



COMMERCIAL COMBINED

Your Policy Terms and Conditions
May 2006 Edition



Be Life Confident

WELCOME TO AXA



Introducing AXA

One of the world's largest insurers

With more than 50 million customers across the globe, AXA is one of the world's largest financial services providers. We have a presence in over 50 countries, yet we pride ourselves on having a real understanding of local issues.

Care, guidance & support – when you need it

As one of the world leaders in financial protection and wealth management, we offer a wide range of insurance and financial products to meet your business and personal needs. Our commitment is to deliver our products with consistent care, guidance and support as and when you need it.

We employ 117,000 people worldwide, and are also one of the thirty largest companies of any kind (Fortune magazine's Global 500 for 2003).

AXA provides products that help people to get the best out of life. Our products and services include: Business Insurance, Home and Motor Insurance, Investments, Life Assurance, Retirement Planning, Long Term Care, Asset Management, Medical Insurance and Dental Payment Plans.

AXA Insurance UK plc is authorised and regulated by the Financial Services Authority. This can be checked on the FSA's website at www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

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YOUR POLICY

Your Policy

The Company in consideration of the payment of the premium shall provide insurance against loss destruction damage or liability for injury or damage occurring at any time during the Period of Insurance (or any subsequent period for which the Company accepts a renewal premium) in accordance with the Sections of the Policy shown as operative in the Schedule subject to the exclusions provisions and conditions of the Policy

The Policy and the Schedule should be read together as one contract and the Proposal/Statement of Fact made by the Insured is the basis of the contract

Important

We recommend that You read this Policy in conjunction with Your Schedule to ensure that it meets with Your requirements Should You have any queries please contact Us or Your Insurance Adviser Your attention is drawn to the Complaints Procedure on page 9

The law applicable to this Policy

You are free to choose the law applicable to this Policy Your Policy will be governed by the law of England and Wales unless You and We have agreed otherwise

Definitions

The following words will have the same meanings wherever they appear in the Policy or Schedule

AXA Insurance/We/Company/Our/Us

AXA Insurance UK plc

Insured/You/Your(s)/Yourself

The person(s) or company named in the Schedule

General Conditions

1 Policy Voidable

This Policy shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular

2 Alteration

This Policy shall be avoided with respect to any item thereof in regard to which there be any alteration after the commencement of this insurance

- a) by removal or
- b) whereby the risk of loss or damage is increased or
- c) whereby the interest of the Insured ceases except by will or operation of law unless admitted to the Company in writing

3 Claims Conditions

- 1) In the event of any loss destruction or damage or event likely to give rise to a claim under this Policy the Insured shall
 - a) notify the Company immediately
 - b) notify the Police Authority immediately if it becomes evident that any loss or damage has been caused by theft or malicious persons
 - c) carry out and permit to be taken any action which may be reasonably practicable to prevent further loss destruction or damage
 - d) deliver to the Company at the Insureds expense
 - i) full information in writing of the property lost destroyed or damaged and of the amount of loss destruction or damage
 - ii) details of any other insurances on any property hereby insured within 30 days after such loss destruction or damage or such further time as the Company may allow
 - iii) all such proofs and information relating to the claim as may be reasonably required
 - iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it
- 2) No claim under this Policy shall be payable unless the terms of this condition have been complied with

GENERAL CONDITIONS

4 Fraud

If a claim is fraudulent in any respect or if fraudulent means are used by the Insured or by anyone acting on their behalf to obtain any benefit under this Policy or if any destruction loss or damage is caused by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited

5 Reinstatement

If any property is to be reinstated or replaced by the Company the Insured shall at their own expense provide all such plans documents books and information as may reasonably be required The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured

6 Reasonable Precautions

The Insured shall take all reasonable precautions to prevent the loss destruction or damage

7 The Companys rights following a claim

On the happening of any loss destruction or damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Companys rights under this Policy enter take or keep possession of the premises where such loss destruction or damage has occurred and take possession of or require to be delivered to the Company any property insured and deal with such property for all reasonable purposes and in any reasonable manner No claim under this Policy shall be payable unless the terms of this condition have been complied with No property may be abandoned to the Company whether taken possession of by the Company or not

8 Contribution and Average

If at the time of any loss destruction or damage there is any other insurance effected by or on behalf of the Insured covering any of the property lost destroyed or damaged the liability of the Company hereunder shall be limited to its rateable proportion of such loss destruction or damage If any such other insurance shall be subject to any average condition this Policy if not already subject to any such condition of average shall be subject to average in like manner

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

9 Subrogation

Any claimant under this Policy shall at the request and expense of the Company take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Company

10 Cancellation

Our Rights

We shall not be bound to accept any renewal of this Policy and may at any time give 21 days notice of cancellation by recorded delivery to Your last known address Thereupon You shall be entitled to the return of a proportionate part of the premium paid in respect of the unexpired term of this Policy provided that there have been

- no claims made under the Policy for which We have made a payment
- no claims made under the Policy which are still under consideration
- no incidents likely to give rise to a claim but are yet to be reported to Us

during the current Period of Insurance

This termination will be without prejudice to any rights or claims of the Insured or the Company prior to the expiration of such notice

If a claim has been submitted or there has been any incident likely to give rise to a claim during the current Period of Insurance, no refund for the unexpired portion of the premium will be given

Your Rights

You may cancel this Policy in the first year of insurance during the 14 days after the Contract has been concluded by giving notice in writing to Your Insurance Adviser at the address shown in their correspondence or to the AXA Insurance address shown on Your Policy schedule **This right does not apply at the first or any subsequent renewal of the Policy**

Provided that there have been

- no claims made under the Policy for which We have made a payment
- no claims made under the Policy which are still under consideration
- no incidents likely to give rise to a claim but are yet to be reported to Us

during this 14 day period, We will give a refund for the proportionate part of the premium paid in respect of the unexpired term of this Policy, subject to a minimum premium of £50

If a claim has been submitted or there has been any incident likely to give rise to a claim during the current Period of Insurance, no refund for the unexpired portion of the premium will be given

11 Instalments

If the premium on this Policy is payable by the Company's Budget Plan and You do not pay each instalment on the due date all cover under the Policy is cancelled automatically from the date such instalment was due or where statute requires the giving of prior notice the day following the expiry of such notice

If the premium on this Policy is payable by the Company's 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 occurred which is likely to give rise to a claim but is yet to be reported to Us

the annual premium remains due in full In such case monthly collections must continue or a one off payment be agreed to settle the outstanding amount

Where a one off payment is not made to settle the outstanding amount You must continue with the instalment payments Alternatively We may deduct any outstanding instalments from any claim payment that may be due to You or payable on Your behalf

Any instalments payments legitimately taken prior to the notification of cancellation of the Budget Plan agreement will be retained Any refund of premium will be in respect of any subsequent collections taken between the time of notification and cancellation

GENERAL CONDITIONS

12 Proceedings

The Insured shall not except at their own cost negotiate pay settle admit or repudiate any claim without the written consent of the Company The Company shall be entitled to undertake in the name and on behalf of the Insured the absolute conduct and control of any proceedings and any settlement of the same The Insured shall render to the Company all necessary information and assistance to enable the Company to settle or resist any claim or to institute proceedings

13 Warranties

Every warranty to which this Policy or any item thereof is or may be made subject shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Policy Non-compliance with any such warranty in so far as it increases the risk of loss destruction or damage shall be a bar to any claim in respect of such loss destruction or damage provided that whenever this Policy is renewed a claim in respect of loss destruction or damage occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period

14 Arbitration

If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions Where any difference is by this condition to be referred to arbitration the making of any award shall be a condition precedent to any right of action against the Company

15 Condition Precedent

It is a condition precedent to any liability on the part of the Company under this Policy that a) the terms hereof so far as they relate to anything to be done or complied with by the Insured are duly and faithfully observed and fulfilled by the Insured and by any other person who may be entitled to be indemnified under this Policy b) the statements made and the answers given in the proposal herein before referred to are true and complete

Making Yourself Heard

If You have cause for complaint, it is important You know We are committed to providing You with an exceptional level of service and customer care.

We realise that things can go wrong and there may be occasions when You feel that We have not provided the service You expected. When this happens We want to hear about it so We can try to put things right.

Who to contact?

The most important factors in getting Your complaint dealt with as quickly and efficiently as possible are:

- to be sure You are talking to the right person, and;
- that You are giving them the right information.

When You contact Us

- Please give Us Your name and a contact telephone number.
- Please quote Your Policy and/or claim number, and the type of Policy You hold.
- Please explain clearly and concisely the reason for Your complaint.

So We begin by establishing Your first point of contact.

Step One - Initiating Your complaint

Does Your complaint relate to:

A: Your Policy?

B: a claim on Your Policy?

If A, You need to contact the agent or AXA office who sold You Your Policy. Call the number on Your Policy document and state Your complaint.

If B, You need to contact whoever is currently dealing with Your claim and state Your complaint.

In either case, if You wish to provide written details, the following checklist has been prepared for You to use when drafting Your letter:

- Head Your letter 'COMPLAINT'.
- Give Your full name, postcode and contact telephone number(s).
- Quote the type of Policy and Your Policy and /or claim number.
- Advise the name of Your insurance agent/firm (if applicable).
- Explain clearly and concisely the reason(s) for Your complaint.

The letter should be sent to the person dealing with Your complaint along with any other material required.

We expect that the majority of complaints will have been quickly and satisfactorily resolved at this stage, but if You are not satisfied, You can take the issue further:

MAKING YOURSELF HEARD

Step Two - If You are still unhappy

Should the response You receive be unsatisfactory please refer the matter using the relevant details below:

Does Your complaint relate to:

A: Your Policy?

B: a claim on Your Policy?

If A, ask to speak to the Branch Manager. Where they cannot assist they will ensure You are put into contact with the person who can resolve Your complaint.

If B, please contact the relevant Claims Office, details of which You will have received following notifying Us of Your claim.

Step Three - Contacting AXA Insurance Head Office

If Your complaint is one of the few that cannot be resolved by this stage contact the Head of Customer Care who will arrange for an investigation on behalf of the Chief Executive:

Head of Customer Care
AXA Insurance
Civic Drive
Ipswich
Suffolk
IP1 2AN

Tel: 01473 205926
Fax: 01473 205101
email: customercare@axa-insurance.co.uk

Step Four - Beyond AXA

If We have given You Our final response and You are still dissatisfied You may refer Your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints about general insurance products. It will only consider complaints if:

- We have provided You with written confirmation that Our internal complaints procedure has been exhausted.
- Your business has a turnover of less than £1,000,000.

The FOS can be contacted at:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Tel: 0845 080 1800
Fax: 020 7964 1001

Referral to the FOS will not affect Your right to take legal action against Us.

Our promise to You

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

To help us improve our service, we may record or monitor telephone calls.

MATERIAL DAMAGE SECTION

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

Property Memoranda

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings -

Standard Construction

Brick stone or concrete built and roofed with slates tiles metal concrete asphalt or sheets or slabs composed entirely of incombustible mineral ingredients and plastic rooflights

Non Standard Construction

Constructed of materials other than those detailed in the definition Standard Construction

2. Property Insured

- Column 1 – The building(s) including landlords fixtures and fittings therein and thereon outbuildings walls gates and fences yards car parks and pavements piping ducting cables wires and associated control gear and accessories on the premises and extending to the public mains but only to the extent of the Insureds responsibility
- Column 2 – Contents therein and thereon the property of the Insured or held by them in trust for which they are responsible excluding landlords fixtures and fittings and stock and materials in

trade and vehicles licenced for road use (and accessories thereon)

- Column 3 – Stock and materials in trade therein and thereon the property of the Insured or held by them in trust for which they are responsible
- Column 4 – Miscellaneous and on property as specified in the description column

3. Plan References

Plan references (if any) refer to plans and reports of the premises lodged with AXA Insurance

4. Construction of Buildings

Except as otherwise stated the buildings described in the Schedule are of Standard Construction

5. Changes in Tenancy

The Insured must advise AXA Insurance of all changes in tenancy or occupation within the premises in accordance with General Condition 2 of this Policy

MATERIAL DAMAGE

6. Architects Surveyors Legal and Consulting Engineers Fees Clause

The insurance by each item under Columns 1 and 2 includes an amount in respect of architects surveyors legal and consulting engineers fees necessarily incurred in the reinstatement or repair of the Property Insured consequent upon its DAMAGE but not for preparing any claim it being understood that the amount payable under the item shall not exceed in total its sum insured

7. Average Clause

The sum insured by each item of this Section (other than those applying solely to fees rent or removal of debris) is declared to be separately subject to Average i.e. if such sum shall at the commencement of any DAMAGE be less than the value of the property covered within such sum insured the amount payable by the Company in respect of such DAMAGE shall be proportionately reduced

Exceptions:

- a) a private dwelling house or household goods and personal effects
- b) a building used mainly for public religious worship or for activities in connection therewith
- c) agricultural produce on a farm in Great Britain which will be subject to the Special Condition of Average
- d) any item subject to the Two Conditions of Average
- e) any item subject to the Day One Average Memorandum

8. Capital Additions Clause

The insurance by this Section shall subject to its terms and conditions extend to cover

- a) any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a building contractor is responsible) machinery and plant in so far as the same are not otherwise insured

and

- b) alterations additions and improvements to buildings machinery and plant but not in respect of any appreciation in value

anywhere in the United Kingdom provided that

- i) at any one situation this cover shall not exceed 10% of the sum insured by Columns 1 and 2
- ii) the Insured undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Companys liability
- iii) the provisions of this extension shall be fully maintained notwithstanding any specific insurance effected under ii) above

9. Contents Clause

It is agreed that the term contents is understood to include in so far as they are not otherwise insured -

- a) money and stamps (including National Insurance stamps) for an amount not exceeding £500
- b) documents manuscripts and business books but only for the cost of the materials and clerical labour expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein)

- c) computer systems records but only for the cost of the materials and clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein)
- d) patterns models moulds plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement
- e) contents of outbuildings
- f) contents of open yards
- g) tenants improvements alterations and decorations
- h) directors partners customers visitors and employees personal effects of every description (other than motor vehicles and money) for an amount not exceeding £500 in respect of any one person

10. Contract Price Clause

In respect only of goods sold but not delivered for which the Insured are responsible subject to a sale contract which following DAMAGE is cancelled by reason of its conditions wholly or to the extent of the DAMAGE the liability of the Company shall be based on the contract price For the purpose of this insurance the value of all goods to which this clause could apply in the event of DAMAGE shall also be ascertained on this basis

11. Debris Removal Clause

The insurance by each item of this Section extends to include costs and expenses necessarily incurred by the Insured with the consent of the Company in -

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

of the portion or portions of the Property Insured as a result of DAMAGE hereby insured against

The Company shall not pay for any costs or expenses

- i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to the site
- ii) arising from pollution or contamination of property not insured by this Section

The liability of the Company under this extension and this Section in respect of any item shall in no case exceed the sum insured thereby

12. Designation Clause

For the purpose of determining where necessary the heading under which any property is insured the Company agrees to accept the designation under which such property has been entered in the Insureds books

13. Exhibition Clause

The insurance by any item on stock and materials in trade extends to cover the property described thereby for a period not exceeding 15 days whilst at any exhibition in Great Britain and Northern Ireland The liability of the Company under this extension shall not exceed 10% of the sum insured by said item

14. Fire-Break Doors and Shutters Clause

It is warranted that all fireproof doors and shutters be kept closed except during working hours and be maintained in efficient working order

MATERIAL DAMAGE

15. Fire Extinguishing Appliances Clause

Where the Company has agreed to allow a discount for fire extinguishing appliances the Insured warrant that the said appliances will be maintained in efficient working order during the currency of the insurance

16. Inflation Protection Clause

The Company 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

17. Mortgagees Clause

The act or neglect of any mortgagor or occupier of any building hereby insured whereby the risk of DAMAGE is increased without the authority or knowledge of any mortgagee shall not prejudice the interest of the latter party (or parties) in this insurance provided they shall notify AXA Insurance immediately on becoming aware of such increased risk and pay additional premium if required

18. Non Invalidation Clause

This insurance shall not be invalidated by any act or omission or by an alteration whereby the risk of DAMAGE is increased unknown to or beyond the control of the Insured provided that the Insured immediately they become aware thereof shall give notice to AXA Insurance and pay an additional premium if required

19. Notice Clause

AXA Insurance UK plc must be notified in writing immediately any empty building or empty portion of a building insured hereby become(s) occupied or any occupied building becomes empty and the Insured undertake to pay an additional premium if required

20. European Community and Public Authorities (including Undamaged Property) Clause

Subject to the following special conditions the insurance by Columns 1 and 2 of this Section extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the Stipulations of

- a) European Community Legislation or
- b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-laws of any Public Authority (hereafter referred to as the Stipulations) in respect of

- the lost destroyed or damaged property thereby insured
- undamaged portions thereof

Excluding

- a) the cost incurred in complying with the Stipulations:
 - i) in respect of DAMAGE occurring prior to the granting of this Extension
 - ii) in respect of DAMAGE not insured by this Section
 - iii) under which notice has been served upon the Insured prior to the happening of the DAMAGE
 - iv) for which there is an existing requirement which has to be implemented within a given period
 - v) in respect of property entirely undamaged by any peril hereby insured against
- b) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with 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 thereof by reason of compliance with the Stipulations
- the property insured by the item at the premises where the DAMAGE has occurred been wholly destroyed

- 4) The total amount recoverable under any item of this Section shall not exceed its sum insured
- 5) All the terms and conditions of the Policy except insofar as they are varied hereby shall apply as if they had been incorporated herein

Special Conditions

- 1) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the DAMAGE or within such further time as the Company may allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Company under this extension not being thereby increased
- 2) If the liability of the Company under (any item of) this Section apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under the extension (in respect of any such item) shall be reduced in like proportion
- 3) The total amount recoverable under any item of this Section in respect of this extension shall 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 the Company would have been liable had the property insured by the item at the premises where the DAMAGE has occurred been wholly destroyed
- b) in respect of undamaged portions of property (other than foundations) 15% of the total amount for which the Company would have been liable had

21. Reinstatement Clause

(N.B. not applicable to motor vehicles and their accessories personal effects or stock and materials in trade)

Subject to the following Special Conditions the basis upon which the amount payable in respect of Property Insured under sums insured marked R on the Schedule is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose Reinstatement means

- a) the rebuilding or replacement of property lost or destroyed which provided the liability of the Company is not increased may be carried out
- i) in any manner suitable to the requirements of the Insured
- ii) upon another site
- b) the repair or restoration of property damaged

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special Conditions

- 1) The liability of the Company for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
- 2) If at the time of reinstatement the sum representing 85% of the cost which would

MATERIAL DAMAGE

have been incurred in reinstating the whole of the property covered by any item subject to this memorandum exceeds its sum insured at the commencement of any DAMAGE the liability of the Company shall not exceed that proportion of the amount of the DAMAGE which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time

- 3) No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of its loss destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement
- 4) All the terms and conditions of the Policy shall apply
 - a) in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
 - b) where claims are payable as if this memorandum had not been incorporated

22. Reinstatement of Sum Insured after Loss Clause

In the event of loss the sum insured by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by AXA Insurance or by the Insured and the Insured undertake to pay such necessary premiums as may be required for such reinstatement from that date

23. Rent Clause

The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its DAMAGE and then the amount payable shall not exceed such proportion of the sum insured on rent as the period necessary for reinstatement bears to the term of rent insured

24. Repairs and Alterations Clause

Joiners and other tradesmen may be employed to effect repairs or minor structural alterations in all or any of the buildings insured without prejudice to the insurance hereby

25. Subrogation Waiver Clause

In the event of a claim arising under this Section the Company agrees to waive any rights remedies or relief to which they might have become entitled by subrogation against

- a) any Company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or the Companies (N.I.) Order as appropriate current at the time of the DAMAGE
- b) any Company which is a subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of the DAMAGE

26. Temporary Removal Clause

- a) The Property Insured by this Section (other than stock if insured) is covered whilst temporarily removed for cleaning renovation repair or similar purposes elsewhere and in transit thereto and therefrom all in Great Britain and Northern Ireland
- b) The liability of the Company under this extension in respect of each item of this Section for any DAMAGE occurring elsewhere than at the within mentioned premises shall not exceed 10% of the sum insured by the item
- c) This extension does not apply to property in so far as it is otherwise insured nor as regards losses occurring elsewhere than at the premises from which the property is temporarily removed to motor vehicles and motor chassis licensed for normal road use
- d) All the terms and conditions of the Policy except in so far as they are varied hereby shall apply as if they had been incorporated herein

27. Temporary Removal of Documents Clause

The insurance of deeds and other documents (including stamps thereon) manuscripts plans and writings of every description computer systems records and books (written and printed) extends to cover such property for an amount not exceeding 10% of the value thereof whilst temporarily removed to any premises not in the Insureds occupation and in transit all in Great Britain and Northern Ireland This extension does not apply to property insofar as it is otherwise insured

28. Transfer of Interest Clause

If at the time of DAMAGE the Insured shall have contracted to sell their interest in any building hereby insured and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase (if and so far as the property is not otherwise insured against such DAMAGE by him or on his behalf) shall be entitled to benefit under this Section without prejudice to the rights and liabilities of the Insured or the Company until completion

MATERIAL DAMAGE

Date Recognition Clause

This section does not cover

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

Terrorism Exclusion Clause

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

In respect of private house(s) or contents thereof insured in the name of an individual this Terrorism Exclusion only applies to loss damage cost or expense caused by nuclear chemical or biological contamination resulting directly or indirectly from terrorism

The Cover - Specified Perils

Only applicable to Items as shown in the Schedule

Indemnity

The Company agrees that if any of the Property Insured described in the Schedule be lost destroyed or damaged by any of the undernoted Perils which are shown as in force in the Schedule the Company will pay the Insured the value of the property at the time of its loss or destruction or the amount of the damage or at the Companys option reinstate or replace such property or any part of it

Provided that the liability of the Company under this Section shall not exceed

- i) in the whole the total sum insured or in respect of any item its sum insured at the time of loss destruction or damage
- ii) the sum insured remaining after deduction for any other loss destruction or damage occurring during the same period of insurance unless the Company shall have agreed to reinstate any such sum insured

adjusted in accordance with the Inflation Protection Clause if applicable

This Section incorporates the schedule memoranda and endorsements which shall be read together as one contract Words and expressions to which specific meaning is given in any part of this Section shall have the same meaning wherever they appear

Additional Definition

The word DAMAGE in capital letters shall mean loss destruction of or damage to the Property Insured

Perils

- A FIRE but excluding DAMAGE caused by
- a) explosion resulting from fire
 - b) earthquake or subterranean fire
 - c) i) its own spontaneous fermentation or heating or
ii) its undergoing any heating process or any process involving the application of heat

LIGHTNING

EXPLOSION

- a) of boilers
- b) of gas

used for domestic purposes only but excluding DAMAGE caused by earthquake or subterranean fire

B EXPLOSION excluding DAMAGE

- a) caused by or consisting of the bursting of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured
- b) in respect of and originating in any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any Statutory Regulations unless such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service
- c) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

MATERIAL DAMAGE

- C AIRCRAFT or other aerial devices or articles dropped therefrom excluding DAMAGE by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- D RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding DAMAGE
- a) arising from confiscation requisition or destruction by order of the government or any public authority
 - b) arising from cessation of work
- E RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding
- a) DAMAGE arising from confiscation requisition or destruction by order of the government or any public authority
 - b) DAMAGE arising from cessation of work
 - c) as regards DAMAGE (other than by fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation
 - i) DAMAGE by theft
 - ii) DAMAGE in respect of any building which is empty or not in use
 - iii) the first £300 of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average
- F EARTHQUAKE
- G SUBTERRANEAN FIRE
- H STORM excluding
- a) DAMAGE by
 - i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
 - ii) inundation from the sea
 whether resulting from storm or otherwise
 - b) DAMAGE attributable solely to change in the water table level
 - c) DAMAGE by frost subsidence ground heave or landslip
 - d) DAMAGE in respect of movable property in the open fences and gates
 - e) the first £300 of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average
- I STORM OR FLOOD excluding
- a) DAMAGE attributable solely to a change in the water table level
 - b) DAMAGE by frost subsidence ground heave or landslip
 - c) DAMAGE in respect of movable property in the open fences and gates
 - d) the first £300 of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average
- J ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding
- a) DAMAGE by water discharged or leaking from any automatic sprinkler installation
 - b) DAMAGE in respect of any building which is empty or not in use
 - c) the first £300 of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average

