similar Mechanism or Hacking

- i) In respect of PART 1 – COMPUTER EQUIPMENT

DAMAGE to Computer Equipment or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including without limitation any information or programs or software) directly or indirectly caused by occasioned by or arising from programming or operator error Virus or Similar Mechanism or Hacking

- ii) In respect of PART 2 – REINSTATEMENT OF DATA

loss directly or indirectly caused occasioned by or arising from programming or operator error Virus or Similar Mechanism or Hacking

- iii) In respect of PART 2 – INCREASE IN COST OF WORKING

loss in consequence directly or indirectly of programming or operator error Virus or Similar Mechanism or Hacking

For the purposes of this Section Exclusion the following Definitions apply

- a) Virus or Similar Mechanism shall mean 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

- b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data

- d) back up information (other than software programs) at least once every forty eight hours verify and store taking all reasonable precautions in 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 and keep in force and effect a proper and valid licence in respect of any software programs in its possession

### **General Conditions**

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#### **1. Claims Notification and Requirements**

In the event of loss or damage for which a claim is to be made under this Section the Insured shall retain any damaged machinery or parts for inspection

#### **2. Claims Settlement**

The Company shall be entitled to take over defend or settle any claim in the name of the Insured

#### **3. Precautions**

The Insured shall

- 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

#### **4. Access**

The Company or their representatives shall have right of access to the Machinery at reasonable times

#### **5. Alteration or Modification**

The Insured shall notify the Company of any proposed alterations or modifications to the insured Computer Equipment

#### **6. Suspension of Cover**

The Company reserve the right to suspend the insurance at any time by written notice to the Insured until the Company requirements have been fulfilled

#### **7. Identification**

This Section and the Schedule (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear

## Special Clauses

*Clause 1 applicable only if the Clause number is entered in the Schedule Clause 2 applicable only if referred to in the Schedule*

### **1. Temporary Cover**

The first premium has been calculated to take into account the cost of temporary cover (in accordance with particulars lodged with the Company) 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 consideration of the Insured having given an undertaking expiring on the date stated in the Schedule to offer annually the insurance under this Section 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) the Company shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking
- 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 Policy (or policies) which may be issued by the Company in substitution for this Section and the same discount shall be allowed off the net premiums on any substituted Policy or policies issued by the Company as aforesaid

Payment of the premium due at the expiry date shown in the Schedule shall be deemed acceptance by the Insured of the terms of this Clause