- K IMPACT by any road vehicle or animal not belonging to or under the control of the Insured or any occupier of the premises or their respective employees
- L IMPACT by any road vehicle or animal excluding in respect of road vehicles or animals belonging to or under the control of the Insured or any occupier of the premises or their respective employees the first £300 of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average
- M ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION in the premises not caused by
- a) freezing whilst the building insofar as it is in the Insureds ownership or tenancy is empty or not in use
 - b) explosion earthquake subterranean fire or heat caused by fire
- N FIRE only resulting from the property's own SPONTANEOUS FERMENTATION OR HEATING
- Exclusions**
- This Section does not cover**
1. DAMAGE occasioned by
 - a) riot or civil commotion unless these perils are specified in the Schedule and then only to the extent stated
 - b) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
 2. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 3. DAMAGE in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
 - i) civil commotion
 - ii) **TERRORISM** as defined in the **Terrorism Exclusion Clause**

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
 4. loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the Property Insured caused by
 - a) pollution or contamination which itself results from a peril hereby insured against
 - b) any peril hereby insured against which itself results from pollution or contamination

MATERIAL DAMAGE

5. property which at the time of the happening of DAMAGE is insured by or would but for the existence of this Section be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
6. any property more specifically insured by or on behalf of the Insured
7. consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this Section
8. DAMAGE to any electrical plant or apparatus caused by its own over-running short-circuiting excessive pressure or self-heating but should DAMAGE extend to and damage or destroy any other part of the plant or apparatus or other Property Insured hereby such DAMAGE is not excluded by this Section

The Cover - All Risks

Only applicable to Items as shown in the Schedule

Indemnity

The Company agrees that if any of the Property Insured described in the Schedule be accidentally lost destroyed or damaged the Company will pay the Insured the value of the property at the time of its loss or destruction or the amount of the damage or at the Companys option reinstate or replace such property or any part of it

Provided that the liability of the Company under this Section shall not exceed

- i) in the whole 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 loss destruction or damage
- ii) the sum insured (or limit) remaining after deduction for any other loss destruction or damage occurring during the same period of insurance unless the Company shall have agreed to reinstate any such sum insured (or limit)

adjusted in accordance with the Inflation Protection Clause if applicable

This Section incorporates the schedule memoranda and endorsements which shall be read together as one contract Words and expressions to which specific meaning is given in any part of this Section shall have the same meaning wherever they appear

Additional Definitions

1. The word DAMAGE in capital letters shall mean accidental loss or destruction of or damage to the Property Insured
2. The words Defined Peril shall mean 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 other than thieves earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

Exclusions

This Section does not cover

1. the amount shown below after the application of the condition of Average in respect of
 - i) DAMAGE by fire lightning explosion aircraft riot civil commotion strikers locked-out workers persons taking part in labour disturbances or earthquake£NIL
 - ii) all other DAMAGE£300
2. DAMAGE caused by or consisting of
 - a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - b) The bursting by steam pressure of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured
 - c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded
3. DAMAGE caused by or consisting of
 - a) faulty or defective workmanship operational error or omission on the part of the Insured or any of his employees

but this shall not exclude

 - i) such DAMAGE not otherwise excluded which itself results from a Defined Peril

MATERIAL DAMAGE

- ii) subsequent DAMAGE which itself results from a cause not otherwise excluded
 - b) acts of fraud or dishonesty by the Insureds employees but this shall not exclude such DAMAGE not otherwise excluded which itself results from a Defined Peril
4. DAMAGE caused by or consisting of
- a) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - b) change in temperature colour flavour texture or finish
 - c) theft or attempted theft
- DAMAGE consisting of
- d) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers super heaters pressure vessels or any range of steam and feed piping in connection therewith
 - e) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- but this shall not exclude
- i) such DAMAGE not otherwise excluded which itself results from a Defined Peril or from any other accidental loss destruction or damage
 - ii) subsequent DAMAGE which results from a cause not otherwise excluded
5. loss or destruction or damage caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Insured not otherwise excluded caused by
- a) pollution or contamination which itself results from a Defined Peril
 - b) a Defined Peril which itself results from pollution or contamination
6. 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
 - c) disappearance unexplained or inventory shortage misfiling or misplacing of information
7. destruction of or damage to a building or structure caused by its own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded
8. DAMAGE in respect of movable property in the open fences and gates caused by wind rain hail sleet snow flood or dust
9. DAMAGE
- a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - b) (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
10. DAMAGE
- a) caused by freezing
 - b) caused by escape of water from any tank apparatus or pipe
 - c) caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation
- in respect of any building which is empty or not in use

MATERIAL DAMAGE

11. DAMAGE in respect of
- a) jewellery precious stones precious metals bullion furs curiosities works of art or rare books
 - b) property in transit
 - c) fixed glass
 - d) glass (other than fixed glass) china earthenware marble or other fragile or brittle objects
 - e) computers or data processing equipment
 - f) money cheques stamps bonds credit cards or securities of any description
- other than such DAMAGE caused by a Defined Peril in so far as it is not otherwise excluded
12. a) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
- b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - c) land roads pavements piers jetties bridges culverts and excavations
 - d) livestock growing crops or trees
- unless specifically mentioned as insured by this Section
13. property which at the time of the happening of DAMAGE is insured by or would but for the existence of this Section be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
14. any property more specifically insured by or on behalf of the Insured
15. DAMAGE occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power nationalisation confiscation requisition seizure or destruction by the government or any public authority
16. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
17. DAMAGE in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
- i) riot civil commotion and (except in respect of DAMAGE by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons
 - ii) **TERRORISM** as defined in the **Terrorism Exclusion Clause**
- 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
18. consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this Section

MATERIAL DAMAGE

19. DAMAGE to any computer 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 but without limitation any information programs or software) and whether the property of the Insured or not where such DAMAGE is caused by programming or operator error Virus or Similar Mechanism or Hacking

but this shall not exclude DAMAGE not otherwise excluded which itself results from a Defined Peril save in respect of malicious persons other than thieves

Definitions

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

General Provisions

1. Deductibles

This Section does not cover the amount excluded stated in Exclusion 1 in respect of each and every loss as ascertained after the application of all other terms and conditions of this Section including any condition of Average

2. Explosion

In respect of any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any Statutory Regulations cover against destruction or damage caused by an explosion thereof is subject to the provision that such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service

Special Clauses

Clauses 1-3 applicable only if the Clause numbers are entered in the Schedule Clause 4 applicable only if referred to in the Schedule

1. Day One Average

A Subject to the following Special Conditions the basis upon which the amount payable in respect of the Property Insured under sums insured marked DA in the Schedule is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose reinstatement means

- a) the rebuilding or replacement of property lost or destroyed which provided the liability of the Company is not increased may be carried out
 - (i) in any manner suitable to the requirements of the Insured
 - (ii) upon another site
- b) the repair or restoration of property damaged

in either case to a condition equivalent to or substantially the same but not better or more extensive than its condition when new

B The Insured having stated in writing the Declared Value shown in brackets below the sum insured for each of the said items the premium has been calculated accordingly

Declared Value means the Insureds assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph A a) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

- a) the additional cost of reinstatement to comply with public authority requirements
- b) professional fees
- c) debris removal costs

Special Conditions

- 1 At the inception of each period of insurance the Insured shall notify AXA Insurance of the Declared Value of the Property Insured by each of the said item(s) In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value which shall be adjusted for inflation for the ensuing Period of Insurance
- 2 If at the time of DAMAGE the Declared Value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph B above) at the inception of the Period of Insurance then the Companys liability for any DAMAGE shall not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement
- 3 The liability of the Company for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
- 4 No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of its loss destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement

MATERIAL DAMAGE

- 5 All the terms and conditions of this Policy shall apply
- a) in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
 - b) where claims are payable as if this memorandum had not been incorporated except that the sum(s) insured shall be limited to 115% of the Declared Value(s)

2. Stock Declaration Conditions

The premium in respect of any item in the Schedule where the sum insured is marked D is provisional and subject to adjustment as provided below

The value of the property on the last day of each calendar month shall be declared by the Insured to AXA Insurance within thirty days thereafter and if a declaration be not so given the Insured shall be deemed to have declared the Sum Insured as the value

On the expiry of each Period of Insurance the actual premium shall be calculated at the rate applicable on the total of the amounts declared divided by the number of the declarations. If the actual premium be greater than the provisional premium the Insured shall pay the difference. If it is less the difference shall be paid to the Insured.

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance.

It is warranted that every insurance on such property covering DAMAGE insured hereby is on a similar basis of adjustment against declarations.

3. 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.

4. 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.

BUSINESS INTERRUPTION SECTION

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

Memoranda

Definitions

NOTE 1: To the extent that the Insured are accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

NOTE 2: For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business

or

Loss destruction of or damage to the Insureds books of account or other business books or records at the Premises in respect of any item on Accounts Receivable

Indemnity Period

The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof

Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises

Maximum Indemnity Period as stated in the Schedule

Uninsured Working Expenses as stated in the Schedule

Gross Profit

The amount by which

- 1) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed
- 2) the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses

Note: The amounts of the opening and closing stocks (including work in progress) shall be arrived at in accordance with the Insureds usual accounting methods due provision being made for depreciation

Gross Revenue

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

Estimated Gross Profit

The amount declared by the Insured to the Company as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months)

BUSINESS INTERRUPTION

Estimated Gross Revenue

The amount declared by the Insured to the Company as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months)

Estimated Gross Rentals

The amount declared by the Insured to the Company as representing not less than the Gross Rentals which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months)

Accounts Receivable

The total amount of the balances debited to Customers in the Insureds accounts and declared in the statement last 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 the books at the time of the Incident) to Customers accounts in the period between the date of said statement and the date of the Incident

Customers

All customers of the Insured who obtain goods or services from the Insured on a credit basis

BUSINESS INTERRUPTION

Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Incident

Annual Turnover

The Turnover during the 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

Annual Gross Revenue

The Gross Revenue during the twelve months immediately before the date of the Incident

Standard Gross Revenue

The Gross Revenue during that period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period

Annual Gross Rentals

The Gross Rentals during the twelve months immediately before the date of the Incident

Standard Gross Rentals

The Gross Rentals during that period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or 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 figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

BUSINESS INTERRUPTION

Basis of Loss Settlement

The undernoted terms of settlement apply only if the paragraph title appears in the Schedule to this Section

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 as indemnity thereunder shall be

- a) in respect of Reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the Incident
- b) in respect of Increase in Cost of Working: the additional expenditure (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 which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Incident

provided that if the sum insured by the item on Gross Profit be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

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 as indemnity thereunder shall be

- a) in respect of loss of Gross Revenue: the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of the Incident
- b) in respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Gross Revenue thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges or expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Incident

provided that if the sum insured by the item on Gross Revenue be less than the Annual Gross Revenue (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Additional Increased Cost of Working

The insurance under this item is limited to such further additional expenditure beyond that recoverable under paragraph (b) of any of the above items insured hereby as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Incident for the sole purpose of avoiding or diminishing a reduction in Turnover or Gross Revenue

Increase in Cost of Working

The insurance under this item is limited to Increased Cost of Working and the amount payable as indemnity thereunder shall be

The Additional Expenditure necessarily and reasonably incurred by the Insured in consequence of the Incident in order to prevent or minimise the interruption to the Business during the Indemnity Period provided that the Company shall not be liable for more than 50% of the sum insured during the first 3 months of the Indemnity Period and the balance in equal proportions monthly thereafter

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 as indemnity thereunder shall be

- a) in respect of loss of Gross Rentals: the amount by which the Gross Rentals during the Indemnity Period shall fall short of the Standard Gross Rentals in consequence of the Incident
- b) in respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Gross Rentals thereby avoided

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Gross Rentals as may cease or be reduced in consequence of the Incident

provided that if the sum insured by the item on Gross Rentals be less than the Annual Gross Rentals (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve

months) the amount payable shall be proportionately reduced

Accounts Receivable

The insurance under this item is limited to (a) loss of Accounts Receivable and (b) Additional Expenditure and the amount payable as indemnity thereunder shall be

- a) in respect of 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) in respect of Additional Expenditure: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Accounts Receivable which but for that expenditure would have occurred in consequence of the Incident but not exceeding the amount which would otherwise have been payable under (a) above

provided that if at the time of the Incident the sum insured by this item be less than the total amount of the Accounts Receivable the amount payable shall be proportionately reduced

BUSINESS INTERRUPTION

Clauses

Alternative Trading Clause

If during the Indemnity Period goods shall be sold accommodation provided or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on the Insureds behalf the money paid or payable in respect of such sales accommodation or services shall be brought into account in arriving at the Turnover Gross Revenue or Gross Rentals during the Indemnity Period

Automatic Reinstatement of Sum Insured

In the event of loss the sum insured by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by AXA Insurance or by the Insured and the Insured undertake to pay such necessary premiums as may be required for such reinstatement from that date

Inflation Protection Clause

The Company 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

New Business Clause

For the purpose of any claim arising from an Incident occurring before the completion of the first years trading of the Business at the Premises the terms Rate of Gross Profit

Annual Turnover Standard Turnover Annual Gross Revenue Standard Gross Revenue Annual Gross Rentals and Standard Gross Rentals shall bear the following meanings and not as within stated -

Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Incident

Annual Turnover

The proportional equivalent for a period of twelve months of the Turnover realised during the period between the commencement 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 realised during the period between the commencement of the Business and the date of the Incident

Annual Gross Revenue

The proportional equivalent for a period of twelve months of the Gross Revenue realised during the period between the commencement 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 realised during the period between the commencement of the Business and the date of the Incident

Annual Gross Rentals

The proportional equivalent for a period of twelve months of the Gross Rentals realised during the period between the commencement 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 realised during the period between the commencement of the Business and the date of the Incident

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or 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 figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

BUSINESS INTERRUPTION

Payments on Account Clause

Payments on account may be made to the Insured monthly during the Indemnity Period if desired

Premium Adjustment Clause

- a) The premium paid hereon may be adjusted on receipt by AXA Insurance of a declaration of Gross Profit Gross Revenue or Gross Rentals earned during the financial year most nearly concurrent with the Period of Insurance as reported by the Insureds auditors

If any incident shall have occurred giving rise to a claim for loss of Gross Profit Gross Revenue or Gross Rentals the above mentioned declaration shall be increased by the Company 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 in consequence of the Incident

If either declaration (adjusted as provided for 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 the Company will allow a pro rata return of premium not exceeding 50% of the premium paid

N.B. Accountants may be substituted for Auditors in respect of companies exempt from credit requirements

- b) It is a condition precedent to liability where Accounts Receivable are insured by this Section that the Insured shall within thirty days of the end of each month deposit with AXA Insurance a signed statement showing the total amount of the balance in the Insureds accounts debited to Customers and remaining unpaid as at the end of the

said month In the event of the average amount of the said 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 such sum insured for such Period of Insurance will be made in respect of the difference

Prevention of Access Clause

Subject to the conditions of this Section loss resulting from interruption of or interference with the Business in consequence of loss destruction of or damage to property in the vicinity of the Premises loss or destruction of or damage to which shall prevent or hinder the use of the Premises or access thereto whether the Premises or property of the Insured therein shall be damaged or not (but excluding loss or destruction of or damage to property of any supply undertaking from which the Insured obtain electricity gas or water or telecommunications services which prevents or hinders the supply of such services) shall be deemed to be an Incident

Professional Accountants Clause

Any particulars or details contained in the Insureds books of account or other business books or documents which may be required by the Company under part (b) of Special Condition 2 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 will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Company under part (b) of Special Condition 2 of this Section and reporting that such particulars or details are in accordance with the Insureds 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 the Section shall in no case exceed the liability of the Company as stated

Uninsured Working Expenses Clause

If any working expenses of the Business be not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the Uninsured Working Expenses

Subrogation Waiver Clause

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

- a) any Company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or the Companies (NI) Order as appropriate current at the time of the Damage
- b) any Company which is a subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (NI) Order as appropriate current at the time of the Damage

BUSINESS INTERRUPTION

Exclusion Clauses

Terrorism Exclusion Clause

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

In respect of private house(s) or contents thereof insured in the name of an individual this Terrorism Exclusion applies to loss damage cost or expense caused by nuclear chemical or biological contamination resulting directly or indirectly from Terrorism

Date Recognition Exclusion Clause

This Section does not cover CONSEQUENTIAL LOSS 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 CONSEQUENTIAL LOSS 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

Special Conditions

1. Alterations

This Section 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 Section 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 Section 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 consequential loss

NB The words in brackets do not apply to any item on Accounts Receivable

- 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 Section shall be payable and
 - any payment on account of the claim already made shall be repaid to the Company forthwith

BUSINESS INTERRUPTION

Special Clauses

Clauses 1-3 applicable only if the clause numbers are entered in the Schedule Clause 4 applicable only if referred to in the Schedule

1. Deposit Premium Clause

The first and annual premiums are provisional being 75% of the premiums payable at the commencement of the Period of Insurance with the balance of 25% to be paid within 6 months of the expiry of that period except that in respect of any item on Gross Profit Gross Revenue or Gross Rentals the premium paid shall be adjusted on receipt by AXA Insurance of a declaration of Gross Profit Gross Revenue or Gross Rentals earned during the financial year most nearly concurrent with the year of insurance as reported by the Insureds auditors

NB Accountants may be substituted for Auditors in respect of companies exempt from audit requirements

If any Incident shall have occurred giving rise to a claim for loss of Gross Profit Gross Revenue or Gross Rentals the above mentioned declaration shall be increased by AXA Insurance 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 in consequence of the Incident

If the declaration (adjusted as provided for 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 the Company will allow a pro rata return of premium not exceeding 33 $\frac{1}{3}$ % 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 the Insured shall pay a pro rata additional premium not exceeding 33 $\frac{1}{3}$ % 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% shall be paid

Part A of the Premium Adjustment Clause is deleted

2. Declaration Linked Clause

- a) The Insured shall prior to each renewal furnish AXA Insurance with the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals as insured hereby for the financial year most nearly concurrent with the ensuing year of insurance

- b) The first and annual premiums in respect of each item on Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals as insured hereby are provisional and are based on the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals

The Insured shall provide AXA Insurance not later than six months after the expiry of each Period of Insurance with a declaration confirmed by the Insureds auditors of the Gross Profit Gross Revenue or Gross Rentals earned during the financial year most nearly concurrent with the Period of Insurance

NB Accountants may be substituted for Auditors in respect of companies exempt from audit requirements

If any Incident shall have occurred giving rise to a claim for loss of Gross Profit Gross Revenue or Gross Rentals the above mentioned declaration shall be increased by the Company 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 in consequence of the Incident

If the declaration (adjusted as provided above and proportionately increased where the Maximum Indemnity Period exceeds 12 months)

- (i) is less than the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals as insured hereby for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals as insured hereby but not exceeding 50% of such premium
- (ii) is greater than the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals as insured hereby for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals as insured hereby
- c) Notwithstanding proviso 2 in Indemnity Clause A the liability of the Company shall in no case exceed in respect of Gross Profit Gross Revenue or Gross Rentals 133 1/3% of the Estimated Gross Profit Estimated Gross Revenue or Estimated Gross Rentals stated herein and in respect of each other item 100% of the sums insured by the said items or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the Company

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 particulars lodged with the Company) pending issue of this Section

4. Long Term Agreement Clause

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) the sum insured may be reduced at any time to correspond with any reduction in Business

The above mentioned undertaking applies to any section or sections which may be issued by the Company in substitution for this Section and the same discount shall be allowed off the net premium on any substituted section or sections 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

BUSINESS INTERRUPTION

The Cover - Specified Perils

Only applicable to Items as shown in the Schedule

Indemnity Clause A

(Applicable to all items other than any item on Accounts Receivable)

The Company agrees that if any building or other property used by the Insured at the Premises for the purpose of the Business be lost destroyed or damaged by any of the Perils detailed overleaf which are shown as in force in the Schedule and in consequence the Business carried on by the Insured at the Premises be interrupted or interfered with then the Company will pay to the Insured in respect of each item in the Schedule the amount of loss resulting from such interruption or interference provided that

1. at the time of the happening of the loss destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the Premises against such loss destruction or damage and that
 - i) payments shall have been made or liability admitted therefor
 - or
 - ii) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the Company under this Section 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 loss destruction or damage

- ii) the sum insured remaining after deduction for any other interruption or interference consequent upon loss destruction or damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such sum insured

adjusted in accordance with the Inflation Protection Clause if applicable

Indemnity Clause B

(Applicable to any item on Accounts Receivable)

The Company agrees that if any of the Insureds books of account or other business books or records at the Premises be so destroyed or damaged by any of the Perils detailed overleaf which are shown as in force in the Schedule as to render it impossible for the Insured to obtain from Customers all the sums due to them and outstanding at the date of the damage then the Company will pay to the Insured the amount they may be entitled to recover under the provisions of this Section provided the liability of the Company under this Section 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 loss destruction or damage
- ii) the sum insured remaining after deduction for any other claim under this Section consequent upon loss destruction or damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such sum insured

adjusted in accordance with the Inflation Protection Clause if applicable

Additional Definition

The words **CONSEQUENTIAL LOSS** in capital letters shall mean loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business

This Section incorporates the Schedule Memoranda and Endorsements which shall be read together as one contract Words and expressions to which a specific meaning is given in any part of this Section shall have the same meaning wherever they appear

Perils

A FIRE but excluding **CONSEQUENTIAL LOSS** caused by

- a) explosion resulting from fire
- b) earthquake or subterranean fire
- c) i) its own spontaneous fermentation or heating or
 - ii) its undergoing any heating process or any process involving the application of heat

LIGHTNING

EXPLOSION

- a) of boilers used for domestic purposes only
- b) of any other boilers or economisers on the Premises
- c) of gas used for domestic purposes only but excluding **CONSEQUENTIAL LOSS** caused by earthquake or subterranean fire

B EXPLOSION excluding **CONSEQUENTIAL LOSS**

- a) caused by or consisting of the bursting of any vessel machine or apparatus (not being a boiler or economiser on the Premises) in which internal

pressure is due to steam only and belonging to or under the control of the Insured

- b) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

C AIRCRAFT or other aerial devices or articles dropped therefrom excluding **CONSEQUENTIAL LOSS** by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

D RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding **CONSEQUENTIAL LOSS**

- a) arising from confiscation requisition or destruction by order of the government or any public authority
- b) arising from cessation of work
- c) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software

E RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or **MALICIOUS PERSONS** excluding **CONSEQUENTIAL LOSS**

- a) arising from confiscation requisition or destruction by order of the government or any public authority
- b) arising from cessation of work
- c) caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation in respect of any building which is empty or not in use

BUSINESS INTERRUPTION

- d) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software
- F EARTHQUAKE
- G SUBTERRANEAN FIRE
- H STORM excluding
CONSEQUENTIAL LOSS
- a) caused by
- i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
- ii) inundation from the sea whether resulting from storm or otherwise
- b) attributable solely to change in the water table level
- c) caused by frost subsidence ground heave or landslip
- d) in respect of movable property in the open fences and gates
- I STORM OR FLOOD excluding
CONSEQUENTIAL LOSS
- a) attributable solely to change in the water table level
- b) caused by frost subsidence ground heave or landslip
- c) in respect of movable property in the open fences and gates
- J ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding
CONSEQUENTIAL LOSS
- a) caused by water discharged or leaking from any automatic sprinkler installation
- b) in respect of any building which is empty or not in use
- K IMPACT by any road vehicle or animal not belonging to or under the control of the Insured or any occupier of the Premises or their respective employees
- L IMPACT by any road vehicle or animal
- M ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION in the Premises not caused by
- a) freezing whilst the building insofar as it is in the Insureds ownership or tenancy is empty or not in use
- b) explosion earthquake subterranean fire or heat caused by fire
- N FIRE only resulting from the property's own SPONTANEOUS FERMENTATION OR HEATING
- O THEFT or any attempt thereof involving entry to or exit from the Premises by forcible and violent means

EXCLUSIONS

This Section does not cover

1. CONSEQUENTIAL LOSS occasioned by
 - a) riot or civil commotion unless these perils are specified in the Schedule and then only to the extent stated
 - b) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
2. loss or destruction of or damage occasioned by or happening through or occasioning loss destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
3. CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
 - (i) civil commotion
 - (ii) TERRORISM as defined in the Terrorism Exclusion Clause

In any action suit or other proceedings where the Company alleges that by reason of this definition any CONSEQUENTIAL LOSS is not covered by this Section the burden of proving that such CONSEQUENTIAL LOSS is covered shall be upon the Insured
4. loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the Insured at the Premises for the purposes of the Business not otherwise excluded caused by
 - a) pollution or contamination at the Premises which itself results from a peril hereby insured against
 - b) any peril hereby insured against which itself results from pollution or contamination

BUSINESS INTERRUPTION

The Cover - All Risks

Only applicable to Items as shown in the Schedule

Indemnity Clause A

(Applicable to all items other than any item on Accounts Receivable)

The Company agrees that if any building or other property used by the Insured at the Premises for the purpose of the Business be accidentally lost destroyed or damaged and in consequence the Business carried on by the Insured at the Premises be interrupted or interfered with then the Company will pay to the Insured in respect of each item in the Schedule the amount of loss resulting from such interruption or interference provided that

1. at the time of the happening of the loss destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the Premises against such loss destruction or damage and that
 - i) payment shall have been made or liability admitted therefor
or
 - ii) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the Company under this Section 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 loss destruction or damage
 - ii) the sum insured remaining after deduction for any other interruption or interference consequent upon loss destruction or damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such sum insured

adjusted in accordance with the Inflation Protection Clause if applicable

Indemnity Clause B

(Applicable to any item on Accounts Receivable)

The Company agrees that if any of the Insureds books of account or other business books or records at the Premises be so destroyed or damaged as to render it impossible for the Insured to obtain from Customers all the sums due to them and outstanding at the date of the damage then the Company will pay to the Insured the amount they may be entitled to recover under the provisions of this Section provided the liability of the Company under this Section 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 loss destruction or damage
- ii) the sum insured remaining after deduction for any other claim under this Section consequent upon loss destruction or damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such sum insured

adjusted in accordance with the Inflation Protection Clause if applicable

Additional Definitions

1. The words CONSEQUENTIAL LOSS in capital letters shall mean loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business
2. The words Defined Peril shall mean 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 earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

This Section incorporates the Schedule Memoranda and Endorsements which shall be read together as one contract Words and expressions to which a specific meaning is given in any part of this Section shall have the same meaning wherever they appear

Exclusions

This section does not cover

1. CONSEQUENTIAL LOSS caused by or consisting of
 - a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - b) faulty or defective workmanship operational error or omission on the part of the Insured or any of their employees
 - c) 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 and belonging to or under the control of the Insured

- d) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

but this shall not exclude CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded

2. CONSEQUENTIAL LOSS

- a) caused by or consisting of corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
- b) caused by or consisting of change in temperature colour flavour texture or finish
- c) arising directly from theft or attempted theft
- d) consisting of joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
- e) consisting of mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- f) caused by the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunications services

but this shall not exclude

 - i) such CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril or from any other accidental loss destruction or damage
 - ii) subsequent CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded

BUSINESS INTERRUPTION

3. loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the Insured at the Premises for the purpose of the Business not otherwise excluded caused by
 - i) pollution or contamination at the Premises which itself results from a Defined Peril
 - ii) a Defined Peril which itself results from pollution or contamination
4. CONSEQUENTIAL LOSS caused by or consisting of
 - a) subsidence ground heave or landslide 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
 - c) acts of fraud or dishonesty

CONSEQUENTIAL LOSS arising directly or indirectly from

 - d) disappearance unexplained or inventory shortage misfiling or misplacing of information
 - e) i) erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked-out workers persons taking part in labour disturbances or civil commotion or malicious persons
 - ii) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from a Defined Peril in so far as it is not otherwise excluded
5. loss resulting from destruction of or damage to a building or structure used by the Insured at the Premises caused by its own collapse or cracking unless resulting from a Defined Peril in so far as it is not otherwise excluded
6. CONSEQUENTIAL LOSS in respect of moveable property in the open fences and gates caused by wind rain hail sleet snow flood or dust
7. CONSEQUENTIAL LOSS
 - a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - b) (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
8. CONSEQUENTIAL LOSS
 - a) caused by freezing
 - b) caused by escape of water from any tank apparatus or pipe
 - c) caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation

in respect of any building which is empty or not in use

BUSINESS INTERRUPTION

9. CONSEQUENTIAL LOSS in respect of
- a) fixed glass
 - b) glass (other than fixed glass) china earthenware marble or other fragile or brittle objects
 - c) computers or data processing equipment
 - d) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - e) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - f) land roads pavements piers jetties bridges culverts or excavations
 - g) livestock growing crops or trees
- other than in respect of such CONSEQUENTIAL LOSS caused by a Defined Peril in so far as it is not otherwise excluded
10. CONSEQUENTIAL LOSS occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power nationalisation confiscation requisition seizure or destruction by the government or any public authority
11. loss destruction or damage occasioned by or happening through or occasioning loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
12. CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
- i) riot civil commotion and (except in respect of CONSEQUENTIAL LOSS by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons
 - ii) TERRORISM as defined in the Terrorism Exclusion Clause
- In any action suit or other proceedings where the Company alleges that by reason of this definition any CONSEQUENTIAL LOSS is not covered by this Section the burden of proving that such CONSEQUENTIAL LOSS is covered shall be upon the Insured
13. CONSEQUENTIAL LOSS directly or indirectly caused by or arising from any programming or operator error Virus or Similar Mechanism or Hacking in respect of any computer 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 but without limitation any information or programs or software) and whether the property of the Insured or not
- but this shall not exclude CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril save in respect of malicious persons other than thieves

BUSINESS INTERRUPTION

For the purposes of this Section Exclusion the following Definitions apply

Definitions

- 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 and retrieves data

The above Exclusion is deemed to apply in addition to Section Exclusion 4 (e)

THEFT SECTION

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

1. Indemnity

The Company agrees subject to the terms contained herein or endorsed hereon that in the event of

1. any of the Property Insured while within the Premises being lost or damaged as the result of
 - a) theft (or attempted theft) involving entry to or exit from the Premises by forcible and violent means
 - b) theft following assault or violence or threat thereof to the Insured any employee of the Insured or any other person lawfully in the Premises
2. the Premises sustaining damage for which the Insured are responsible as the result of theft involving entry to or exit from the Premises by forcible and violent means or any attempt thereat

the Company will by payment or at its option by repair reinstatement or replacement indemnify the Insured in respect of such loss or damage

The liability of the Company during any one Period of Insurance shall not exceed in respect of

1. each item of the Property Insured the sum insured set against it and for all items the total sum insured adjusted in accordance with the Inflation Protection Clause if applicable
2. damage to the Premises the sum equivalent to make good such damage for which the Insured are responsible

The word Premises shall not include unless specifically mentioned any garden yard outbuilding or other building not communicating with the main building of the Premises

2. Property Insured

Column 1 Contents the property of the Insured or held by them in trust for which they are responsible excluding landlords fixtures and fittings and stock and materials in trade and vehicles licensed for road use (and accessories thereon)

Column 2 Stock and materials in trade the property of the Insured or held by them in trust for which they are responsible

Column 3 Miscellaneous and as specified in the description column

3. Security of Premises

If this insurance has been granted following a survey of your Premises it is important that you should not alter door and window fastenings and other security devices (except as may be provided in the Further Protection Clause if shown in the Schedule) without the written consent of the Company In your own interest please give early notification of proposed changes so that if necessary a further survey can be undertaken

4. Plan References

Plan References (if any) refer to plans and reports of the premises lodged with AXA Insurance

5. Changes in Tenancy

The Insured must advise AXA Insurance of all changes in tenancy or occupation within the Premises in accordance with General Condition 2 of the Policy

THEFT

6. Exclusions

This Section does not cover

1. Amount Excluded

the first £300 of each and every loss after the application of any condition of Average

2. Money Etc

bills of exchange promissory notes cash bank and currency notes cheques postal orders money orders crossed bankers drafts current postage stamps unused units in franking machines National Savings stamps and Certificates National Insurance stamps Trading stamps Gift tokens Customer redemption vouchers VAT purchase receipts Credit Company sales vouchers credit card counterfoils travellers tickets and insofar as such are not otherwise insured Holidays with pay stamps and Luncheon Vouchers

3. Property Excluded

loss or damage

- a) which can be insured against by a standard fire policy
- b) to glass
- c) to property more specifically insured by or on behalf of the Insured

4. War Etc Risks

loss destruction or damage occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

5. Nuclear Risks

loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

6. Northern Ireland

loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

- i) civil commotion
- ii) TERRORISM as defined under Material Damage Terrorism Exclusion Clause

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

7. Clauses

Average Clause

The sum insured by each item of this Section (other than any item subject to the Day One Average Clause) is declared to be separately subject to Average i.e. if such sum insured shall at the commencement of any loss or damage be less than the value of the property covered within such sum insured the amount payable by the Company in respect of such loss or damage shall be proportionately reduced

Contents

It is agreed that the term Contents is understood to include insofar as they are not otherwise insured

- a) documents manuscripts and business books but only for the cost of the materials and clerical labour expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein)

- b) computer systems records but only for the cost of the materials and clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein)
- c) patterns models moulds plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement
- d) tenants improvements alterations and decorations
- e) directors partners customers visitors and employees personal effects of every description (other than motor vehicles and Money) for an amount not exceeding £500 in respect of any one person

Contract Price Clause

In respect only of goods sold but not delivered for which the Insured are responsible subject to a sale contract which following loss or damage is cancelled by reason of its conditions wholly or to the extent of the loss or damage the liability of the Company shall be based on the contract price For the purpose of this insurance the value of all goods to which this clause could apply in the event of loss or damage shall also be ascertained on this basis

Designation Clause

For the purpose of determining where necessary the heading under which any property is insured the Company agrees to accept the designation under which such property has been entered in the Insureds books

Explosives

This Section will (in addition to the total sum insured) indemnify the Insured in respect of damage to any property included in this Section directly or indirectly caused by or in consequence of the use of explosives on the occasion of any Theft (within the meaning of this Section) or any attempt thereat at the Premises but only insofar as the risk of

explosion is not insured under any other policy effected by or on behalf of the Insured in respect of the same property provided always that the limit of the Companys liability in any one Period of Insurance under this extension clause shall be £10,000 for each Premises

Glass

This Section extends to cover destruction of or damage to glass (where the Insured is responsible for its replacement) whether internal or external plain or ornamental attached to and forming part of the Premises and the cost of boarding up the same resulting from Theft (within the meaning of this Section) or any attempt thereat but only if the said glass is not otherwise insured

It is understood that no liability in respect of destruction of or damage to such glass shall be insured unless the said destruction or damage is accompanied by and directly forms part of other loss or damage within the protection of this Section except where such destruction of or damage to glass is accepted by a Police Authority as prima facie evidence of Theft (within the meaning of this Section) or any attempt thereat

Inflation Protection Clause

The Company 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

Reinstatement Clause

(NB Not applicable to motor vehicles and their accessories personal effects or stock and materials in trade)

Subject to the following Special Conditions the basis upon which the amount payable in respect of Property Insured under sums insured marked R on the Schedule is to be calculated shall be the reinstatement of the property lost destroyed or damaged

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For this purpose reinstatement means

- a) the rebuilding or replacement of property lost or destroyed which provided the liability of the Company is not increased may be carried out
 - i) in any manner suitable to the requirements of the Insured
 - ii) upon another site
- b) the repair or restoration of property damaged

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special Conditions

1. The liability of the Company for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
2. If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this memorandum exceeds it sum insured at the commencement of any loss or damage the liability of the Company shall not exceed that proportion of the amount of the loss or damage which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time
3. No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of its loss or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement

4. All the terms and conditions of the Policy shall apply
 - a) in respect of any claim payable under the provisions of this memorandum except insofar as they are varied hereby
 - b) where claims are payable as if this memorandum had not been incorporated

Reinstatement of the Sum Insured after Loss Clause

In the event of loss the sum insured by this Section will automatically be reinstated from the date of the loss unless written notice is given to the contrary either by the Company or by the Insured

provided always that in the event of reinstatement the Insured will

- a) pay such necessary premiums as may be required for such reinstatement from the date of reinstatement
- b) give effect forthwith to any additional protective devices for the further security of the Premises which the Company may reasonably require

Temporary Removal Clause

- a) The Property Insured by this Section (other than stock if insured) is covered whilst temporarily removed for cleaning renovation repair or similar purposes elsewhere and in transit thereto and therefrom all in Great Britain and Northern Ireland
- b) The liability of the Company under this extension in respect of each item of this Section for any loss or damage occurring elsewhere than at the within mentioned Premises shall not exceed 10% of the sum insured by the item

- c) This extension does not apply to property insofar as it is otherwise insured nor as regards losses occurring elsewhere than at the Premises from which the Property is temporarily removed to motor vehicles and motor chassis licensed for normal road use
- d) All the terms and conditions of the Policy except insofar as they are varied hereby shall apply as if they had been incorporated herein

Temporary Removal of Documents Clause

The insurance of deeds and other documents (including stamps thereon) manuscripts plans and writings of every description computer system records and books (written and printed) extends to cover such property for an amount not exceeding 10% of the value thereof whilst temporarily removed to any premises not in the Insureds occupation and in transit all in Great Britain and Northern Ireland This extension does not apply to property insofar as it is otherwise insured

Special Conditions**1. Protective and Locking Devices**

It is a condition precedent to any liability on the part of the Company under this Section that all locks bolts bars window fastenings and other protective and locking devices installed in the Premises be maintained and put into actual operation whenever the Premises are closed for business or left unattended

2. Police Notification

Immediately after the occurrence of any loss or damage occasioned by risks covered by this Section shall have come to the knowledge of the Insured they shall give notice to the police and take all practical steps to cause the discovery and punishment of the guilty person or persons and to trace and recover the property lost

THEFT**Special Clauses**

(Clauses 1, 2, 3 and 5 applicable only if the Clause numbers are entered in the Schedule Clause 4 applicable only if referred to in the Schedule)

1. Day One Average

A Subject to the following Special Conditions the basis upon which the amount payable in respect of the Property Insured under sums insured marked DA in the Schedule is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose reinstatement means

- a) the rebuilding or replacement of property lost or destroyed which provided the liability of the Company is not increased may be carried out
 - i) in any manner suitable to the requirements of the Insured
 - ii) upon another site
- b) the repair or restoration of property damaged

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

B The Insured having stated in writing the Declared Value shown in brackets below the sum insured for each of the said items the premium has been calculated accordingly

Declared Value means the Insureds assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph A(a) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for

- a) the additional cost of reinstatement to comply with public authority requirements

b) professional fees

c) debris removal costs

Special Conditions

- 1) At the inception of each Period of Insurance the Insured shall notify AXA Insurance of the Declared Value for the Property Insured by each of the said item(s) In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance
- 2) If at the time of loss destruction or damage the Declared Value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph B above) at the inception of the Period of Insurance then the Companys liability for any loss destruction or damage shall not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement
- 3) The liability of the Company for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
- 4) No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of its loss destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement

5) All the terms and conditions of this Policy shall apply

- a) in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
- b) where claims are payable as if this memorandum had not been incorporated except that the sum(s) insured shall be limited to 115% of the Declared Value(s)

2. Stock Declaration Conditions

The premium in respect of any item in the Schedule where the sum insured is marked D is provisional and subject to adjustment as provided below

The value of the property on the last day of each calendar month shall be declared by the Insured to AXA Insurance within thirty days thereafter and if a declaration be not so given the Insured shall be deemed to have declared the sum insured as the value

On the expiry of each Period of Insurance the actual premium shall be calculated at the rate applicable on the total of the amounts declared divided by the number of the declarations. If the actual premium be greater than the provisional premium the Insured shall pay the difference. If it is less the difference shall be paid to the Insured.

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance.

It is warranted that every insurance on such property covering loss, destruction or damage insured hereby is on a similar basis of adjustment against declarations.

3. 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.

4. 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) the Sum Insured may be reduced at any time to correspond with any reduction in value

The above-mentioned undertaking applies to any Section (or policies) which may be issued by the Company in substitution for this Section and the same discount shall be allowed off the net premium on any substituted policy (or policies) issued by the Company.

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.

5. Alarm Clause

It is a condition precedent to liability under this Section in respect of loss or damage by Theft following entry or attempted entry to or exit from the Premises by forcible and violent means that

- a) The Premises are protected by an Intruder Alarm System designed, installed and maintained to British Standard BS4737 or EN50131 including, where stipulated by the Company or the local Police Authority, Code of Practice DD243.
- b) The intruder alarm installation and maintenance company must be both:
 - I. A member of an Alarm Inspectorate which is accredited by UKAS to EN 45011 or EN 45012

and

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- II. Accredited and operate a Quality Management System in accordance with EN ISO 9000.
- c) The Intruder Alarm System shall 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 EN 50131, with the installing company or such other company as agreed with the Company.
- Where remote alarm signalling is required the signal transmission must be transmitted to an Alarm Receiving Centre fully compliant with BS5979:2000 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 the Company for police or any other response to any activation of the Intruder Alarm System
- be made without the written agreement of the Company
- e) The Alarmed Premises shall not be left unattended without the agreement of the Company
- 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
- f) The Insured shall maintain secrecy of codes for the operation of the Intruder Alarm System and detail of such codes and all keys to the Intruder Alarm System shall be removed from the Premises when the Premises are left unattended
- g) The Insured shall appoint at least two Key Holders and lodge written details (which must be kept up to date) with the alarm company and either the Police or the Alarm Receiving Centre
- h) In the event of notification of any activation of the Intruder Alarm System or interruption of means 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 shall attend the Premises as soon as reasonably possible
- i) In the event of the Insured 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
- the Insured shall advise the Company as soon as possible and comply with any subsequent requirements stipulated by the Company

DEFINITIONS

Intruder Alarm System

The component parts including the means of communication used to transmit signals to the alarm-receiving centre.

Alarmed Premises

The Premises or those portions of the Premises protected by the Intruder Alarm System

Key Holder

The Insured or any person or key holding company authorised by the Insured who is available at all times to accept notification of faults or alarm signals to the Intruder Alarm System attend and allow access to the Premises

Premises

The buildings occupied by or under the control of the Insured (unless otherwise stated in the Schedule)

MONEY SECTION

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

Part 1 – Money

Definitions

Wherever the following words and phrases appear in Part 1 of this Section they will have these meanings

Money

Cash bank and currency notes cheques postal orders money orders crossed bankers drafts current postage stamps unused units in franking machines National Savings stamps and Certificates National Insurance stamps Trading stamps Gift tokens Customer redemption vouchers VAT purchase receipts Credit Company sales vouchers credit card counterfoils travellers tickets phonecards (excluding phonecards held in stock for resale) and insofar as such are not otherwise insured Holidays-with-pay stamps and Luncheon Vouchers

Business Hours

The Insureds usual office hours and the working hours (including overtime) during which the Insured or his employees entrusted with Money are on the Insureds premises or sites of contracts for the purposes of the Business

Premises

Any premises occupied by the Insured for the purposes of the Business including any sites of contracts

Indemnity

The Company shall

1. indemnify the Insured against
 - a) loss of Money appertaining to the Business occurring whilst
 - i) in transit
 - ii) at any of the Insureds Premises
 - iii) in night safe at a bank
 - iv) at the residence of any principal or authorised employee of the Insured
 - b) loss of or damage to safes and strongrooms resulting from theft of money or any attempt thereat

anywhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man 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 the Insured or any employee of the Insured caused by robbery or attempt thereat occurring in the course of the Business subject to a limit of £250 in respect of any one person

Exceptions

Part 1 shall not indemnify the Insured against

- a) the first £250 of each and every loss
- b) loss from unattended motor vehicles
- c) loss arising from fraud or dishonesty of the Insureds employees unless such loss be discovered within fourteen clear working days of the occurrence
- d) loss due to clerical or accounting errors
- e) loss insured (or which would but for the existence of this Section be insured) 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) thereunder

Security Warranty

Whenever Money in transit exceeds £2,500 at any one time it is warranted that

- a) the Money will be accompanied by not less than two responsible adult persons
- b) not more than the amount shown in the Schedule will be carried by any one person

Security of Keys to Safes – Your attention is drawn to Special Condition 3

Part 2 – Personal Accident – Assault

Indemnity

If any principal or employee of the insured within the age limits of 16 and 70 years inclusive (hereinafter called the Insured Person) shall suffer bodily injury sustained as the result of

- a) robbery or attempted robbery or
- b) hold-up or attempted hold-up

in the course of the Business (which injury shall be the sole and direct cause of death or disablement as described in the Table of Compensations) the Company will pay the Insured in trust for the Insured Person or in the event of death for the personal representatives of the Insured Person compensation upon the basis of and in accordance with the Table of Compensations

For the purposes of item 4 the compensation payable shall not exceed the Insured Persons average weekly remuneration from the Insured over the period of 13 weeks immediately prior to the event giving rise to the bodily injury

Provided always that

- a) the Insured Person shall not be entitled to compensation under more than one of the items of the Table of Compensations in respect of the same injury
- b) no further liability to make any payment under Part 2 in respect of any Insured Person shall attach to the Company after a claim under one of items 1 to 3 has been admitted and become payable
- c) weekly compensation under item 4 shall not become payable until the total amount has been agreed
- d) this extension does not insure against death or disablement
 - i) arising from or influenced by any existing physical defect or infirmity of the Insured Person or

- ii) where the Insured person is a female resulting directly or indirectly from pregnancy or childbirth

Table of Compensations The amounts shown represent one unit

Table of Compensations		
1	Death*	£1,000
2	Total loss or permanent and total loss of use of one or more limbs*	£1,000
3	Total and irrecoverable loss of all sight in one or both eyes*	£1,000
4	Total disablement from engaging in or giving attention to the Insured Persons usual profession or occupation – compensation (while the Insured Person shall be so disabled) for a period not exceeding 104 weeks in respect of any one injury calculated from the date thereof at the rate of	£10 per week subject to this not exceeding the Insured Persons weekly remuneration from the Insured
5	Reimbursement of incurred medical expenses* up to	£250
*Occurring within 2 years of the event giving rise to the bodily injury		

Special Conditions Applicable to Part 2

1. Notice of every injury in respect of which a claim is to be made shall be given to the Company in writing as soon as possible but in any case within three months of the event giving rise to the injury
2. All certificates information and evidence required by the Company shall be furnished at the expense of the Insured and shall be in such form and of such nature as the Company may prescribe The Insured Person as often as required shall submit to medical examination on behalf of the Company at its own expense in respect of any alleged bodily injury
3. The Company shall in the case of death of the Insured Person be entitled to have a post-mortem examination at its own expense

Exclusions Applicable to this Section

This Section does not cover

- a) loss destruction or damage occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- b) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to 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 thereof

c) loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence of

- a) civil commotion
- b) Terrorism as defined in d) below
Terrorism Exclusion Clause
- d) Terrorism Exclusion clause

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

In any action suit or other proceedings where the Company alleges that by reason of the provisions of this exclusion any loss destruction or damage is not covered by this Section the burden of proving that such loss destruction or damage is covered shall be upon the Insured

MONEY

Special Conditions Applicable to this Section

1. If the premium for this Section has been calculated on an estimate furnished by the Insured and stated in the Schedule to this Section the Insured shall keep an accurate record of all particulars relative thereto and shall at all reasonable times allow the Company to inspect such record Within one month from the expiry of each Period of Insurance the Insured shall supply the Company with a correct account of the amount of notes and coins in transit during the period and the premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject to the retention by the Company of 75% of the estimated premium for the period being adjusted or £75 whichever is the greater
2. The Insured shall take all reasonable precautions for the safety of the money and immediately upon having knowledge of any event giving rise or likely to give rise to a claim under this Section shall
 - a) give immediate notice to the Police and to the Company and take all practicable steps to discover the guilty person or persons 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 the Company within fourteen days from the date on which the event shall have come to his knowledge a detailed statement in writing of the loss
 - d) furnish all explanations vouchers proof of ownership and other evidence to substantiate the claim and the Company may if it deem necessary require corroborative evidence of the statements of the Insured or of any of the Insureds employees
3. The Insured shall keep a daily record of the amount of money contained in safes or strongrooms and such record shall be deposited in a secure place other than the said safes or strongrooms and be produced as documentary evidence in support of a claim under this Section The keys of safes or strongrooms shall not be left on the premises out of Business Hours unless the premises are still occupied by the Insured or any authorised employee of the Insured in which event such keys if left on the premises shall be deposited in a secure place not in the vicinity of safes or strongrooms
4. Nothing in General Condition 7 shall impose on the Company any liability from which but for that Condition it would have been relieved under Exception (d) of the exceptions to Part 1 of this Section

Special Clauses

(Clause 1 and 3 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 Section 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 Section 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

3. Alarm Clause

It is a condition precedent to liability under this Section in respect of loss or damage following entry or attempted entry to or exit from the Premises by forcible and violent means that

- a) The Premises are protected by an Intruder Alarm System designed, installed and maintained to British Standard BS4737 or EN50131 including, where stipulated by the Company or the local Police Authority, Code of Practice DD243
- b) The intruder alarm installation and maintenance company must be both:
 - I. A member of an Alarm Inspectorate which is accredited by UKAS to EN 45011 or EN 45012

and

 - II. Accredited and operate a Quality Management System in accordance with EN ISO 9000
- c) The Intruder Alarm System shall 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 EN 50131, with the installing company or such other company as agreed with the Company Where remote alarm signalling is required the signal transmission must be transmitted to an Alarm Receiving Centre fully compliant with BS5979:2000 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000

MONEY

- 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 the Company for police or any other response to any activation of the Intruder Alarm System
- be made without the written agreement of the Company
- e) The Alarmed Premises shall not be left unattended without the agreement of the Company
- 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
- f) The Insured shall maintain secrecy of codes for the operation of the Intruder Alarm System and detail of such codes and all keys to the Intruder Alarm System shall be removed from the Premises when the Premises are left unattended
- g) The Insured shall appoint at least two Key Holders and lodge written details (which must be kept up to date) with the alarm company and either the Police or the Alarm Receiving Centre
- h) In the event of notification of any activation of the Intruder Alarm System or interruption of means 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 shall attend the Premises as soon as reasonably possible
- i) In the event of the Insured 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
- the Insured shall advise the Company as soon as possible and comply with any subsequent requirements stipulated by the Company

Definitions

Intruder Alarm System

The component parts including the means of communication used to transmit signals to the alarm-receiving centre

Alarmed Premises

The Premises or those portions of the Premises protected by the Intruder Alarm System

Key Holder

The Insured or any person or key holding company authorised by the Insured who is available at all times to accept notification of faults or alarm signals to the Intruder Alarm System attend and allow access to the Premises

Premises

The buildings occupied by or under the control of the Insured (unless otherwise stated in the Schedule)

EMPLOYERS LIABILITY SECTION

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

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Injury

bodily injury death disease illness or nervous shock

Business

the business stated in the Schedule conducted by the Insured at or from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man including

- a) the provision and management of canteen sports social or welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services
- b) private work undertaken with the prior consent of the Insured by Employees for any director or senior official of the Insured
- c) the ownership maintenance and repair of premises within such territories

Employee

- a) any person under a contract of service or apprenticeship with the Insured
- b) any person who is hired to or borrowed by the Insured
- c) any person engaged in connection with a work experience or training scheme
- d) any labour master or person supplied by him
- e) any person engaged by labour only sub-contractors
- f) any self-employed person working on a labour only basis under the control or supervision of the Insured
- g) any voluntary helper while working for the Insured in connection with the Business

Territorial Limits

- a) anywhere within Great Britain Northern Ireland the Channel Islands or the Isle of Man other than offshore
- b) elsewhere in the world other than offshore in connection with temporary visits undertaken in the course of the Business by any person normally resident in the territories described in (a) above

Offshore

from the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform

2. Interpretation

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Company will indemnify in the terms of this Section the deceaseds legal personal representatives but only in respect of liability incurred by such deceased person
- b) At the request of the Insured the Company will indemnify in the terms of this Section
 - a) i) any principal in respect of liability arising out of the performance by the Insured of any agreement entered into by the Insured with the principal to the extent required by such agreement
 - ii) any director of the Insured or Employee in respect of liability arising in connection with the Business

provided that the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured

EMPLOYERS LIABILITY

- b) i) any officer committee or member of the Insureds canteen sports social or welfare organisations fire security first aid medical or ambulance services in their respective capacities as such
 - ii) any director or senior official of the Insured in respect of private work undertaken by any Employee for such director or senior official
- provided that
- i) each such person shall as though he were the Insured observe fulfil and be subject to the terms of this Section insofar as they can apply
 - ii) the Company shall retain the sole conduct and control of all claims
- 2) other costs and expenses incurred with the Companys written consent in respect of any claim which may be the subject of indemnity under this Section
 - 3) solicitors fees incurred with the Companys written consent for
 - a) defence in any Court of Summary Jurisdiction of any proceedings brought against the Insured in respect of breach or alleged breach of any statutory duty resulting in Injury
 - b) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death which may be the subject of indemnity under this Section
 - 4) legal costs and expenses incurred by the Insured and at the request of the Insured any director or Employee with the Companys written consent and costs awarded against the Insured or director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain Northern Ireland the Channel Islands or the Isle of Man provided that
 - a) the proceedings relate to the health safety or welfare of Employees
 - b) the Company will not indemnify the Insured in respect of
 - i) fines or penalties
 - ii) costs and expenses insured by any other policy

3. Indemnity

The Company will indemnify the Insured against all sums that the Insured shall become legally liable to pay as damages together with costs and expenses shown below in respect of Injury sustained within the Territorial Limits during the Period of Insurance by any Employee arising out of his employment by the Insured in the course of the Business

Limit of Indemnity

The liability of the Company under this Section for damages costs and expenses payable in respect of any one claim against the Insured or series of claims against the Insured arising out of one event shall not exceed the amount stated in the Schedule to this Section as the Limit of Indemnity

Costs and expenses shall be deemed to mean –

- 1) costs and expenses of claimants for which the Insured is legally liable

4. Exclusions

Radioactive Contamination

So far as concerns the liability of any principal or liability assumed by the Insured under agreement and which would not have attached in the absence of such agreement this Section shall not apply to any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

Vehicles

This Section does not provide an indemnity in respect of any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any other compulsory Road Traffic Act legislation

5. Extensions

Compensation for Court Attendance

In the event of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will provide compensation to the Insured at the following rates per day for each day on which attendance is required

- | | |
|---|------|
| a) any director or partner of the Insured | £100 |
| b) any Employee | £50 |

Unsatisfied Court Judgements

In the event of Injury to an Employee sustained during the Period of Insurance and arising out of his employment by the Insured in the course of the Business which results in a judgement for damages being obtained by such Employee or his personal representatives and which remains unsatisfied in whole or in part six months after the date of such judgement the Company will at the request of the Insured pay to the Employee or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that

- a) the judgement for damages is obtained
 - i) in a court of law within Great Britain Northern Ireland the Channel Islands or the Isle of Man
 - ii) against a company partnership or individual other than the Insured conducting a business at or from premises within the territories described in a) i) above
- b) there is no appeal outstanding
- c) if any payment is made under the terms of this extension the Employee or the personal representatives of the Employee shall assign the judgement to the Company

EMPLOYERS LIABILITY

Special Conditions

1. Observance of Terms

It is a condition precedent to any liability on the part of the Company under this Section that the terms hereof so far as they relate to anything to be done or complied with by the Insured shall be duly and faithfully observed

2. Material Facts

The Insured shall give immediate notice to the Company of any alteration in risk which materially affects this insurance

3. Reasonable Precautions

The Insured shall

- a) take all reasonable precautions to prevent occurrences which may give rise to liability under this Section
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority
- c) forthwith make good or remedy any defect or danger which becomes apparent or take such additional precautions as the circumstances may require

4. Notification of Claims

In the event of any occurrence which may give rise to a claim under this Section the Insured shall immediately

- a) give written notice with full particulars to the Company
- b) forward to the Company upon receipt every letter claim writ summons or process
- c) notify the Company of any knowledge of impending prosecution inquest fatal accident or ministry inquiry

5. Claims Control

- a) no admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company
- b) the Company shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured at its own expense and for its own benefit any claim for indemnity or damages or otherwise
- c) the Company shall have full discretion in the conduct of any proceedings and in the settlement of any claim
- d) the Insured shall give all information and assistance the Company may require

6. Other Insurances

The Company will not indemnify the Insured in respect of liability which is insured by or would but for the existence of this Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy or which would have been payable under such other policy had this insurance not been effected

7. Premium Adjustment

If any part of the premium has been calculated on estimates the Insured shall within one month from the expiry of each Period of Insurance furnish such particulars and information as the Company may require and shall at the request of the Company provide an auditors certificate in support thereof The premium for such period shall then be adjusted subject to the Company retaining 75% of the premium paid for the Period of Insurance which corresponds to the period which is being adjusted Should the Insured fail to supply such particulars the Company shall be entitled to charge a reasonable additional premium in respect of that Period of Insurance

8. Right of Recovery

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

THE GENERAL CONDITIONS OF THE POLICY SHALL NOT APPLY TO THIS SECTION OTHER THAN THOSE HEADED INSTALMENTS AND CANCELLATION

PUBLIC AND PRODUCT LIABILITY SECTION

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

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Injury

bodily injury death disease illness or nervous shock

Business

the business stated in the Schedule conducted by the Insured at or from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man including

- a) the provision and management of canteen sports social or welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services
- b) private work undertaken with the prior consent of the Insured by Employees for any director or senior official of the Insured
- c) the ownership maintenance and repair of such premises within such territories

Employee

- a) any person under a contract of service or apprenticeship with the Insured
- b) any person who is hired to or borrowed by the Insured
- c) any person engaged in connection with a work experience or training scheme
- d) any labour master or person supplied by him
- e) any person engaged by labour only sub-contractors
- f) any self-employed person working on a labour only basis under the control or supervision of the Insured
- g) any voluntary helper

while working for the Insured in connection with the Business

Territorial Limits

- a) anywhere within Great Britain Northern Ireland the Channel Islands or the Isle of Man other than Offshore
- b) elsewhere in the world other than Offshore in connection with temporary visits undertaken in the course of the Business by any person normally resident in the territories described in a) above

Offshore

from the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform

Products Supplied

- a) products including containers packaging or instructions sold or supplied
- b) work or services undertaken including goods or materials used

by or on behalf of the Insured in the course of the Business

2. Interpretation

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Company will indemnify in the terms of this Section the deceaseds legal personal representatives but only in respect of liability incurred by such deceased person
- b) At the request of the Insured the Company will indemnify in the terms of this Section
- a) i) any principal in respect of liability arising out of the performance by the Insured of any agreement entered into by the Insured with the principal to the extent required by such agreement
- ii) any director of the Insured or Employee in respect of liability arising in connection with the Business

provided that the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured

- b) i) any officer committee or member of the Insureds canteen sports social or welfare organisations fire security first aid medical or ambulance services in their respective capacities as such
- ii) any director or senior official of the Insured in respect of private work undertaken by any Employee for such director or senior official

provided that

- i) each such person shall as though he were the Insured observe fulfil and be subject to the terms of this Section in so far as they can apply
- ii) the Company shall retain the sole conduct and control of all claims
- iii) where the Company is required to indemnify more than one party the total amount of indemnity payable to all parties in respect of damages shall not exceed the Limit of Indemnity

Cross Liabilities

If more than one Insured is referred to in the Schedule this Section shall apply to each one as if a separate policy had been issued to each (provided that the total amount of indemnity payable to all parties in respect of damages shall not exceed the Limit of Indemnity)

PUBLIC AND PRODUCT LIABILITY

Part 1 – Public Liability

Indemnity

The Company will indemnify the Insured against all sums that the Insured shall become legally liable to pay as damages and costs and expenses of claimants in respect of accidental

- a) Injury to any person
- b) loss of or damage to material property
- c) nuisance or trespass obstruction loss or amenities or interference with any right of way light air or water
- d) wrongful arrest detention imprisonment or eviction of any person or invasion of the right of privacy

occurring within the Territorial Limits during the Period of Insurance and happening in connection with the Business

Limit of Indemnity

The liability of the Company for all damages payable to any claimant or number of claimants as a result of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the amount stated in the Schedule to this Section as the Limit of Indemnity for Part 1

Costs

The Company will in addition

pay all other costs and expenses incurred with its written consent in respect of any claim which may be the subject of indemnity under this Part

pay solicitors fees incurred with its written consent for

- a) defence in any Court of Summary Jurisdiction of any proceedings brought against the Insured in respect of breach or alleged breach of any statutory duty resulting in Injury
- b) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death

which may be the subject of indemnity under this Part

indemnify the Insured and at the request of the Insured any director or Employee in respect of legal costs and expenses incurred with the Companys written consent and costs awarded against the Insured or director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain Northern Ireland the Channel Islands or the Isle of Man provided that

- a) the proceedings relate to the health safety or welfare of persons other than Employees
- b) the Company will not indemnify the Insured in respect of
 - i) fines or penalties
 - ii) costs and expenses insured by any other policy

Exclusions

The indemnity will not apply to legal liability

1. Aviation and Craft

arising out of

- a) work in or on aircraft
- b) work in or on airport or aerodrome runways manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access
- c) the ownership possession or use by or on behalf of the Insured of any
 - i) aircraft
 - ii) watercraft (other than watercraft not exceeding 8 metres in length or any hand-propelled boat or pontoon)

2. Vehicles

arising out of the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle or trailer attached thereto in circumstances where compulsory insurance or security is required or where insurance is provided by another policy

3. Products Supplied

in respect of Injury or loss of or damage to property caused by or in connection with any Products Supplied which have ceased to be in the custody or control of the Insured other than food or drink provided as a service at the Insureds premises to Employees or visitors

PUBLIC AND PRODUCT LIABILITY

Part 2 - Product Liability

Indemnity

The Company will indemnify the Insured against all sums that the Insured shall become legally liable to pay as damages and costs and expenses of claimants in respect of accidental

- a) Injury to any person
- b) loss of or damage to material property occurring anywhere in the world during the Period of Insurance and caused by any Products Supplied

Limit of Indemnity

The liability of the Company for all damages payable as a result of all occurrences during any one Period of Insurance shall not exceed the amount stated in the Schedule to this Section as the Limit of Indemnity for Part 2

Costs

The Company will in addition

pay all other costs and expenses incurred with its written consent in respect of any claim which may be the subject of indemnity under this Part

pay Solicitors fees incurred with its written consent for

- a) defence in any Court of Summary Jurisdiction of any proceedings brought against the Insured in respect of breach or alleged breach of any statutory duty resulting in Injury
- b) representation at a Coroners Court or Fatal Accident Enquiry in respect of any death

which may be the subject of indemnity under this Part

Indemnify the Insured in respect of legal costs and expenses incurred with the Companys written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 provided that

- a) the proceedings relate to an offence alleged to have been committed in the course of the Business during the Period of Insurance
- b) the Company will not indemnify the Insured in respect of
 - i) fines or penalties
 - ii) costs and expenses insured by any other policy

Exclusions

The indemnity will not apply to legal liability

- 1. Products under Insureds Control**
in respect of Injury or loss of or damage to property caused by or in connection with any Products Supplied which are in the custody or control of the Insured
- 2. Aviation Products**
in respect of Injury or loss of or damage to property caused by or in connection with any Products Supplied which to the knowledge of the Insured are for use in or on any aircraft and which are critical to the safety or airworthiness of the aircraft
- 3. Export to USA or Canada**
in respect of Injury or loss of or damage to property caused by or in connection with any Products Supplied which to the knowledge of the Insured are directly or indirectly exported to the United States of America or Canada

Extensions

Compensation for Court Attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will provide compensation to the Insured at the following rates per day for each day on which attendance is required

- a) any director or partner of the Insured £100
- b) any Employee £50

Rented Premises

General Exclusion 2 b) shall not apply to premises leased let rented hired or lent to the Insured provided that the indemnity will not apply to legal liability in respect of

- a) loss or damage under agreement unless liability would have attached to the Insured in the absence of such agreement
- b) loss of or damage to premises caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by or on behalf of the Insured
- c) the first £250 of each and every occurrence of loss or damage caused otherwise than by fire or explosion

Defective Premises Act

Legal liability in respect of Injury loss or damage arising solely by reason of Section 3 of the Defective Premises Act 1972 or Article 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of any premises previously owned for purposes pertaining to the Business and since disposed of by the Insured is included within the terms of the indemnity provided in Part 1 of this Section but indemnity will not apply if the Insured is entitled to indemnity under any other insurance

Contingent Motor Liability

Notwithstanding Exclusion 2 of Part 1 the Company will indemnify the Insured in the terms of Part 1 against legal liability in respect of Injury loss or damage arising out of the use in connection with the Business of any motor vehicle not owned or provided by the Insured

The indemnity will not apply to legal liability

- a) in respect of loss of or damage to any such vehicle or to goods conveyed therein or thereon
- b) in respect of Injury loss of or damage arising while such vehicle is being
 - i) driven by the Insured
 - ii) driven with the general consent of the Insured or of his representative by any person who to the knowledge of the Insured or his representative does not hold a licence to drive a vehicle unless such person has held and is not disqualified from holding such a licence
 - iii) used elsewhere than in Great Britain Northern Ireland the Channel Islands or the Isle of Man
- c) in respect of which the Insured is entitled to indemnity under any other insurance

PUBLIC AND PRODUCT LIABILITY

Overseas Personal Liability

The Company will indemnify the Insured and if the Insured so requests any director or partner of the Insured or any Employee or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside Great Britain Northern Ireland the Channel Islands or the Isle of Man

The indemnity will not apply to legal liability

- a) arising out of the ownership or occupation of land or buildings
- b) in respect of which any person referred to above is entitled to indemnity under any other insurance

Subject otherwise to the terms Exclusions & Conditions of this Section

General Exclusions

The indemnity will not apply to legal liability

1. Injury to Employees

in respect of Injury to any Employee

2. Property under Insureds Control

in respect of loss of or damage to

- a) property belonging to the Insured
- b) property which is leased let rented hired or lent to or which is the subject of a bailment to the Insured

3. Rectification Costs

- a) in respect of the cost or value of any Products Supplied or replacement repair removal rectification or reinstatement thereof where legal liability arises from a defect in or the unsuitability of such Products Supplied
- b) for any costs incurred in recalling or modifying any Products Supplied
- c) for the costs of remedying any defect or alleged defect in land or premises sold or disposed of by the Insured or for any reduction in the value thereof

4. Liability under Agreement

assumed by the Insured under agreement unless the conduct and control of claims is vested in the Company but indemnity shall not in any event apply to

- a) liquidated damages fines or penalties
- b) legal liability which attaches by virtue of an express warranty indemnity or guarantee given or entered into by the Insured in connection with any Products Supplied and which would not have attached in the absence of such warranty indemnity or guarantee

5. War Risks

arising from any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

6. Radioactive Contamination

of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

PUBLIC AND PRODUCT LIABILITY

General Exclusions and Limitations

1. Pollution or Contamination

- a) this Section excludes all liability in respect of 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

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place

- b) The Liability of the Company for all compensation payable under Parts 1 and 2 of this Section in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed in the aggregate the amount shown in the Schedule to this Section as the Limit of Indemnity for Part 1
- c) For the purpose of this Exclusion and Limitation Pollution or Contamination shall be deemed to mean
- i) all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere and
 - ii) all loss or damage or injury directly or indirectly caused by such Pollution or Contamination

2. USA and Canada

In so far as this Section applies to legal liability arising in the United States of America or Canada or if an action for damages is commenced therein or in any subsequent action in connection therewith is brought elsewhere in the world

- a) the liability of the Company in respect of all damages payable together with the costs and expenses of claimants and any other costs and expenses incurred with the Companys written consent shall not exceed the Limit of Indemnity
- b) the indemnity will not apply in respect of punitive damages and/or exemplary damages and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages or by way of fines or penalties

Fire Precautions Condition

It is a condition precedent to liability under this Section that in respect of use away from the Insureds premises of blow lamps blow torches flame guns hot air guns electric oxy-acetylene or other welding or cutting equipment and angle grinders (in circumstances where sparks are emitted) the undernoted precautions will be complied with on each occasion –

Blow lamps blow torches flame guns and hot air guns

- i) the area in which work is to be carried out to be examined and combustible property within the vicinity of the work either removed or as far as practicable covered by non-combustible materials
- ii) suitable fire extinguishing appliances to be kept available for immediate use at the point of work or as near as is practicable
- iii) blow- lamps blow torches and flame guns not to be lighted until required for use and extinguished immediately after use
- iv) lighted blow lamps torches and flame guns not to be left unattended
- v) hot air guns to be switched off when unattended
- vi) upon completion of each period of work a thorough fire safety check to be made of the vicinity of the work

Electric oxy-acetylene or other welding or cutting equipment and angle grinders

- i) the area in which the work is to be carried out including adjoining shafts or openings and the area on the other side of any wall or partition to be inspected to see whether any combustible property other than the property to be worked upon is in danger of ignition either directly or by conduction of heat
- ii) all combustible property to be removed to a distance of not less than 6 metres from the point of work and property which cannot be moved to be covered and fully protected by overlapping sheets of non-combustible material or equivalent protection
- iii) the Insured shall arrange for a person who is competent in the use of fire extinguishing appliances to work in conjunction with the operative using the equipment to act as a firewatcher and to remain in attendance at all times until lighted flame equipment is extinguished
- iv) suitable fire extinguishing appliances to be made available for immediate use at the point of work
- v) gas cylinders not in use to be kept outside the building in which the work is taking place where practicable but in any event at least 15 metres from the point of application of the heat
- vi) upon completion of each period of work a thorough fire safety check to be made of all areas referred to in paragraph i) above

The fire safety check to be undertaken at regular intervals for a period of at least one hour after completion

PUBLIC AND PRODUCT LIABILITY

Special Conditions

1. Observance of Terms

It is a condition precedent to any liability on the part of the Company under this Section that the terms hereof so far as they relate to anything to be done or complied with by the Insured shall be duly and faithfully observed

2. Material Facts

The Insured shall give immediate notice to the Company of any alteration in risk which materially affects this insurance

3. Reasonable Precautions

The Insured shall

- a) take all reasonable precautions to prevent occurrences which may give rise to liability under this Section
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority
- c) forthwith make good or remedy any defect or danger which becomes apparent or take such additional precautions as the circumstances may require

4. Notification of Claims

In the event of any occurrence which may give rise to a claim under this Section the Insured shall immediately

- a) give written notice with full particulars to the Company
- b) forward to the Company upon receipt every letter claim writ summons or process
- c) notify the Company of any knowledge of impending prosecution inquest fatal accident or ministry inquiry

5. Claims Control

- a) no admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company
- b) the Company shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured at its own expense and for its own benefit any claim for indemnity or damages or otherwise
- c) the Company shall have full discretion in the conduct of any proceedings and in the settlement of any claim
- d) the Insured shall give all information and assistance the Company may require

6. Discharge of Liability

The Company may pay the Limit of Indemnity or any lesser sum for which any claim or claims against the Insured can be settled and the Company shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment

7. Other Insurances

The Company will not indemnify the Insured in respect of liability which is insured by or would but for the existence of this Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy or which would have been payable under such other policy had this insurance not been effected

8. Premium Adjustment

If any part of the premium has been calculated on estimates the Insured shall within one month from the expiry of each Period of Insurance furnish such particulars and information as the Company may require and shall at the request of the Company provide an auditors certificate in support thereof The premium for such period shall then be adjusted subject to the Company retaining 75% of the premium paid for the Period of Insurance which corresponds to the period which is being adjusted Should the Insured fail to supply such particulars the Company shall be entitled to charge a reasonable additional premium in respect of that Period of Insurance

9. Fraud

If a claim is fraudulent in any respect or if fraudulent means are used by the Insured or by anyone acting on their behalf to obtain any benefit under this Policy all benefit under this Policy shall be forfeited

THE GENERAL CONDITIONS OF THE POLICY SHALL NOT APPLY TO THIS SECTION OTHER THAN THOSE HEADED INSTALMENTS AND CANCELLATION

SELECTED ALL RISKS SECTION

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

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings –

Premises

The premises shown in the Schedule

Great Britain

Anywhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man

Europe

Anywhere in Europe

Worldwide

Anywhere in the World

2. Indemnity

The Company shall indemnify the Insured against loss or damage to any of the Property shown in the Schedule by any accident or misfortune of a fortuitous nature occurring at the location shown in the Schedule for an amount in respect of

- a) Property lost or stolen – such sum as shall be equal to the intrinsic value of the Property at the time of the loss
- b) damage to Property – such sum as shall be sufficient to make good the damage

not exceeding in respect of any one item the sum insured thereon nor exceeding in the whole the total sum insured adjusted in accordance with the Inflation Protection Clause if in force

3. Exclusions

This Section does not cover

- a) the first £250 of each claim
- b) theft or any attempt thereat from the Premises not involving entry to or exit therefrom by forcible and violent means
- c) loss or damage arising from wear and tear or from any process of cleaning or restoring or adjusting or repairing
- d) loss or damage arising from or attributable to the action of light or atmosphere moths parasites or vermin
- e) loss by official confiscation or detention
- f) loss or damage to 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
- g) loss or damage to any component part of any item insured in the Schedule while such part is removed from its normal position in the item
- h) loss or destruction or damage directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- i) loss or destruction or damage occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military usurped power
- j) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- k) loss or destruction of or damage to any computer 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 but without limitation any information or programs or software) and whether the property of the Insured or not where such loss destruction or damage is caused by programming or operator error Virus or Similar Mechanism or Hacking including where this results from the actions of malicious persons other than thieves

For the purposes of this Section Exclusion the following Definitions apply

Definitions

- i) 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

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

4. Clauses

Average Clause

If at the time of loss or damage the value of the Property Insured under any item is greater than its sum insured the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly

Inflation Protection Clause

The Company 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

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

Terrorism Exclusion Clause

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
3. civil commotion occurring in Northern Ireland

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

SELECTED ALL RISKS

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

In respect of private house(s) or contents thereof insured in the name of an individual this Terrorism Exclusion only applies to loss damage cost or expense caused by nuclear chemical or biological contamination resulting directly or indirectly from Terrorism

5. Special Condition

Police Notification

The Insured shall give immediate notification to the Police of loss or damage by theft or malicious means

6. Date Recognition Exclusion

This Section does not cover loss or 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 correctly 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 loss or 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

Special Clauses

(Clause 1 and 3 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 this Policy being issued

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 Section 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 Section 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

3. Alarm Clause

It is a condition precedent to liability under this Section in respect of loss or damage by Theft following entry or attempted entry to or exit from the Premises by forcible and violent means that

- a) The Premises are protected by an Intruder Alarm System designed, installed and maintained to British Standard BS4737 or EN50131 including, where

stipulated by the Company or the local Police Authority, Code of Practice DD243.

- b) The intruder alarm installation and maintenance company must be both:
 - I. A member of an Alarm Inspectorate which is accredited by UKAS to EN 45011 or EN 45012

and

 - II. Accredited and operate a Quality Management System in accordance with EN ISO 9000.
- c) The Intruder Alarm System shall 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 EN 50131, with the installing company or such other company as agreed with the Company.

Where remote alarm signalling is required the signal transmission must be transmitted to an Alarm Receiving Centre fully compliant with BS5979:2000 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 the Company for police or any other response to any activation of the Intruder Alarm System

be made without the written agreement of the Company

SELECTED ALL RISKS

- e) The Alarmed Premises shall not be left unattended without the agreement of the Company
- 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
- f) The Insured shall maintain secrecy of codes for the operation of the Intruder Alarm System and detail of such codes and all keys to the Intruder Alarm System shall be removed from the Premises when the Premises are left unattended
- g) The Insured shall appoint at least two Key Holders and lodge written details (which must be kept up to date) with the alarm company and either the Police or the Alarm Receiving Centre
- h) In the event of notification of any activation of the Intruder Alarm System or interruption of means 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 shall attend the Premises as soon as reasonably possible
- i) In the event of the Insured 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
- the Insured shall advise the Company as soon as possible and comply with any subsequent requirements stipulated by the Company

DEFINITIONS

Intruder Alarm System

The component parts including the means of communication used to transmit signals to the alarm-receiving centre.

Alarmed Premises

The Premises or those portions of the Premises protected by the Intruder Alarm System

Key Holder

The Insured or any person or key holding company authorised by the Insured who is available at all times to accept notification of faults or alarm signals to the Intruder Alarm System attend and allow access to the Premises

Premises

The buildings occupied by or under the control of the Insured (unless otherwise stated in the Schedule)

GOODS IN TRANSIT - SENDINGS SECTION

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

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Limit Any One Event

The maximum we will pay for any occurrence or series of occurrences attributable to one original cause

Consignment

All property sent at one time in more than one package in one load to the same destination

Enclosed Premises

A locked building or a compound bounded on each side by a substantial wall fence or similar structure and having a locked gate

Excess

The amount for which the Insured is responsible as the first part of each claim or incident

F.O.B.

Free on board The seller agrees to deliver the property over the ships rail and is responsible for all expenses and insurance up to that point

F.O.A.

Free on aircraft Terms same as F.O.B.

Package

All property sent in one self-contained parcel

Property

Goods and tools belonging to the Insured or for which the Insured is responsible relating to the business shown in the Schedule to this Section except for any goods specifically excluded by this Section

Territorial Limits

Anywhere including the sea crossings in or between England Wales Scotland Northern Ireland the Channel Islands the Isle of Man and Eire

Vehicle

Motor Vehicle articulated Vehicle trailer semi-trailer

2. Indemnity

The Company agrees subject to the terms contained herein or endorsed hereon to indemnify the Insured against

Loss of or damage to property in transit to destinations within the territorial limits whilst carried by the means of conveyance shown in the Schedule to this Section

Cover commences when the property is lifted immediately prior to despatch or loading and continues until arrival at destination including unloading

Cover includes temporary housing in the course of transit whether on or off the means of conveyance It does not include temporary housing of property unloaded from a Vehicle at any premises owned or rented by the Insured

Cover includes incoming supplies and property consigned to the Insured from addresses within the Territorial Limits if it is the Insureds responsibility provided that the value is included in the estimate supplied and declarations provided

The maximum the Company will pay under this Section including any extensions for Any One Event shall be the amount shown in the Schedule as the Limit Any One Event

GOODS IN TRANSIT – SENDINGS

3. Basis of Valuation

The valuation of property shall be at invoice cost. If an invoice has not been raised the basis of valuation will be the value of the property at the time of the commencement of the transit.

4. Premium Adjustment

The Company collects a deposit premium from the Insured based on estimates the Insured supplies as shown in the Schedule to this Section. The Insured has to provide a declaration of the actual figures in accordance with the basis of valuation for the last period of insurance as soon as possible after that period has ended. The actual premium for the period is then calculated subject to the minimum premium shown in the Schedule to this Section.

The Insured agrees to keep accurate records of all figures which are subject to adjustment and the Company shall be allowed to inspect such records.

If the Insured fails to provide accurate figures the Company may refuse to meet any claim.

5. Extensions

These only apply if shown in the Schedule to this Section.

Reference Number

1. Vehicles Operated by the Insured

The following additional cover is provided subject to the Limitations and Requirements shown.

a) Expenses

The Company will pay expenses reasonably incurred for which the Insured is responsible in:

- i) the removal of debris and site clearance of property damaged whilst in transit from the immediate area of the site where the damage occurred.

- ii) transferring property to any other Vehicle following fire collision overturning or impact of the conveying Vehicle including carrying the property to original destination or to place of collection.

- iii) reloading onto the Vehicle any property which has fallen from the Vehicle.

- iv) resecuring the property where there is dangerous movement of the load in transit.

b) Ropes and Sheets

The Company will pay for loss or damage (excluding wear and tear) to tarpaulins, sheets, trailer curtains, ropes, chains, webbing straps and packing materials which belong to the Insured or for which the Insured is responsible whilst carried on any Vehicle described in the Schedule to this Section.

c) Reinstatement of Sum Insured

The Company will automatically reinstate the Vehicle sum insured shown in the Schedule to this Section from the date of any loss unless written notice to the contrary is given by the Company. The Insured may be required to pay extra premium and if the loss has resulted from theft the Company may require the Insured to fit additional protective devices to the Vehicle.

d) Personal Effects

In the event of the payment of a claim under this Section for property the Company 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 the Insured but the Company will not pay for audio/visual/telecommunications equipment or clothing, watches and jewellery whilst being worn.

e) Temporary Vehicle Substitution

If the Insureds Vehicles are individually specified in the Schedule to this Section the Company will insure property carried in any similar road Vehicle subject to this Sections terms and security requirements when the Insureds own Vehicle is out of use undergoing repair maintenance or testing

Limitations and Requirements

- i) The Company will not pay for loss or damage to property during any erection dismantling or installation
- ii) If at the time of any loss or damage the value of the property is greater than the sum insured shown in the Schedule to this Section then the Company will only pay a proportionate share of the claim This will be the amount that the Vehicle sum insured bears as a proportion to the value of the property
- iii) If the Insureds Vehicles are left unattended all doors and the boot must be securely locked and windows and other openings securely closed

2. Travellers Samples

The Company agrees to indemnify the Insured against loss or damage to travellers samples when they are temporarily removed from the Vehicle and kept in any stockroom hotel or private dwelling house provided that they remain in the custody or control of the Insured or employees of the Insured

3. Property on Approval with Customers

The Company agrees to indemnify the Insured against loss of or damage to property whilst

- a) in transit to or from the Insureds customers premises on approval
- b) on the customers premises within the territorial limits excluding loss or damage when in use

The Company will pay up to £20,000 under this extension for any one event

4. Property on Demonstration

The Company agrees to indemnify the Insured against loss of or damage to property whilst

- a) in transit to or from any premises for the purpose of demonstration
- b) on the premises where the demonstration takes place within the territorial limits excluding loss or damage caused during the demonstration itself

The Company will pay up to £20,000 under this extension for any one event

5. Exhibitions

The Company agrees to indemnify the Insured against loss of or damage to property and stands belonging to the Insured or for which the Insured is responsible whilst at exhibitions within the territorial limits including transit to and from the exhibition

but excluding

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

6. Packers Premises

The Company agrees to indemnify the Insured against loss of or damage to property whilst

- a) in transit to or from packers premises
- b) on the packers premises within the territorial limits excluding loss or damage caused during the process of packing

The Company will pay up to £20,000 under this extension for any one event

GOODS IN TRANSIT – SENDINGS

7. Outworkers Premises

The Company agrees to indemnify the Insured against loss of or damage to property whilst

- a) in transit to or from the Insureds outworkers premises
- b) on the outworkers premises

within the territorial limits excluding loss or damage caused during any work process

The Company will pay up to £20,000 under this extension for any one event

8. F.O.B./F.O.A. Consignments

The Company agrees to indemnify the Insured against loss of or damage to property which is consigned on F.O.B. or F.O.A. terms and whilst temporarily stored awaiting shipment on any quayside or in any dock or airport store up to but not exceeding a period of 30 days

6. General Exclusions

These exclusions apply to the whole Section

1. This Section does not cover any loss or damage to property directly or indirectly caused by or arising from
 - a) pressure waves caused by aircraft or other aerial devices
 - b) delay
 2. This Section does not cover
 - a) loss of or damage to money securities for money (which includes certificates of bond stock certificates bills of exchange promissory notes) stamps watches precious stones jewellery bullion nuclear waste or loss of or injury to living creatures
 - b) any indirect or consequential loss
 - c) natural deterioration
 - d) the deterioration of property conveyed in frozen chilled or insulated condition due to
 - i) faulty stowage
 - ii) incorrect setting or operation of the equipment
 - iii) variations in temperature

unless directly caused by fire accident (but not breakdown) to the conveying Vehicle theft or attempted theft
 - e) electrical or mechanical derangement unless caused by impact
3. loss destruction or damage occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion insurrection or military or usurped power
 4. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

5. loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

- a) civil commotion
- b) TERRORISM

for the purpose of this Section TERRORISM shall mean any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

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

7. Special Conditions

1. Other Insurances

If at the time of a claim there is any other insurance arranged by the Insured or on the Insureds behalf covering anything insured under this Section the Company shall be liable only for a proportionate share If the other insurance is more specific in relation to the property then this Section will only apply after the other insurance has been exhausted

2. The Insureds Duty of Care

The Insured must take all reasonable care to prevent/minimise loss or damage including the maintenance of security precautions when the property is in the Insureds custody or control The Insured must also take reasonable care when selecting employees

8. It is a condition of the Section that the Insured complies with the following procedures

1. Notification of Claims

In the event of any occurrence which may give rise to a claim the Insured shall immediately

- a) give written notice with full particulars to the Company including supporting documents and proofs
- b) forward to the Company upon receipt every letter writ summons or process
- c) tell the police if there has been a theft attempted theft or criminal damage
- d) if loss or damage is caused by a carrier the Insured should notify the carrier immediately the Insured is aware of the loss or damage and the Insured may be asked to complete the carriers claim form Any compensation the Insured subsequently receives from a carrier should be paid to the Company if the Company has paid the claim

2. Claims Control

- a) no admission offer promise payment or indemnity shall be made or given by the Insured or on the Insureds behalf without the Companys written consent
- b) the Company shall be entitled to take over and conduct in the Insureds name the defence or settlement of any claim or to prosecute in the Insureds name at the Companys own expense and for indemnity or damages or otherwise
- c) the Company shall have full discretion in the conduct of any proceedings and in the settlement of any claim
- d) the Insured shall give all information and assistance that the Company may require

GOODS IN TRANSIT – SENDINGS

- e) the Company has the right to take possession of Property insured under this Section which is affected by a claim. The Insured cannot abandon property to the Company.

3. Basis of Claims settlement

This will normally be a payment in money in accordance with the basis of valuation but the Company has the option to repair, replace or reinstate Property lost or damaged. If the lost or damaged Property is not new, the Company will take off an amount for wear, tear and depreciation. In the event of loss or damage to any part of a machine which when complete for sale or use consists of several parts, the Company will only pay for the value of the part actually lost or damaged, including any replacement charges.

9. Special Clauses

Only in force if shown in the Schedule to this Section in respect of Vehicles operated by the Insured.

Reference Letter

A. Overnight Theft Restriction

This Section does not cover theft or attempted theft from any unattended Vehicle between 9 p.m. and 6 a.m. 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. It will be up to the Insured to prove that any theft or attempted theft occurred before 9 p.m. or after 6 a.m.

B. Forcible Entry to Vehicle Restriction

This Section does not cover theft or attempted theft from any unattended Vehicle unless there are outward signs of forced entry to the Vehicle.

C. Immobiliser Requirement

The Insured must ensure that all Vehicles are fitted with a key operated immobiliser approved by the Company and that whenever the Vehicles are left unattended, the immobiliser is put into operation.

D. Alarm Requirement

The Insured must have all Vehicles fitted with an alarm system approved by the Company. The alarm system must always be switched on and operational when the Vehicles are left unattended. The Insured must have the alarm system regularly serviced and maintained by a qualified person approved by the Company. The Insured must not make any alterations to the alarm system without the Company's agreement.

E. Never Left Unattended Requirement

When Vehicles are carrying property, the Insured must ensure that they will not be left unattended and will always be guarded by the Insured or a responsible adult.

F. Exclusion of Overnight Theft Cover

This Section does not cover theft or attempted theft from any unattended Vehicle between 9 p.m. and 6 a.m. It will be up to the Insured to prove that any theft or attempted theft occurred before 9 p.m. and after 6 a.m.

G. Exclusion of Theft Cover in London

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

H. Exclusion of Travellers Samples

This Section does not cover travellers samples.

I. Exclusion of Specified Property

The value of property in Vehicles operated by the Insured can be omitted from the annual declaration.

GOODS IN TRANSIT - OWN GOODS SECTION

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

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Any One Event

Any one occurrence or series of occurrences attributable to one original cause

Enclosed Premises

A locked building or a compound bounded on each side by a substantial wall fence or similar structure and having a locked gate

Excess

The amount for which the Insured is responsible as the first part of each claim or incident

Property

Goods and tools belonging to the Insured or for which the Insured is responsible relating to the business shown in the Schedule to this Section except for any goods specifically excluded by this Section

Territorial Limits

Anywhere including the sea crossings in or between England Wales Scotland Northern Ireland the Channel Islands the Isle of Man and Eire

Vehicle

Motor vehicle articulated vehicle trailer semi-trailer

Vehicle Sum Insured

The maximum the Company will pay in respect of property on any one Vehicle

2. Indemnity

The Company agrees subject to the terms contained herein or endorsed hereon to indemnify the Insured against

Loss of or damage to property in transit within the territorial limits whilst carried by the means of conveyance shown in the Schedule to this Section

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

Expenses

The Company will pay expenses reasonably incurred by the Insured 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 original destination or to place of collection
- c) reloading onto the Vehicle any Property which has fallen from the Vehicle
- d) resecuring the Property where there is dangerous movement of the load in transit

Ropes and Sheets

The Company will pay for loss or damage (excluding wear and tear) to tarpaulins sheets trailer curtains ropes chains webbing straps and packing materials which belong to the Insured or for which the Insured is responsible whilst carried on any Vehicle described in the Schedule to this Section

Reinstatement of Sum Insured

The Company will automatically reinstate the Vehicle Sum Insured shown in the Schedule to this Section from the date of any loss unless written notice to the contrary is given by the Company The Insured may be required to pay extra premium and if the loss has resulted from theft the Company may require the Insured to fit additional protective devices to the Vehicle

GOODS IN TRANSIT – OWN GOODS

Temporary Vehicle Substitution

If the Insureds Vehicles are individually specified in the Schedule to this Section the Company will insure property carried in any similar road Vehicle subject to the Section terms and security requirements when the Insureds own Vehicle is out of use undergoing repair maintenance or testing

Temporary Cover for Fleet Additions

If the Insureds Vehicles are individually specified in the Schedule to this Section subject to the Section terms the Company will insure Property carried in any road Vehicle the Insured operates which is to be added on a permanent basis to the fleet but is not included in the Schedule to this Section provided that

- a) after fourteen days from the date the Insured takes custody or control of the Vehicle cover shall cease unless during this period terms have been mutually agreed between the Company and the Insured
- b) a Vehicle Sum Insured of £2,000 will apply

Personal Effects

In the event of the payment of a claim under this Section for Property the Company 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 the Insured but the Company will not pay for audio/visual/telecommunications equipment or clothing watches and jewellery whilst being worn

The maximum the Company will pay under this Section including any extensions for any one event shall be the amount shown in the schedule as the limit one event

3. Extensions

These only apply if shown in the Schedule to this Section

Reference Number

1. Travellers Samples

The Company agrees to indemnify the Insured against loss of or damage to travellers samples relating to the business shown in the Schedule to this Section

2. Stockroom and Hotel

The Company agrees to indemnify the Insured 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 the Insured or the Insureds employees

3. Livestock

The Company will indemnify the Insured against death loss of or injury to livestock whilst being loaded onto carried by or unloaded from any Vehicle described in the Schedule to this Section anywhere in Great Britain by either

- a) fire
- or
- b) accidental means
- or
- c) theft

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

GOODS IN TRANSIT – OWN GOODS

Additional Conditions

- i) any Vehicle used must be constructed specifically for the safe carriage of livestock
- ii) the loading and unloading operations must be done under adequate supervision and by means of a specially constructed ramp

The Company will pay up to £500 for any one animal

The exclusion of living creatures in Exception 2a) does not apply to livestock

4. Property on Approval with Customers

The Company agrees to indemnify the Insured against loss of or damage to property whilst on customers premises on approval excluding loss or damage whilst in use The Company will pay up to £20,000 under this extension for any one event

5. Property on Demonstration

The Company agrees to indemnify the Insured against loss of or damage to property whilst on any premises for demonstration purposes excluding loss or damage caused during the demonstration itself

The Company will pay up to £20,000 under this extension for any one event

6. Exhibitions

The Company agrees to indemnify the Insured against loss of or damage to property and stands belonging to the Insured or for which the Insured is responsible whilst at exhibitions

but excluding

- i) loss or damage due to atmospheric climatic or weather conditions of any kind or due to flood
- ii) loss or damage to machinery due to its own running or operation

- iii) breakage of china glass or scientific instruments or any other property of a brittle or fragile nature unless resulting from fire

4. General Exclusions

These exclusions apply to the whole Section

1. This Section does not cover any loss or damage to property directly or indirectly caused by or arising from
 - a) pressure waves caused by aircraft or other aerial devices
 - b) delay
2. This Section does not cover
 - a) 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 or loss of or injury to living creatures
 - b) any indirect or consequential loss
 - c) natural deterioration
 - d) the deterioration of property conveyed in frozen chilled or insulated condition due to
 - i) faulty stowage
 - ii) incorrect setting or operation of the equipment
 - iii) variations in temperature

unless directly caused by fire accident (but not breakdown) to the conveying Vehicle theft or attempted theft

3. Loss destruction or damage occasioned by war or invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion insurrection or military or usurped power

GOODS IN TRANSIT – OWN GOODS

4. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
5. Loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
 - a) civil commotion
 - b) **TERRORISM**

for the purpose of this Section **TERRORISM** shall mean any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

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

5. Special Conditions

1. The Insureds Duty Of Care

The Insured must take all reasonable care to prevent/minimise loss or damage to Property If the Vehicle(s) is/are left unattended the Insured must ensure that all doors and the boot are securely locked and windows and other openings are securely closed

The Insured must also take reasonable care when selecting employees

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 shall exceed the sum insured in respect of such Property on such Vehicle then the Insured shall be deemed his/her own Insurer for the difference and shall bear a proportional share of the loss or damage accordingly This will be the amount that the Vehicle Sum Insured bears as a proportion to the value of the Property

3. Premium Adjustment

The Company collects a deposit premium from the Insured based on estimates the Insured supplies as shown in the Schedule to this Section The Insured has to 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

6. Claims Conditions and Procedure

It is a condition of this Section that the Insured complies with the following requirements

1. Notification of Claims

In the event of any occurrence which may give rise to a claim under this Section the Insured shall immediately

- a) give written notice with full particulars to the Company
- b) forward to the Company upon receipt every letter claim writ or process
- c) tell the police if there has been a theft attempted theft or criminal damage

GOODS IN TRANSIT – OWN GOODS

2. Claims Control

- a) No admission offer promise payment or indemnity shall be made or given by the Insured or on the Insureds behalf without the written consent of the Company
- b) The Company shall be entitled to take over and conduct in the Insureds name the defence or settlement of any claim or to prosecute in the Insureds name at the Companys own expense and for the Companys benefit any claims for indemnity or damages or otherwise
- c) The Company shall have full discretion in the conduct of any proceedings and in the settlement of any claim
- d) The Insured shall give all information and assistance that the Company may require
- e) The Company have the right to take possession of Property insured under this Section which is affected by a claim The Insured cannot abandon Property to the Company

3. Basis of Claims settlement

This will normally be a payment in money but the Company has the option to repair replace or reinstate Property lost or damaged

In the event of loss or damage to any part of a machine which when complete for sale or use consists of several parts the Company will only pay for the value of the part actually lost or damaged including any replacement charges

7. Special Clauses

Only in force if shown in the Schedule to this Section

Reference Letter

A. Overnight Theft Restriction

This section does not cover theft or attempted theft from any unattended Vehicle between 9 p.m. and 6 a.m. 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 It will be up to the Insured to prove that any theft or attempted theft occurred before 9 p.m. or after 6 a.m.

B. Forcible Entry to Vehicle Restriction

This Section does not cover theft or attempted theft from any unattended Vehicle unless there are outward signs of forced entry to the Vehicle

C. Immobiliser Requirement

The Insured must ensure that all Vehicles are fitted with a key operated immobiliser approved by the Company and that whenever the Vehicles are left unattended the immobiliser is put into operation

D. Alarm Requirement

The Insured must have all Vehicles fitted with an alarm system approved by the Company The alarm system must always be switched on and operational when the Vehicles are left unattended The Insured must have the alarm system regularly serviced and maintained by a qualified person approved by the Company The Insured must not make any alterations to the alarm system without the Companys agreement

GOODS IN TRANSIT – OWN GOODS

E. Never Left Unattended Requirement

When Vehicles are carrying Property the Insured must ensure that they will not be left unattended and will always be guarded by the Insured 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 between 9 p.m. and 6 a.m. It will be up to the Insured to prove that any theft or attempted theft occurred before 9 p.m. or after 6 a.m

G. Exclusion of Theft Cover in London

This Section does not cover theft or attempted theft which occurs within the perimeter of the M25

PUBLIC LIABILITY - BUILDING AND ALLIED TRADES SECTION

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

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Injury

bodily injury death disease illness or nervous shock

Business

the business stated in the Schedule conducted by the Insured at or from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man including

- a) the provision and management of canteen sports social or welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services
- b) private work undertaken with the prior consent of the Insured by Employees for any director or senior official of the Insured
- c) the ownership maintenance and repair of premises within such territories

Employee

- a) any person under a contract of service or apprenticeship with the Insured
- b) any person who is hired to or borrowed by the Insured
- c) any person engaged in connection with a work experience or training scheme
- d) any labour master or person supplied by him
- e) any person engaged by labour only sub-contractors

- f) any self-employed person working on a labour only basis under the control or supervision of the Insured

- g) any voluntary helper

while working for the Insured in connection with the Business

Territorial Limits

- a) anywhere within Great Britain Northern Ireland the Channel Islands or the Isle of Man other than Offshore
- b) member countries of the European Community other than Offshore in connection with temporary visits undertaken in the course of the Business by any person normally resident in the territories described in a) above
- c) elsewhere in the world other than Offshore in respect of business journeys which do not involve manual labour or the supervision thereof

Works Executed

Works executed including goods or materials used by or on behalf of the Insured in the course of the Business

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform

PUBLIC LIABILITY - BUILDING AND ALLIED TRADES

2. Interpretation

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Company will indemnify in the terms of this Section the deceaseds legal personal representatives but only in respect of liability incurred by such deceased person
- b) At the request of the Insured the Company will indemnify in the terms of this Section
 - a) i) any principal in respect of liability arising out of the performance by the Insured of any agreement entered into by the Insured with the principal to the extent required by such agreement
 - ii) any director of the Insured or Employee in respect of liability arising in connection with the Business

provided that the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured

- b) i) any officer committee or member of the Insureds canteen sports social or welfare organisations fire security first aid medical or ambulance services in their respective capacities as such
- ii) any director or senior official of the Insured in respect of private work undertaken by any Employee for such director or senior official

provided that

- i) each such person shall as though he were the Insured observe fulfil and be subject to the terms of this Section in so far as they can apply
- ii) the Company shall retain the sole conduct and control of all claims

- iii) where the Company is required to indemnify more than one party the total amount of indemnity payable to all parties in respect of damages shall not exceed the Limit of Indemnity

Cross Liabilities

If more than one Insured is referred to in the Schedule this Section shall apply to each one as if a separate policy had been issued to each (provided that the total amount of indemnity payable to all parties in respect of damage shall not exceed the Limit of Indemnity)

3. Indemnity

The Company will indemnify the Insured against all sums that the Insured shall become legally liable to pay as damages and costs and expenses in respect of accidental

- a) Injury to any person
- b) loss of or damage to material property
- c) nuisance or trespass obstruction loss of amenities or interference with any right of way light air or water
- d) wrongful arrest detention imprisonment or eviction of any person or invasion of the right of privacy

occurring within the Territorial Limits during the Period of Insurance and happening in connection with the Business

Limit of Indemnity

The liability of the Company for all damages payable to any claimant or number of claimants as a result of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the amount stated in the Schedule to this Section as the Limit of Indemnity

PUBLIC LIABILITY - BUILDING AND ALLIED TRADES

Costs

The Company will in addition pay all other costs and expenses incurred with its written consent in respect of any claim which may be the subject of indemnity under this Section

pay solicitors fees incurred with its written consent for

- a) defence in any Court of Summary Jurisdiction of any proceedings brought against the Insured in respect of breach or alleged breach of any statutory duty resulting in Injury
- b) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death

which may be the subject of indemnity under this Section

indemnify the Insured and at the request of the Insured any director or Employee in respect of legal costs and expenses incurred with the Companys written consent and costs awarded against the Insured or director or Employee arising in connection with a prosecution (including an appeal against conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain Northern Ireland the Channel Islands or the Isle of Man provided that

- a) the proceedings relate to the health safety or welfare of persons other than Employees
- b) the Company will not indemnify the Insured in respect of
 - i) fines or penalties
 - ii) costs and expenses insured by any other policy

indemnify the Insured in respect of legal costs and expenses incurred with the Companys written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 provided that

- a) the proceedings relate to an offence alleged to have been committed in the course of the Business during the Period of Insurance
- b) the Company will not indemnify the Insured in respect of
 - i) fines or penalties
 - ii) costs and expenses insured by any other policy

Exclusions

The indemnity will not apply to legal liability

- 1. Injury to Employees**
in respect of Injury to any Employee
- 2. Property under Insureds Control**
in respect of loss of or damage to
 - a) property belonging to the Insured
 - b) property which is leased let rented hired or lent to or which is the subject of a bailment to the Insured
 - c) property comprising the permanent or temporary works undertaken by the Insured in the course of any contract or agreement and which are under the control of the Insured or for which the Insured is responsible

PUBLIC LIABILITY - BUILDING AND ALLIED TRADES

3. Rectification Costs

- a) in respect of the cost or value of any Works Executed or replacement repair removal rectification or reinstatement thereof where legal liability arises from a defect in or the unsuitability of such Works Executed
- b) for the costs of remedying any defect or alleged defect in land or premises sold or disposed of by the Insured or for any reduction in the value thereof

4. Aviation and Craft

arising out of

- a) work in or on aircraft
- b) work in or on airport or aerodrome runways manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access
- c) the ownership possession or use by or on behalf of the Insured of any
 - i) aircraft
 - ii) Watercraft (other than watercraft not exceeding 8 metres in length or any hand-propelled boat or pontoon)

5. Vehicles

arising out of the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle or trailer attached thereto in circumstances where compulsory insurance or security is required or where insurance is provided by another policy

6. Liability under Agreement

assumed by the Insured under agreement unless the conduct and control of all claims is vested in the Company but indemnity shall not in any event apply to

- a) liquidated damages fines or penalties
- b) an agreement to arrange insurance under the terms of Clause 21.2.1 of

the JCT Conditions of Contract or of any other contract condition requiring insurance of a like kind

- c) liability which attaches solely by reason of an agreement relating to the performance of work outside Great Britain Northern Ireland the Channel Islands or the Isle of Man

7. War Risks

arising from any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

8. Radioactive Contamination

of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

Exclusions and Limitation

Pollution or Contamination

- a) this Section excludes all liability in respect of 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

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place

- b) The liability of the Company for all compensation payable in respect of all Pollution or Contamination which is deemed to have occurred during the

PUBLIC LIABILITY - BUILDING AND ALLIED TRADES

Period of Insurance shall not exceed in the aggregate the amount shown in the Schedule to this Section as the Limit of Indemnity

- c) For the purpose of this Exclusion and Limitation Pollution or Contamination shall be deemed to mean
- i) all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere and
 - ii) all loss or damage or injury directly or indirectly caused by such Pollution or Contamination

Extensions

Compensation for Court Attendance

In the event of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will provide compensation to the Insured at the following rates per day for each day on which attendance is required

- a) any director or partner of the Insured £100
- b) any Employee £50

Rented Premises

Exclusion 2b) shall not apply to premises leased let rented hired or lent to the Insured provided that the indemnity will not apply to legal liability in respect of

- a) loss or damage under agreement unless liability would have attached to the Insured in the absence of such agreement
- b) loss of or damage to premises caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by or on behalf of the Insured
- c) the first £250 of each and every occurrence of loss or damage caused otherwise than by fire or explosion

Defective Premises Act

Legal liability in respect of Injury loss or damage arising solely by reason of Section 3 of the Defective Premises Act 1972 or Article 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of any premises previously owned for purposes pertaining to the Business and since disposed of by the Insured is included within the terms of the indemnity provided by this Section but indemnity will not apply if the Insured is entitled to indemnity under any other insurance

Contingent Motor Liability

Notwithstanding Exclusion 5 the Company will indemnify the Insured against legal liability in respect of Injury loss or damage arising out of the use in connection with the Business of any motor vehicle not owned or provided by the Insured

The indemnity will not apply to legal liability

- a) in respect of loss of or damage to any such vehicle or to goods conveyed therein or thereon
- b) in respect of Injury loss or damage arising while such vehicle is being
 - i) driven by the Insured
 - ii) driven with the general consent of the Insured or of his representative by any person who to the knowledge of the Insured or his representative does not hold a licence to drive a vehicle unless such person has held and is not disqualified from holding such a licence
 - iii) used elsewhere than in Great Britain Northern Ireland the Channel Islands or the Isle of Man
- c) in respect of which the Insured is entitled to indemnity under any other insurance

PUBLIC LIABILITY - BUILDING AND ALLIED TRADES

Overseas Personal Liability

The Company will indemnify the Insured and if the Insured so request any director or partner of the Insured or any Employee or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside Great Britain Northern Ireland the Channel Islands or the Isle of Man

The indemnity will not apply to legal liability

- a) arising out of the ownership or occupation of land or buildings
- b) in respect of which any person referred to above is entitled to indemnity under any other insurance

Subject otherwise to the terms Exclusions and Conditions of this Section

Fire Precautions Condition

It is a condition precedent to liability under this Section that in respect of use away from the Insureds premises of blow lamps blow torches flame guns hot air guns electric oxy-acetylene or other welding or cutting equipment and angle grinders (in circumstances where sparks are emitted) the undernoted precautions will be complied with on each occasion –

Blow lamps blow torches flame guns and hot air guns

- i) the area in which work is to be carried out to be examined and combustible property within the vicinity of the work either removed or as far as practicable covered by non-combustible materials
- ii) suitable fire extinguishing appliances to be kept available for immediate use at the point of work or as near as is practicable
- iii) blow lamps blow torches and flame guns not to be lighted until required for use and extinguished immediately after use
- iv) lighted blow lamps blow torches and flame guns not to be left unattended

- v) hot air guns to be switched off when unattended
- vi) upon completion of each period of work a thorough fire safety check to be made of the vicinity of the work

Electric oxy-acetylene or other welding or cutting equipment and angle grinders

- i) the area in which the work is to be carried out including adjoining shafts or openings and the area on the other side of any wall or partition to be inspected to see whether any combustible property other than the property to be worked upon is in danger of ignition either directly or by conduction of heat
- ii) all combustible property to be removed to a distance of not less than 6 metres from the point of work and property which cannot be moved to be covered and fully protected by overlapping sheets of non-combustible material or equivalent protection
- iii) the Insured shall arrange for a person who is competent in the use of fire extinguishing appliances to work in conjunction with the operative using the equipment to act as a firewatcher and to remain in attendance at all times until lighted flame equipment is extinguished
- iv) suitable fire extinguishing appliances to be made available for immediate use at the point of work
- v) gas cylinders not in use to be kept outside the building in which the work is taking place where practicable but in any event at least 15 metres from the point of application of the heat
- vi) upon completion of each period of work a thorough fire safety check to be made of all areas referred to in paragraph i) above

The fire safety check to be undertaken at regular intervals for a period of at least one hour after completion

Special Conditions

1. Observance of Terms

It is a condition precedent to any liability on the part of the Company under this Section that the terms hereof so far as they relate to anything to be done or complied with by the Insured shall be duly and faithfully observed

2. Material Facts

The Insured shall give immediate notice to the Company of any alteration in risk which materially affects this insurance

3. Reasonable Precautions

The Insured shall

- a) take all reasonable precautions to prevent occurrences which may give rise to liability under this Section
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority
- c) forthwith make good or remedy any defect or danger which becomes apparent or take such additional precautions as the circumstances may require

4. Notification of Claims

In the event of any occurrence which may give rise to a claim under this Section the Insured shall immediately

- a) give written notice with full particulars to the Company
- b) forward to the Company upon receipt every letter claim writ summons or process
- c) notify the Company of any knowledge of impending prosecution inquest fatal accident or ministry inquiry

5. Claims Control

- a) no admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company
- b) the Company shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured at its own expense and for its own benefit any claim for indemnity or damages or otherwise
- c) the Company shall have full discretion in the conduct of any proceedings and in the settlement of any claim
- d) the Insured shall give all information and assistance the Company may require

6. Discharge of Liability

The Company may pay the Limit of Indemnity or any lesser sum for which any claim or claims against the Insured can be settled and the Company shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment

7. Other Insurances

The Company will not indemnify the Insured in respect of liability which is insured by or would but for the existence of this Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy or which would have been payable under such other policy had this insurance not been effected

PUBLIC LIABILITY - BUILDING AND ALLIED TRADES

8. Premium Adjustment

If any part of the premium has been calculated on estimates the Insured shall within one month from the expiry of each Period of Insurance furnish such particulars and information as the Company may require and shall at the request of the Company provide an auditors certificate in support thereof The premium for such period shall then be adjusted subject to the Company retaining 75% of the premium paid for the Period of Insurance which corresponds to the period which is being adjusted Should the Insured fail to supply such particulars the Company shall be entitled to charge a reasonable additional premium in respect of that Period of Insurance

THE GENERAL CONDITIONS OF THE POLICY SHALL NOT APPLY TO THIS SECTION OTHER THAN THOSE HEADED INSTALMENTS AND CANCELLATION

CONTRACTORS ALL RISKS SECTION

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

1. Definition

Wherever the following words and phrases appear in this Section they will always have these meanings

Territorial Limits

Shall mean anywhere within Great Britain Northern Ireland the Channel Islands or the Isle of Man

2. Indemnity

The Company agrees (subject to the terms exceptions and conditions contained herein or endorsed hereon) to indemnify the Insured by payment or at its option by reinstatement or repair in respect of loss or damage to the property described in the Schedule to this Section

The Company will also reimburse costs and expenses necessarily incurred by the Insured with the consent of the Company for

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up propping and fencing off
- d) clearing and/or repairing drains and service mains on site
- e) architects surveyors and consultants fees in connection with the reinstatement of the Permanent and Temporary Works consequent upon its destruction or damage but not for preparing any claim

Provided that the liability of the Company shall not exceed the sum insured or limit of liability shown in the Schedule plus any additional amount shown in the escalator clause of the extensions

3. The Property Insured

Where the following words appear in this Section they will always have the following meaning

The Permanent or Temporary Works

The Permanent or Temporary Works executed in performance of the Contract and Materials for use in connection therewith

Constructional Plant and Equipment

Constructional plant tools scaffolding and equipment the property of the Insured for use in connection with the Contract

Temporary Buildings

Site huts and temporary buildings office furniture fixtures and fittings the property of the Insured for use in connection with the Contract

Hired in Plant

Property hired in by the Insured for use in connection with the Contract

Employees Tools

Employees Tools and other personal effects for which the Insured is responsible and for an amount not exceeding £500 any one employee after the application of the Amount Excluded

All intended for use in connection with the Contract whilst on or adjacent to the site of the Contract

4. Exclusions

This Section does not cover

1. Amount Excluded

- a) The first £50 in respect of loss of or damage to each employees tools and personal effects
- b) The first £500 in respect of loss of or damage to all other Property Insured except for loss or damage by theft or malicious act when the amount excluded is increased to £750

CONTRACTORS ALL RISKS

2. Vehicles

Loss of or damage to any mechanically propelled vehicle intended for conveyance of persons materials or plant and for which Insurance or Security under the Road Traffic Acts is necessary but this exclusion shall not apply to any vehicle primarily intended for use at Contract sites nor any vehicle used solely at Contract sites and which is not licensed for road use

3. Craft or Vessels

Loss of or damage to any waterborne vessel or craft exceeding 8 metres in length or to any aircraft

4. Deeds Etc

Loss of or damage to deeds bonds bills of exchange promissory notes money stamps securities or documents of title precious metals precious stones or articles made therefrom

5. Vehicles Machinery or Plant Breakdown

Loss of or damage to any vehicle or item of plant or machinery caused by its own breakdown or its own explosion

6. Existing Property

Loss of or damage to any existing property including any existing property being altered or repaired

7. Water

Any work in under or over water or adjoining or adjacent to rivers lakes reservoirs dams or tidal waters or within cofferdams or caissons

8. Tunnels Etc

Any work on bridges viaducts subways tunnels motorways dams and nuclear installations

9. Depth

Any work where the depth of excavation exceeds 5 metres

10. Defective Design Material or Workmanship

The cost necessary to replace repair or rectify any of the Property Insured which is in a defective condition due to a defect in design plan specification materials or workmanship notwithstanding anything contained herein to the contrary this exclusion shall not apply to the remainder of the Property Insured which is free of such defective condition but is damaged as a consequence of such defect

11. Normal Upkeep

The cost necessary for normal upkeep or normal making good

12. Wear and Tear

Loss or damage due to wear and tear or gradual deterioration rust wet or dry rot contamination vermin and insects

13. Certificate of Completion

Loss of or damage to any part of the permanent works

- a) after such part has been completed and delivered up to the owner tenant or occupier or
- b) after such part has been taken into use by the owner tenant or occupier or
- c) for which a Certificate of Completion has been issued other than where such loss or damage
 - i) be occasioned during the Defects Liability Period specified in the Contract and arising from a cause occurring prior to commencement of such period

- ii) is in respect of materials or other Insured Property on site for the purpose of carrying out remedial works during the Defects Liability Period specified in the Contract and for which the Insured are responsible under the terms of the Contract during the said Defects Liability Period
- iii) within 14 days of the time of issue of such Certificate of Completion and which the contractor is required by the terms of the Contract to insure

14. Conditions of Contract

Loss or damage for which the Insured is relieved of responsibility by the Conditions of Contract

15. Penalties Under Contract

Penalties under Contract for delay detention or loss of use or losses arising in connection with Guarantees of Performance or efficiency or consequential loss or damage of any kind

16. Disappearance or Shortage

Loss of any property by disappearance or by shortage where such loss is substantiated only by the making of an inventory or a periodic stocktaking or is not traceable to an identifiable event

17. Pressure Waves

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

18. War Etc Risks

Loss or damage occasioned by or happening through war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power or confiscation nationalisation requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority

19. Nuclear Risks

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

20. Terrorism

Loss damage cost or expense of whatsoever nature directly or indirectly 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

CONTRACTORS ALL RISKS

21. Electronic Risks

Loss of or damage to any computer 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 but without limitation any information or programs or software) and whether the property of the Insured or not where such loss destruction or damage is caused by programming or operator error Virus or Similar Mechanism Hacking including where this results from the actions or malicious persons or thieves

For the purpose of this Section Exclusion the following Definitions apply

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

22. Date Recognition

Loss or 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 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 loss or 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

23. Northern Ireland

Loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence of

- a) civil commotion
- b) Terrorism as defined in the Terrorism Exclusion

In any action suit or other proceedings where the Company alleges that by reason of the provisions of this exclusion any loss destruction or damage is not covered by this Section the burden of proving that such loss destruction or damage is covered shall be upon the Insured

5. Extension Clauses

Sub-Contractors

In respect of any Contract awarded under the JCT Standard Form of Building Contract incorporating the 1986 Amendment to Insurance and related Liability Provisions (or equivalent thereof) and insured under this Section the following alterations to this Section shall apply but only in respect of the Permanent and Temporary Works

In respect of loss or damage to the Permanent and Temporary Works by any of the Specified Perils defined in the Contract it is agreed that so far as is required by the sub-contract the Company will not pursue any rights of subrogation against sub-contractors directly engaged by the main contractor provided that the sub-contractor shall as if he were the Insured observe fulfil and be subject to the Terms Exceptions and General Conditions of this Policy

Indemnity to Principals

The insurance by this Section extends to include the interest of the Insureds Employer/Principal solely to the extent required by the Conditions of Contract in force between the Insured and his Employer/Principal provided always that such Employer/Principal shall as if he were the Insured observe fulfil and be subject to the Terms Exceptions and General Conditions of this Policy

Reinstatement of Sum Insured

In the event of loss the sum insured by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by AXA Insurance or by the Insured and the Insured undertake to pay such necessary premiums as may be required for such reinstatement from that date

Immobilised Plant

This Section extends to include the payment of necessary costs incurred in the recovery of property described in the Schedule to this

Section which may become immobilised or immovable whilst being used in connection with the Contract

Provided always that the cause of such immobilisation or immovability is the subject of a claim covered by this Section

Local Authorities Clause

The insurance in respect of the Permanent Works includes such additional cost of reinstatement following loss or damage to the Property Insured thereby as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Municipal or Local Authority

but excluding

- a) such costs incurred
 - i) which can be recovered elsewhere
 - ii) where notice has been served upon the Insured under any of the aforesaid Regulations or Bye-Laws prior to the happening of the loss or damage
- b) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the said Regulations or Bye-Laws

Provided that the work of reinstatement shall be commenced and carried out without unreasonable delay

Escalator Clause

In the event of an increase in the value of any Contract the Sum Insured in respect of the Permanent and Temporary Works is automatically increased for such Contract provided that the amount of the said increase shall not exceed 20% of the said Sum Insured

CONTRACTORS ALL RISKS

Free Materials

The Property Insured in respect of the Permanent and Temporary Works shall include any materials supplied by or provided to the Insured for inclusion in The Contract or Works for which the Insured is responsible the value of which will not be included in the final valuation of the Works carried out or final Contract price and which are not otherwise excluded from this Section

Transit

The insurance extends to include loss of or damage to the Property Insured whilst in transit within the Territorial Limits other than

- a) by sea or air
- b) any mechanically propelled vehicle under its own power
- c) employees tools and personal effects

Off-Site Storage

- a) The insurance in respect of the Permanent Works extends to apply to materials and goods whilst not on the site of any contract but intended for inclusion in any Contract Works covered by this Section where the Contractor is responsible under any standard printed contract conditions provided that the value of such materials and goods has been included in an interim certificate and the materials and goods are separately stored and identified as being designated for incorporation in a specific contract

The maximum liability of the Company under this extension shall not exceed:—

- i) £1,000 in respect of non ferrous metals
- ii) £100,000 in respect of any other materials
- b) Where the insurance by this Section includes Constructional Plant and Equipment Temporary Buildings and Hired in Plant such property is insured whilst at the Insureds own premises or in a securely locked compound or store

Expediting Costs

This Section extends to include payment of extra charges for overtime nightwork work on public holidays express freight air freight and the like necessarily incurred by the Insured following reinstatement or replacement of any damaged property forming the basis of a claim under this Section

Re-drawing Plans/Documents

The Company will reimburse costs and expenses necessarily incurred in re-writing or re-drawing plans drawings or other contract documents following loss or damage thereto up to a maximum amount for any one claim of £25,000

Showhouses and Contents

The insurance by this Section extends to include showhouse properties and showhouse contents until sold provided that the liability of the Company under this extension in respect of showhouse contents shall not exceed £5,000

Speculative Building

It is agreed that

- a) the property insured in respect of Permanent Works includes such property being built or erected by the Insured other than under Contract
- b) in respect of property being built or erected other than under Contract the insurance by this Section shall cease to apply from
 - i) the date such property is sold or let or
 - ii) three months after the date of substantial completion of the work or building or erecting such property whichever is the earlier

Where the property comprises several units within one block then b) i) shall apply to each individual unit but cover in respect of the whole block shall not exceed 3 months from the date of substantial completion if parts of it are still unsold or unlet

- c) if from any cause work on The Contract site shall cease for a period in excess of 3 consecutive months then this Section shall be avoided unless its continuance be agreed in writing by the Company

Substantial Completion for the purposes of this Extension shall mean completion apart from a prospective purchasers or tenants choice of decoration and/or final fitments

Hired in Plant

Where Hired-in-Plant is insured this Section will provide indemnity against the legal liability of the Contractor under the terms of hiring agreements It is further agreed that notwithstanding anything contained to the contrary in Exclusions 5 or 15 of this Section the Company will indemnify the Insured against legal liability in the terms of the Hiring Agreement or otherwise

- a) to make good to the owner loss of or damage to any plant hired in insured hereby caused by its own breakdown or its own explosion
- b) to pay to the owners of any such plant hired in hire charges incurred as a consequence of and solely due to
- i) physical loss of or damage to the said plant or
 - ii) breakdown of the said plant due to the negligence misdirection or misuse by the Insured or his servants

Provided that:—

- a) such hire charges shall be calculated at the appropriate idle time rate for the period during which the plant is necessarily idle due to such loss damage or breakdown not exceeding 90 days from the time thereof and excluding the first 48 hours
- b) this extension does not apply to the result of any wilful act or wilful neglect of the Insured

- c) the liability of the Company shall be limited to £250 per item per day unless otherwise stated

6. Special Conditions

1. Reasonable Precautions

The Insured shall take all reasonable precautions to safeguard the Property Insured and prevent loss or damage including any additional precautions necessary as the result of partial or total cessation of work by the Insured at any Contract site

2. Notification to Police of Theft or Wilful Damage

In the case of theft or wilful damage the Insured shall immediately notify the Police and shall take all reasonable steps for the discovery and punishment of any guilty person and to trace and recover the property lost

3. Other Insurances

This Section does not cover any loss or damage which is insured by or would but for the existence of this Section be insured by any other policy or policies except in respect of any excess beyond the amount paid under such other policy or policies or which would have been payable thereunder had this insurance not been effected

4. Premium Adjustment

If any part of the Premium is calculated on estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Company to inspect such record The Insured shall within one month from the expiry of each Period of Insurance furnish to the Company such particulars and information as the Company may require The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject to retention by the Company of 75% of the premium paid

CONTRACTORS ALL RISKS

Special Clauses

(Clause 1 applicable only if 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 Clause

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 specified in the Schedule to offer the insurance 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) the sum insured may be reduced at any time to correspond with any reduction in value

The above mentioned undertaking applies to any section or sections 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 section or sections 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

THEFT BY EMPLOYEES SECTION

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

Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Employee

Any person working for the Insured in connection with the Business who is

- a) engaged under a contract of service or apprenticeship between such person and the Insured and
- b) remunerated wholly or mainly by salary or wages and
- c) named or otherwise described in the Schedule

Territorial Limits

Anywhere in Great Britain Northern Ireland the Channel Islands and the Isle of Man

Cover

The Company will indemnify the Insured against

1. direct loss of money or property belonging to the Insured or for which the Insured is legally responsible as a direct result of any act of fraud or dishonesty committed by an Employee after the commencement date applicable to such Employee and during the Period of Insurance provided that
 - a) any loss is discovered not later than twenty-four months after the termination of
 - (i) the employment of the Employee or Employees concerned in such loss or
 - (ii) the insurance in respect of the Employee or Employees concerned in such loss or
 - (iii) this Section
 whichever occurs first
 - b) the act of fraud or dishonesty is committed within the Territorial Limits
2. the cost of any special professional audit necessarily incurred with the written consent of the Company solely to substantiate the amount of loss

THEFT BY EMPLOYEES

Limit of Indemnity

1. The liability of the Company including liability for Auditors fees shall not exceed
 - a) in respect of any Employee the Limit of Indemnity stated against his/her name or description and
 - b) in respect of all claims under this Section the Aggregate Limit of Indemnity
shown in the Schedule
2. In the event of this Section continuing in force for more than one Period of Insurance the liability of the Company shall not be accumulated or increased thereby and the aggregate liability of the Company during any number of Periods of Insurance under this Section shall not exceed the Limits of Liability as defined in 1(a) and (b) above
3. The Company agrees upon notification of a claim to reinstate the Aggregate Limit of Indemnity by any sum or sums paid or payable under this Section provided that
 - a) such reinstated sum shall apply only to Employees not the subject to such claim
 - b) such reinstated sum shall only apply to acts of fraud or dishonesty committed after such date of notification
 - c) the Insured agrees to pay an appropriate additional premium calculated on the reinstated amount

Exclusions

The Company will not indemnify the Insured in respect of

1. the amount stated in the Schedule in respect of each and every claim
2. loss of interest loss of profits or consequential loss of any kind
3. any loss arising from any act or acts of fraud or dishonesty committed by an Employee or Employees after the discovery of a prior act of fraud or dishonesty committed by the same Employee or Employees

Improper Personal Financial Gain

Notwithstanding anything contained herein to the contrary the Company shall not be liable for any loss under this Section unless such loss arises from the fraudulent or dishonest act of an Employee which is committed with the intent of making and which results in improper personal financial gain for any Employee whether committed alone or in collusion with others

Salary fees commissions and other emoluments including salary increases and promotions shall not constitute improper financial gain

Subject otherwise to the terms exceptions and conditions of the Policy

Special Conditions

1. Alteration of Risk

The Insured shall comply with the system of check supervision and procedures for obtaining references from former employers all as declared to the Company Unless the Company has consented in writing to any alteration the Company shall not be liable to make any payment if there shall be any change in the nature of the Business of the Insured or any non-compliance with such system of check supervision and procedures

2. Notice of Loss

Whether or not it is intended to make a claim the Insured shall give notice in writing to the Company within 14 days of discovery of

- a) any act of fraud or dishonesty committed by any Employee or
- b) reasonable cause for suspicion of fraud or dishonesty committed by any Employee which shall have come to the knowledge of the Insured or of any representative of the Insured to whom is entrusted the duty of superintendence or audit

3. Loss Prevention

On discovery of any act of fraud or dishonesty or circumstances which could give rise to a claim under this Section the Insured shall immediately take all steps to prevent loss or further loss

4. Reimbursement

The Insured shall give all information and assistance to enable the Company to sue for and obtain reimbursement of any monies which the Company shall have paid or become liable to pay under this Section

5. Deduction from Loss

All monies which but for the fraud or dishonesty of the Employee would become payable to him/her by the Insured and any monies recovered from the Employee by the Insured shall be deducted from the loss

6. Recoveries

Any recoveries effected by the Insured shall be applied in the following order

- a) in reduction of the loss suffered by the Insured which would have been covered by this Section but for the application of the Specific Limit of Indemnity and/or Aggregate Limit of Indemnity as the case may be
- b) in reduction of the loss suffered by the Company
- c) in reduction of the loss suffered by the Insured in respect of the Excess

7. Arbitration

If the Company admits liability for a claim but the Insured cannot agree with the Company the amount to be paid the disagreement will be referred to an arbitrator appointed jointly by both parties in accordance with the law in force at the time The Insured cannot take action in law against the Company over this disagreement until the arbitrator has made his award

THEFT BY EMPLOYEES

8. Condition Precedent

It is a condition precedent to any liability on the part of the Company under this Policy that –

- a) the terms so far as they relate to anything to be done or complied with by the Insured are duly and faithfully observed and
- b) the statements made and the answers given in the proposal herein before referred to are true and complete

9. Check and Supervision Statement and Business Activities

Unless the Company shall consent in writing to any alteration the Company shall not be liable to make any payment under this policy if the nature of the business carried on shall be changed or if the system of Check and Supervision as detailed in the written statement or statements received by the Company from the Insured is not adhered to

**THE GENERAL CONDITIONS OF THE
POLICY SHALL NOT APPLY TO THIS
SECTION OTHER THAN THOSE HEADED
INSTALMENTS AND CANCELLATION**

COMMERCIAL LEGAL EXPENSES SECTION

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

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Acts of Parliament

All Acts of Parliament referred to in this Section shall include any subsequent amendments re-enactments or regulations and equivalent legislation enforceable within the Territorial Limits

Administrator

Abbey Legal Protection Ltd which administers this insurance on the Company's behalf

Advisory Line

The telephone advisory service provided by the Administrator

Any One Claim

All claims or legal proceedings consequent upon the same original cause event or circumstance arising during the Period of Insurance shall be regarded as one claim

Appointed Representative

A consultant solicitor barrister or other appropriately qualified person appointed by the Administrator to act for the Insured in accordance with the terms of this Section

Authorised Person

A person authorised by the Insured to drive or to be a passenger in an Insured vehicle

Awards of Compensation

Basic and Compensatory Awards made against the Insured by an Employment Tribunal or settlement thereof agreed in conciliation proceedings subject to the Administrator's consent but not including Additional Special Protective Awards Interim Relief arrears of pay or any award of damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement. The Company will not pay any fine award or damages incurred by deliberately avoiding a payment or liability under statutory

requirements. The Company will not pay any redundancy payment or any monies due or properly payable arising under or from a contract of employment service agreement or related document or from implied or incorporated terms of a contract of service

Co-Insurance

The amount specified in the Schedule the Insured must bear in respect of Any One Claim for the Insured's own account expressed as a percentage of Legal Expenses incurred over and above any Excess specified in the Schedule

Company

AXA Insurance UK plc

Contracting Party

A person or company including parent subsidiary and associate company with whom the Insured has a direct contractual relationship

Debt Collection Service

A debt collection service nominated by the Administrator details of which have been passed to the Insured at inception or renewal of this Section which may be a solicitor or debt recovery agent as agreed by the Administrator

Due Date

The date monies owed to the Insured become due and payable

Employee

Any person under a contract of service or apprenticeship with the Insured or undergoing training under any government approved training scheme under the Insured's control

Excess

The amount specified in the Schedule the Insured must bear in Legal Expenses in respect of Any One Claim before the Company shall be liable to make any payment

COMMERCIAL LEGAL EXPENSES

Increased Excess

The amount specified in the Schedule the Insured must bear in Legal Expenses in respect of Any One Claim before the Company shall be liable to make any payment if the Insured instructs an Appointed Representative other than that chosen by the Administrator

Injury

Bodily injury or death but excluding any sickness or disease or any naturally occurring condition or degenerative process

Insured

Any company firm partnership or trading individual specified in the Schedule and at the Insureds request any Employee including director or partner of the Insured

Insured Vehicle

Any vehicle which is deemed to include any caravan or trailer properly constructed and allowed to be towed by such vehicle and which is attached to it by normal means for towing which is owned by hired or leased in connection with the motor trade or one which takes part in racing rallies competitions or trials of any kind

Legal Expenses

a) Fees

- i) Any fees expenses and other disbursements reasonably incurred by the Appointed Representative with the Administrators consent in connection with or in anticipation of any legal proceedings including costs and expenses of expert witnesses
- ii) Any costs incurred by other parties insofar as the Insured is held liable in court tribunal or arbitration proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the Administrators consent but excluding any costs which the Insured may be ordered to pay by a court of criminal jurisdiction

- iii) Any fees expenses or disbursements reasonably incurred in an appeal to which the Administrator has consented or in resisting an appeal subject to the Administrators consent against the judgment of a relevant court tribunal or arbitrator as the case may be

b) Witness Attendance Allowance

Witness Attendance Allowance not exceeding £100 per day when any officer member or Employee of the Insured is absent from work consequent upon attending as a witness for the Insured at a hearing court tribunal or arbitration at the Appointed Representatives request Witness Attendance Allowance shall be limited to £1,000 in Any One Claim

Maximum Sum in Dispute

The sum in dispute between the Insured and the Contracting Party as specified in the Schedule above which the Company shall not be liable to provide indemnity under Part 4.1 of this Policy

Minimum Sum in Dispute

The sum in dispute between the Insured and the Contracting Party as specified in the Schedule below which the Company shall not be liable to provide indemnity under Part 4.1 of this Policy

Period of Insurance

As specified in the Schedule

Professional Duty

Duty owed to or by the Insured by or to an individual partner company or firm or a director or employee thereof who or which has or to be in practice would be required to have in force professional indemnity insurance or an equivalent insurance providing indemnity in the event of a negligent act error or omission

Professional Expenses

Any fees expenses and other disbursement reasonably incurred by the Appointed Representative in connection with any claim or proceedings including those incurred by the Company in connection with such claim or proceedings but 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

Property

Land and/or buildings thereon including contents fixtures and fittings owned occupied by the Insured or otherwise for which the Insured is legally responsible

Road Accident

An event which takes place within the Territorial Limits causing loss or damage to an Insured Vehicle or to any personal property either owned by the Insured or for which the Insured is legally responsible while such property is in or on the Insured Vehicle or an event which causes Injury to an Authorised Person while such person is in on mounting or dismounting from an Insured Vehicle

Territorial Limits

The United Kingdom of Great Britain Northern Ireland the Channel Islands or the Isle of Man

2. The Cover

The Company hereby agrees to the extent and in the manner herein provided to indemnify the Insured against Legal Expenses Professional Expenses and Awards of Compensation as specified in the relevant Parts of Cover as set out in this Section and its Schedule in connection with activities within the scope and extent of the business activity of the Insured

This is a claims made Section of the Policy This insurance only covers claims notified by the Insured during the Period of Insurance

3. Limits of Indemnity

The maximum liability of the Company under this Section is limited to the amounts specified in the Schedule for a) and b) below

- a) Any One Claim
- b) All claims or legal proceedings made brought or commenced and notified during the Period of Insurance

4. Operative Parts

These only apply if shown in the Schedule

4.1 Contract

The Company agree to indemnify the Insured against Legal Expenses incurred by reason of the pursuit or defence of any claim or legal proceedings made by brought against or commenced by the Insured within the Territorial Limits and notified during the Period of Insurance in a dispute with a Contracting Party in connection with a contract of sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sale of Goods Act 1979 the Supply of Goods and Services Act 1982 and the Sale and Supply of Goods Act 1995 provided that

- a) Legal Expenses incurred in the pursuit of any claim or legal proceedings shall be limited to 75% of the amount in dispute
- b) the amount in dispute exceeds the Minimum Sum in Dispute specified in the Schedule
- c) the amount in dispute is less than the Maximum Sum in Dispute specified in the Schedule
- d) any investigation costs hereunder are first subject to the deduction of the Excess or the Increased Excess
- e) where the dispute relates to monies owed to the Insured and such liability is contested before expiry of thirty days from the Due Date a claim shall be made within three months of the Due Date

COMMERCIAL LEGAL EXPENSES

- f) where the dispute relates to monies owed to the Insured and where such liability is not contested the Insured agrees to notify such dispute within thirty days of the Due Date to the Debt Collection Service and further agrees that use of the service shall be to the Insureds account
- g) where the Debt Collection Service has exhausted its normal recovery procedure and recommends to the Administrator that legal proceedings are necessary and are likely to be successful the Administrator will subject to the terms and conditions of this Policy provide the indemnity against Legal Expenses from the start of such proceedings

Exclusions to 4.1

The Company shall not be liable to indemnify the Insured hereunder in respect of claims arising out of:

- a) contracts performed outside the Territorial Limits
- b) breach or alleged breach of Professional Duty
- c) bills of exchange credit and securities or guarantee
- d) assignment agency franchise or bailment other than hire
- e) contracts governed by or disputes relating the Consumer Credit Act 1974
- f) employment duties
- g) landlord and tenant disputes
- h) construction contracts as defined by the Housing Grants Construction and Regeneration Act
- i) motor disputes
- j) an arbitration clause in the contract

4.2 Employment

The Company agree to indemnify the Insured against

- i) Legal Expenses incurred by the Insured in defending any claim or legal proceedings including appeals made brought or commenced within the Territorial Limits and notified during the Period of Insurance following a dispute with an Employee ex employee or prospective employee which arises out of or relates to his contract of employment with the Insured or a breach of employment related legislation and
- ii) Awards of Compensation in connection with such claim or legal proceedings

Provided that the Insured has sought the advice of the Advisory Line as to the procedure to be adopted and has acted on all such advice with due diligence:

- a) prior to carrying out any disciplinary procedure or action which must have been specifically authorised by the Advisory Line
- b) prior to the dismissal of an Employee which must have been specifically authorised by the Advisory Line
- c) prior to instituting a redundancy programme which must have been specifically authorised by the Advisory Line
- d) upon notification formally or informally of a complaint of sexual or racial discrimination or discrimination relating to disability
- e) prior to altering the hours or time worked by an Employee which must have been specifically authorised by the Advisory Line
- f) prior to altering the remuneration of an Employee (other than in respect of increasing his wages or salary) which must have been specifically authorised by the Advisory Line

COMMERCIAL LEGAL EXPENSES

- g) on becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without written notice

Exclusions to 4.2

The Company shall not be liable to indemnify the Insured hereunder in respect of:

- a) Legal Expenses and Awards of Compensation under any contractual or legislative provision insofar as any claim arises from or is connected with any business transfer falling within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the Acquired Rights Directive

4.3 Criminal Prosecution Defence

The Company agree to indemnify the Insured against Legal Expenses incurred in defending a prosecution brought or commenced within the Territorial Limits and notified during the Period of Insurance in a court of criminal jurisdiction including an appeal by the Insured against the service of an improvement or Prohibition Notice under the Health & Safety at Work Act 1974 or the Food Safety Act 1990

Exclusions to 4.3

The Company shall not be liable to indemnify the Insured hereunder in respect of claims arising out of:

- a) the ownership possession hiring or use of a motor vehicle
- b) any prosecution relating to or arising from investigations by the Inland Revenue HM Customs and Excise or the Department of Social Security
- c) any prosecution alleging unlawful violence or dishonesty

4.4 Property Legal Protection

The Company agree to indemnify the Insured against Legal Expenses incurred in the pursuit or defence of any claim or legal

proceedings made brought or commenced within the Territorial Limits and notified during the Period of Insurance and relating to:

- i) a dispute over the possession of freehold or leasehold Property
- ii) a dispute involving actual or alleged negligence damage or nuisance to Property

provided that:

- a) the Property is owned or occupied by the Insured or is Property for which the Insured is legally responsible
- b) the Insured will suffer financial loss if the Insured fails to pursue or defend the claim or legal proceedings

Exclusions to 4.4

The Company shall not be liable to indemnify the Insured hereunder in respect of:

- a) any dispute concerning the Property which relates to mining or other subsidence or heave howsoever caused
- b) any dispute arising from or relating to a contract other than agreement for use between the Insured and a third party
- c) any dispute relating to rent tax planning or building regulations or decisions compulsory purchase orders or renewal of a contract of use

4.5 Vehicle Legal Protection

The Company agree to indemnify the Insured against Legal Expenses arising out of any claim or legal proceedings made brought or commenced within the Territorial Limits and notified during the Period of Insurance in connection with

- i) the pursuit by the Insured or an Authorised Person of legal rights to obtain a remedy or recover damages from other parties following a Road Accident
- ii) the pursuit by the Insured of any dispute arising out of a contract entered into for

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the sale purchase hire lease hire purchase service repair or test of an Insured Vehicle including spare parts and accessories provided that the amount in dispute exceeds the Minimum Sum in Dispute specified in the Schedule

- iii) the defence of a criminal prosecution of the Insured or an Authorised Person relating to the ownership or use of an Insured Vehicle
- iv) an application for the removal of a driving disqualification where such disqualification results from an incident occurring after inception of this Policy
- v) representation of the Insured at a hearing for the suspension revocation or curtailment of the Insureds licence to operate an Insured Vehicle

provided that the Insured Vehicle is properly insured as required by law

4.6 Data Protection Act

The Company agree to indemnify the Insured against Legal Expenses incurred in defending any claim or legal proceedings made brought or commenced within the Territorial Limits and notified during the Period of Insurance arising out of the Data Protection Act 1998 including an appeal by the Insured against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement Deregistration or Transfer Prohibition Notice The Company further agree to indemnify the Insured against compensation awards which the Insured is ordered to pay consequent upon the holding loss or unauthorised disclosure of data as defined in Section 22 or 23 of the Data Protection Act 1998

4.7 Tax & VAT Investigation

The Company agree to indemnify the Insured against Professional Expenses incurred by the Insured in connection with any claim or proceedings made by or against the Insured within the Territorial Limits and notified during the Period of Insurance in connection with

Sub-part 7A – Inland Revenue Schedule D and Corporation Tax Investigations

- i) Correspondence discussions and meetings with the Insured and on the Insureds behalf in order to respond to the Inland Revenues requests and allegations
- ii) Preparation and representation of the Insured at an Inland Revenue Commissioners Hearing and at an appeal against a decision following such Hearing

provided that:

- a) the Appointed Representative has prepared and/or submitted the most recent Self-Assessment Return or accounts irrespective of whether this is the Return or accounts that has been taken up for investigation by the Inland Revenue
- b) the Inspector of Taxes has given notice of dissatisfaction with the Tax Return and/or accounts and has requested examination of all business books and records
- c) the Administrator has consented to an appeal

Sub-Part 7B – VAT Decisions and Penalties

- i) correspondence discussions and meetings with the Insured and on the Insureds behalf in connection with the local review procedure in order to reach agreement with HM Customs and Excise
- ii) preparation and representation of the Insured at a VAT and Duties Tribunal
- iii) preparation and representation of the Insured at an appeal against a VAT

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and Duties Tribunal decision provided the Administrator has consented to an Appeal provided that:

- a) the Insured is registered for VAT from the time the prescribed limits are exceeded in accordance with the provisions of Schedule One of the VAT Act 1994
- b) the Administrator has consented to an appeal

Sub-Part 7C – PAYE and P11D

Investigations

- i) preparation and representation of the Insured in meetings and discussions with the Inland Revenue
- ii) preparation and representation of the Insured at an Inland Revenue Commissioners Hearing and at an appeal against a decision following such Hearing

provided that:

- a) an expression of dissatisfaction with the Assureds PAYE and/or NIC affairs has followed an employer compliance visit by the Inland Revenue or an expression of dissatisfaction with the Assureds P11Ds or P9Ds and there is a reasonable prospect of disputing the officers allegations
- b) the Administrator has consented to an appeal

Sub-Part 7D – Department of Social Security National Insurance Contribution Investigations

- i) preparation and representation of the Insured in meetings and discussions with the Department of Social Security

provided that:

- a) the investigation follows the examination of the PAYE records at the Insureds place of business

Exclusions to 4.7

The Company shall not be liable to indemnify the Insured hereunder in respect of

- a) the defence of any criminal prosecution
- b) an enquiry under Section 60 of the VAT Act 1994 or matters handled by the Investigations Division of HM Customs and Excise the Special Compliance Offices of the Inland Revenue Board
- c) taxes fines interest or any other duties or penalties imposed upon the Insured by any Revenue authority or court or tribunal
- d) any claim made where corporation tax accounts are submitted in a penalty position under S10 and/or S94 of the Taxes Management Act 1970
- e) any claim made where Income Tax Returns or accounts or Self Assessment Returns are submitted in a penalty position under S7 S93 and/or S95 of the Taxes Management Act 1970
- f) the preparation and/or correction of Self Assessment Returns accounts Income Tax Returns P11Ds P35s VAT returns or any other statutory returns
- g) technical or routine treatment of matters not connected with nor arising out of an expression of dissatisfaction with the Insureds affairs
- h) taxation proceedings which arise out of negligent misstatements or omissions made by or on behalf of the Insured in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
- i) any claim or proceedings which result solely from investigation or earlier accounts or records
- j) any investigation undertaken by the Inland Revenue Special Compliance Offices or under Section 60 of the VAT

COMMERCIAL LEGAL EXPENSES

Act 1994 or matters handled by the Investigations Division of HM Customs and Excise or the Inland Revenue Boards Investigation Office

- k) an enquiry into the validity of a claim for Working Families Tax Credit by an employer
- l) any dispute in connection with the payment of the national Minimum Wage
- m) a dispute or enquiry in respect of the non-compliance with the IR35 legislation

4.8 Statutory Licence

The Company agree to indemnify the Insured against Legal Expenses incurred in connection with 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 the Insured provided that:

- a) such licence or certificate of registration is necessary to engage in the business activity of the Insured and has been declared to the Company in the Proposal or Renewal Declaration
- b) the Insured has sought the advice of the Advisory 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 the Insureds licence or certificate of registration and has acted on all such advice with due diligence
- c) a claim under this Part is made within the Territorial Limits and notified during the Period of Insurance

Exclusions to 4.8

The Company shall not be liable to indemnify the Insured hereunder in respect of:

- a) Legal Expenses incurred in disciplinary or internal hearings conducted by authorities

charged with the regulation of the Insured in the performance of Professional Duty nor for any appeal following such hearings

- b) any claim or legal proceedings arising out of an alteration or refusal to renew a licence or certificate of registration which is imposed by Act of Parliament
- c) any costs incurred of and incidental to complying with a notice or order

5. General Exclusions

The Company shall not be liable to indemnify the Insured hereunder in respect of

- 1) the defence of the Insured in civil legal proceedings arising from
 - a) Injury
 - b) Loss destruction or damage of or to property
 - c) Alleged breach of any Professional Duty
 - d) Any tortious liability (other than or specified in Part 4)
- 2) any claim made brought or commenced outside the Territorial Limits
- 3) Legal Expenses incurred before the Administrators consent has been granted
- 4) any claim relating to or arising from any cause event or circumstance occurring prior to or existing at inception of this Policy and which the Insured knew or ought reasonably to have known may give rise to a claim or legal proceedings by or against the Insured
- 5) fines or other penalties imposed by a court
- 6) any claim or legal proceedings in respect of which the Insured is or but for the existence of this Policy would be entitled to indemnity under any other insurance policy or legal aid

- 7) any claim arising out of the deliberate conscious intentional or negligent disregard by the Insured of the need to take all reasonable steps to avoid and prevent claims or legal proceedings
- 8) any dispute with Government or Local Authority departments concerning the imposition of statutory charges
- 9) disputes between Insureds as specified in the Schedule or any endorsement thereto or with any parent or subsidiary company or partner or Authorised Person
- 10) any dispute between the Insured the Company the Administrator or the Appointed Representative
- 11) any claim arising out of intellectual property or breach of confidentiality whether related to intellectual property or not
- 12) any Legal Expenses incurred in connection with a judicial review
- 13) any claim consequential loss legal liability or any loss or damage to property directly or indirectly caused by or contributed to by seepage pollution or contamination of any kind
- 14) any claim directly or indirectly caused by or resulting from any electronic device failing to recognise interpret or process any date as its true calendar date
- 15) any expense consequential loss legal liability or any loss or damage to property directly or indirectly caused by or contributed to by:
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

6. General Conditions

1) Arbitration

Any dispute between the Insured the Company or the Administrator shall be referred to a single arbitrator who shall be either a solicitor or barrister agreed upon by both parties or failing agreement one who is nominated by the President of the appropriate Law Society or by the Bar Council or appropriate professional body within the Territorial Limits

All apportionment of the costs of the arbitration shall be determined by the arbitrator

2) Cancellation

This Section may be cancelled at any time on the instructions of the Insured in writing and the premium shall be adjusted on the basis of the Company receiving or retaining the customary short-term premium on the following basis:-

over 9 months unexpired term	50%
over 6 months unexpired term	25%
over 3 months unexpired term	10%
less than 3 months unexpired term	Nil

This Section may also be cancelled by the Company giving thirty days notice in writing to the Insured at the Insureds last known address and the premium hereon shall be adjusted on the basis of the Company receiving or retaining pro rata premium

If the Insured is placed in liquidation receivership or administration or adjudicated bankruptcy or if any application is made to the court or meeting convened for any such purpose this Section will lapse and the Insured will be entitled to a pro rata return of premium

Provided always that no return of premium shall be allowed if the Insured has notified a claim which has been admitted during the Period of Insurance

COMMERCIAL LEGAL EXPENSES

Cancellation under this General Condition shall not prejudice the rights of the Insured in respect of any cause event or circumstance which has given or is likely to give rise to a claim or legal proceedings and which has already been notified to the Administrator during the Period of Insurance and in respect of which the Administrators consent to Legal Expenses has been given

3) Due Observance

The due observance of and compliance with the terms provisions Exclusions and Conditions of this Section insofar as they relate to anything to be done or complied with by the Insured shall be conditions precedent to any liability of the Company to make any payment hereunder

4) Several Liability Notice

The subscribing Underwriters obligations under Contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions The subscribing Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations

5) Proper Law

The parties are free to choose the law applicable to this insurance contract Unless specifically agreed to the contrary this insurance shall be subject to the Laws of England and Wales

Conditions for Claims Settlement

1. Notification of Claims

It is a condition precedent to the Company's liability hereunder that the Administrator be notified in writing immediately the Insured is aware of any cause event or circumstance which has given or may give rise to a claim or legal proceedings involving the Insured as soon as the same shall come to the Insured's attention If the Insured fails to notify the Administrator within a period of six months

from the date the Insured became aware of any cause event or circumstance which may give rise to a claim or legal proceedings during the Period of Insurance any claim or legal proceedings arising from that cause event or circumstance will not be admitted

Where such notification has been given the Company agree to treat any subsequent claim or legal proceedings in respect of the cause event or circumstance notified as though the claim or legal proceedings had been made brought or commenced during the Period of Insurance

The Administrator will forward to the Insured a claim form which must be completed and returned immediately

An investigation by the Inland Revenue into the Insured's tax affairs shall be notified to comply with this Condition at the time the Inland Revenue send written notification of dissatisfaction with those affairs to either the Insured or the Insured's representative A VAT assessment written decision or notice of civil penalty shall be notified to comply with this Condition at the date at which the relevant authority sends an assessment or written decision to the Insured A PAYE/DSS/P11D assessment or written decision shall be notified to comply with this Condition at the date at which the relevant authority sends an assessment or written decision to the Insured

Important procedure for employment disputes

If a Form ET1 (Originating Application) is received from an Industrial Tribunal the Insured must immediately complete a claim form and forward it to the Administrator including copies of Forms ET1 ET2 and ET3 (Notice of Appearance by Respondent) To comply with the 21 days statutory time limit the ET3 form must be returned without delay

2. Administrators Consent

It is a condition precedent to the Administrators liability hereunder that its consent must firstly be obtained in writing This consent will be given by the Administrator on behalf of the Company if the Insured can satisfy the Administrator that it is reasonable to incur Legal Expenses or Professional Expenses and

- i) there are reasonable prospects of recovery of damages or other remedy or
- ii) there are reasonable prospects of a successful defence or (but only if Criminal Prosecution Defence cover or Motor Disputes cover is included) of significant mitigation of the Insureds loss

The decision to grant consent or to withhold it will be based on consideration of the Appointed Representatives opinion and that of any advisers the Administrator may deem it necessary to consult

With the agreement of the Insured the Administrator may provide assistance in settling disputes the costs of which will be covered under this Section subject to the payment of the Excess or Increased Excess within the Limits of the Companys Liability

The Administrator at its discretion may require the Insured to obtain an opinion from Counsel at the Insureds expense as to the merits of a claim or legal proceedings If such opinion indicates that there are reasonable prospects of defence of the claim or legal proceedings the cost of the opinion will be paid by the Company within the Limits of the Companys Liability for that claim or legal proceedings

In granting its consent the Administrator undertake to provide indemnity within the Limits of the Companys Liability to the Insured subject to the Terms and Conditions of this Policy and its Schedule but such consent does not imply that all Legal Expenses or Professional Expenses will be paid

If after consent has been granted it is shown that the particular claim or legal proceedings has not been brought within the Terms and Conditions of this Section and its Schedule such consent shall be withdrawn and no indemnity shall be provided The Company shall be entitled to recover any Legal Expenses or Professional Expenses previously paid

The Administrators consent previously given may be withdrawn at any time when it ceases to be reasonable for Legal Expenses or Professional Expenses to be incurred

Notwithstanding any general consent granted the Company reserve the right to limit its liability to the payment of Legal Expenses or Professional Expenses incurred solely for the purpose of indemnifying the Insured Legal Expenses or Professional Expenses incurred by the Appointed Representative for the routine presentation of the Insureds affairs or for matters which go beyond the immediate scope of the claim or legal proceedings shall be deemed by the Administrator to fall outside the indemnity to be provided under this Section Where in the course of a claim the Company pay for an experts report of commercial benefit to the Insured the Company shall have the right to recover from the Insured the cost of such experts report to the extent that the cost is not recovered elsewhere at the conclusion of the claim or legal proceedings The Company shall not be responsible for any expense which the Insured shall necessarily incur to continue engaging in the course of a claim or legal proceedings

If the Insured elects to proceed with the pursuit or defence of a claim or legal proceedings to which the Administrators consent has been refused through lack of reasonable prospects and if the Insured is successful in such pursuit or defence the Company will pay for Legal Expenses or Professional Expenses incurred after the Administrator had refused consent on behalf of the Company the terms and conditions of this Section

COMMERCIAL LEGAL EXPENSES

In all cases the Insured will be advised of the granting or refusal of the Administrators consent

3. Conduct of Claim

a) Choice of Appointed Representative

The Administrator will choose an Appointed Representative to act on behalf of the Insured in any claim under certain Sections as specified in the Schedule

If a claim is in respect of a dispute where the amount or value in dispute is less than the arbitration limit in the small claims court the Administrator on behalf of the Company retains the right to choose an Appointed Representative to carry out an investigation and attempt to negotiate a settlement. Such settlement will be subject to the Insureds agreement which shall not be unreasonably withheld.

Where recourse is necessary to a lawyer the Insured is free to choose an Appointed Representative to act in the name of and on behalf of the Insured in any claim or legal proceedings to which the Administrator has consented. The name and address of the Appointed Representative must be notified to the Administrator. A dispute arising from the Insureds choice may be referred to Arbitration in accordance with General Condition 1.

In selecting the Appointed Representative the Insured shall have regard to the common law duty to minimise the cost of any claim or legal proceedings.

In all cases the Appointed Representative shall be appointed in the name of and on behalf of the Insured.

b) Disclosure to the Appointed Representative

The Insured must give to the Appointed Representative all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in

the Insureds possession. The Insured must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested. Cover may be withdrawn if the Insured fails to co-operate at all or within a reasonable time with the Appointed Representatives requests.

c) The Administrators Access to Information

The Administrator is entitled to receive from the Appointed Representative any information, document or advice in connection with any claim or legal proceedings even if privileged. On request the Insured will give to the Appointed Representative any instructions necessary to secure the required access.

d) Payment of Legal Expenses Bills

All bills relating to any claim or legal proceedings which the Insured receives from the Appointed Representative should be forwarded to the Administrator without delay. If the Administrator so requires the Insured must ask the Appointed Representative to submit the bill of costs for taxation or certification by the appropriate Law Society or court.

The Insured is responsible for payment of all Legal Expenses or Professional Expenses. The Administrator will settle these direct if requested by the Insured to do so. Bills must be certified by the Insured to the effect that the charges have been properly incurred and this will be deemed authorisation to the Administrator to settle on the Insureds behalf.

The payment of some Legal Expenses or Professional Expenses does not imply that all Legal Expenses or Professional Expenses will be paid. The Administrator should be consulted if the Insured is in doubt.

The Insured must not without the Administrators written consent enter into any agreement with the Appointed Representative as to the basis of calculation of Legal Expenses The Administrator may withdraw consent previously given at any time

e) **Instruction of Counsel**

If in the course of any claim or legal proceedings the Appointed Representative wishes to instruct Counsel Counsels name and an explanation of the necessity for such instruction must be submitted to the Administrator for consent to the proposed instruction which will not be unreasonably withheld

4. Offer of Settlement

It is a condition precedent to the Companys liability hereunder that the Insured must inform the Administrator in writing as soon as an offer to settle a claim or legal proceedings is received or payment into court is made In any settlement the Insured must have regard to Legal Expenses incurred or likely to be incurred by the Company and the recovery thereof Under no circumstances must the Insured enter into any agreement to settle without the Administrators prior consent which will not be unreasonably withheld If the Insured unreasonably rejects an offer of settlement which the Administrator recommend acceptance of no further indemnity shall be provided by the Company

5. Recovery of Costs

Whenever the Insured is awarded damages or agrees damages or any sum under the terms of any settlement Legal Expenses after taxation or agreement of the Appointed Representatives bill of costs shall first be settled out of damages or any sum or amount recovered by the Insured

6. Appeal Procedure

If following legal proceedings to which Administrator have consented the Insured wishes to appeal against the judgment or decision of a court or tribunal the grounds for

such appeal must be submitted to the Administrator through the Appointed Representative immediately or as soon as practicable so that the Administrator may consider whether to consent to such further action If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the Insured following legal proceedings to which the Administrator have consented the Insured must notify the Administrator immediately in order that cover shall continue The Administrator will inform the Appointed Representative of its decision If Administrator so require it the Insured must co-operate in an appeal against the judgment or decision of a court or tribunal

7. Minimising Claims or Legal Proceedings

The Insured must use every endeavour and take all reasonable measures to minimise the cost and effect of any claim or legal proceedings under this Section

8. Fraudulent Claims

If the Insured makes any request for payment under this Section knowing it to be fraudulent or false in any respect or ought reasonably in the circumstances know it to be fraudulent or false where there is collusion between any parties to the dispute this Section shall become void and any premiums paid hereunder shall be forfeited

9. Insolvency or Liquidation of the Insured

If the Insured becomes insolvent or is placed in liquidation during the course of any claim or legal proceedings to which the Administrator have given support the Company shall reserve the right to withdraw that support The Insured shall be deemed insolvent or in liquidation upon the appointment of an office holder within the meaning given by section 233(1) or 372(1) of the Insolvency Act 1986 or upon the appointment of a receiver within the meaning laid down in the Companies Act 1985

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10. Value Added Tax

If the Insured is registered for VAT the Company will not pay the VAT element of any Legal Expenses or Professional Expenses bills

Legal Advice Helpline

This Section provides the Insured with unrestricted access to a confidential 24 hour legal advisory service. If you have a legal problem you can obtain free legal advice simply by telephoning 0870 241 8178

While this Section remains in force the service may be used as often as necessary

TERRORISM SECTION

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

In consideration of the payment of the Premium in respect of the Period of Insurance the cover provided under the Sections shown under the Terrorism Section of the Schedule of this Policy is extended to include loss destruction or damage to the Property Insured or CONSEQUENTIAL LOSS where covered occasioned by or happening through or in consequence of Terrorism as hereinafter defined for the purposes of this Terrorism Section

Terrorism is defined for the purposes of this Terrorism Section only as

1. 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 as certified by Her Majesty's Government or HM Treasury or any successor or relevant authority

or

2. an act of any person(s) acting alone and not on behalf of or in connection with any organisation who carries out activities directed towards the overthrowing or influencing by force or violence of any government de jure or de facto and such act not being certified by Her Majesty's Government or HM Treasury or any successor relevant authority and in the event of any challenge to such non-certification the refusal to certify being upheld by a Tribunal ruling confirming such non-certification

Provided always that the insurance provided by this Terrorism Section is

- A. in respect only of the insurance provided by Paragraph 1 of this Terrorism Section not subject to the policy exclusions but is subject to the following War and Allied Risks exclusion

Loss destruction or damage to the Property Insured or CONSEQUENTIAL LOSS occasioned by 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 nationalisation confiscation requisition seizure or destruction by the government or any public authority

- B. in respect only of the insurance provided by Paragraph 2. of this Terrorism Section not subject to any terrorism exclusion applicable to loss destruction or damage to Property Insured or CONSEQUENTIAL LOSS

- C. subject to the following additional exclusions

1) Electronic Risks Exclusion

This insurance does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from

loss destruction or damage to any computer 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 but without limitation any information or programs or software) and whether the property of the Insured or not where such loss destruction or damage or CONSEQUENTIAL LOSS is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack

For the purposes of this Exclusion the following definitions shall apply

Virus or Similar Mechanism

Virus or Similar Mechanism means program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise

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adversely affect computer programs data files or operations whether involving self-replication or not The definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs

Hacking

Hacking means unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data

Denial of Service Attack

Denial of Service Attack means any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks network services network connectivity or information systems Denial of Service 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

2) Excluded Property

This insurance does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from loss destruction or damage or CONSEQUENTIAL LOSS in respect of

- i) any property located outside England Wales and Scotland
- ii) any nuclear installation or nuclear reactor
- iii) any property which is specifically excluded elsewhere in this policy
- iv) any property which is insured by or would but for the existence of this Policy be insured by any form of transit aviation or marine policy

D. subject to the following additional Policy terms and conditions

- 1) In any action or other proceedings where the Company alleges that any loss destruction or damage is not covered by this Terrorism Section the burden of proving that such loss destruction or damage or CONSEQUENTIAL LOSS is covered shall be upon the Insured
 - 2) Except where otherwise indicated in this Terrorism Section the insurance provided by this Terrorism Section is subject to all the terms definitions exclusions conditions and provisions of this Policy Subject to any limits stated within this Terrorism Section the Companys liability in respect of all losses arising out of any one occurrence and in the aggregate in any one period of insurance shall not exceed the limits as otherwise specified under this Policy
- E. in respect only of the insurance provided by Paragraph 2. of this Terrorism Section subject to the following additional policy term

the liability of the Company in respect of loss destruction or damage to Property Insured or CONSEQUENTIAL LOSS directly or indirectly caused by contributed to by resulting from or arising out of or in connection with biological chemical or nuclear pollution or contamination will be subject to a limit of up to £25 million any one loss and in the aggregate during any one period of insurance

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

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- 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

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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

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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

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

COMPUTER INSURANCE

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

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 Insureds 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 Insureds 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

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- 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

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

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

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

COMPUTER INSURANCE

- 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

COMPUTER INSURANCE

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

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

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

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 -

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

- 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

SUDDEN AND UNFORESEEN DAMAGE SECTION

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

Definitions

DAMAGE

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

Explosion

The sudden and violent rending of the Machinery by force of internal steam or other fluid pressure (other than the pressure of chemical action or ignition of the contents or of the ignited flue gases) causing bodily displacement of any part of the Machinery together with forcible ejection of the contents including any resultant loss of cooling lubricating or insulating oil refrigerant or brine

Limit of Indemnity

The liability of the Company in respect of any one accident or series of accidents arising out of any one occurrence

Machinery

All component parts of the permanent structure of any item described in the Schedule commencing in the case of a fixed unit at the point of anchorage and in the case of a travelling unit at the road or track wheels excluding

- a) supporting structures lift enclosures (other than landing gates) rail tracks anchorage bolts or fixing appliances brickwork or foundations
- b) computer or data processing equipment (unless controlling any manufacturing process) or office equipment such as typewriters adding machines calculators and equipment for the printing or reproduction of documents or other records communications or alarm systems or vending machines

- c) superheaters economisers piping and ancillary electrical or mechanical plant attached to boilers or pressure vessels chimneys appliances used for attaching the load to any lifting machine glass bulbs or valves or electronic apparatus unless specified in the Schedule
- d) tools cutting edges moulds dies patterns non-metallic linings pulverising and crushing surfaces flexible pipes trailing cables driving belts or bands or parts requiring periodic renewal
- e) parts not made of metal (other than ropes integral gearing bearings bushes batteries tyres the slabs of switchboards and the insulation of electrical conductors)
- f) equipment serviced processed or manufactured as a product of the Insureds trade or business

Breakdown

- a) the actual failure breaking distortion or burning out of any part of Machinery whilst in ordinary use arising from defects in the Machinery causing its sudden stoppage and necessitating repair or replacement before it can resume work
 - b) fracturing of any part of the Machinery by frost when such fracture renders the Machinery inoperative
 - c) the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary
- including any resultant loss of cooling lubricating or insulating oil refrigerant or brine

SUDDEN AND UNFORESEEN DAMAGE

Collapse

The sudden and dangerous distortion (whether or not attended by rupture of any part of the Machinery caused by crushing stress by force or steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of contents)

Indemnity

The Company agrees if any Machinery described in the Schedule is DAMAGED by any cause not otherwise excluded at

- i) the Premises
- ii) whilst temporarily elsewhere in the European Community or European Free Trade Area

the Company will pay the Insured the amount of the destruction or damage or at the Companys option replace or repair the Machinery or any part of it provided that the liability of the Company under this Section shall not exceed the Limit of Indemnity shown in the Schedule

This Section incorporates the Schedule memoranda and endorsements which shall be read together as one contract Words and expressions to which specific meaning is given in any part of this Section shall have the same meaning wherever they appear

Clauses

Reinstatement

In the event of

- A) DAMAGE to boiler and pressure plant meaning
 - i) boilers
 - ii) Machinery subject to internal steam pressure
 - iii) Machinery used for storage of fluids under pressure
 - iv) piping associated with any of the above

- B) DAMAGE to Machinery other than that described in A) above which at the time of DAMAGE is less than 3 years old
- C) DAMAGE by Explosion of Machinery to any other property (excluding stock in trade or goods in process of manufacture) belonging to the Insured or for which the Insured is responsible

for which indemnity is provided by this insurance the Company will pay

- i) the cost of reinstatement meaning
 - a) where the Machinery or property is lost destroyed or is damaged to the extent that it cannot be economically repaired the cost of replacement by similar Machinery or property or if a building the cost of rebuilding
 - b) where the Machinery or property is damaged the cost of repairing or restoring the damaged portions

to a condition substantially the same as but not better or more extensive than its condition when new

- ii) such additional cost of reinstatement as may be incurred in complying with Building Regulations or local authority or statutory requirements

In the event of DAMAGE other than as described in clauses A) B) and C) above the Company will pay the amount of loss meaning

- a) where the Machinery or property is lost or destroyed the value of the Machinery or property prior to its loss or destruction
- b) where the Machinery or property is damaged the cost of repairing or restoring the damaged portions to a condition substantially the same as but not better or more extensive than its condition prior to the occurrence of the DAMAGE

SUDDEN AND UNFORESEEN DAMAGE

The following provisions apply

1. Where DAMAGE occurs to only part of the Machinery or property the liability of the Company shall not exceed the amount which the Company would have been liable to pay had the Machinery or property been wholly destroyed
2. The Company shall not be liable for
 - a) the cost of complying with Building Regulations or local authority or statutory requirements
 - i) relating to undamaged property or undamaged portions of property
 - ii) under which notice has been served prior to the DAMAGE
 - b) any rate tax duty development or other charge or assessment arising out of capital appreciation as a result of complying with any of the said regulations or requirements
3. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the DAMAGE or within such further time as the Company may allow during the said twelve months and may be carried out wholly or partially upon another site and in any manner suitable to the requirements of the Insured provided that it does not increase the liability of the Company
4. The Companys liability for the cost of reinstatement shall be limited to the value of the Machinery or property prior to the occurrence of DAMAGE until the cost of reinstatement shall have actually been incurred

Payments on Account

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

Extensions of Cover

The insurance by this Section extends to include

Expediting Costs and Temporary Repairs

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 provided the liability of the Company shall not exceed

- a) in respect of Machinery 50% of the normal cost of repair or £2,500 whichever is the less
- b) in respect of all other property 50% of the cost of such DAMAGE or £50,000 whichever is the less

Automatic Cover

Additional Machinery belonging to or leased by the Insured from the time the installation is completed and the Machinery is ready to commence normal working at the Situation shown in the Schedule provided that

- a) the Machinery belongs to a Category shown in the Schedule and is of a type similar to that which the Insured previously declared his intention to insure
- b) the Machinery is free from defects so far as the Insured is aware and complies with any statutory obligations concerning its examination and certification
- c) the Insured shall inform the Company in writing of such Machinery within twelve months of installation and shall pay the appropriate additional premium
- d) if any such item proves to be unacceptable to the Company the insurance on the item shall terminate from the date of notification to the Insured

Subject otherwise to the terms conditions and exclusions of this Policy

SUDDEN AND UNFORESEEN DAMAGE

Repair Costs Investigation

Additional costs relating to repair investigations and tests following indemnifiable damage to insured items by consulting engineers not exceeding £25,000 in any one Period of Insurance with the prior written agreement of the Company. The Company shall not be liable under this Extension for fees incurred in preparing a claim under this Section.

Debris Removal Costs

Subject to the Sum Insured the Company will pay for costs incurred with the Company's consent in the removal of Machinery or other insured property consequent upon DAMAGE for which indemnity is provided by this insurance but excluding any costs and expenses arising from pollution or contamination of property not covered by this Section provided the liability of the Company shall not exceed £25,000 or 20% of the indemnifiable DAMAGE whichever is the lower.

Loss Avoidance Procedures

Subject to the Sum Insured the Company will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending DAMAGE for which indemnity is provided by this Section 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

Special Conditions

Inspection

Where contracted to do so HSB Houghton Engineering Insurance Services Limited will on behalf of the Company periodically inspect the Machinery described in the Schedule and will supply reports on the basis agreed between the Company and the Insured.

The Insured shall at their expense have the insured Machinery properly prepared to enable HSB Houghton Engineering Insurance Services Limited to carry out inspections.

In undertaking inspections the HSB Houghton Engineering Insurance Services Limited shall be deemed to be acting as the agent of the Insured.

HSB Houghton Engineering Insurance Services Limited shall not carry out or witness special tests of a non routine nature (including any ultrasonic radiographic tests or in the case of Lifting and Handling Plant any proof load stability anchorage or similar tests) unless specifically agreed otherwise.

Average

If any Item has an individual Sum Insured set against it and at the time of any loss or damage to the item its value exceeds that Sum Insured then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly.

Multiple Lifting Operations

For the insurance provided under this Section to be operative during any operation in which a load is shared between any items of Machinery classed as lifting plant or lifting equipment (whether insured under this Section or not) the lifting operation must be conducted in accordance with BS7121.

SUDDEN AND UNFORESEEN DAMAGE

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

Minor Repairs

The Insured may without prejudice to liability proceed with minor repairs subject to compliance with General Condition 3

Precautions

The Insured shall take

- a) all reasonable precautions to prevent DAMAGE and shall maintain the Machinery in efficient working condition
- b) comply with any statute or order

Access

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

Alteration or Modification

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

Suspension of Cover

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

Premium Adjustment

Where the premium has been calculated on estimates the Insured shall within one month from the expiry of each Period of Insurance furnish such particulars and information as the Company may require and the premium for such period shall then be adjusted subject to the Company retaining the minimum retained premium shown in the Schedule Should the Insured fail to supply such particulars the Company shall be entitled to charge a reasonable additional premium in respect of that Period of Insurance

General Exclusions

The insurance by this Section does not cover

1. Excess

The first £100 of each and every loss

2. 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

3. 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

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

SUDDEN AND UNFORESEEN DAMAGE

6. Wear and Tear

- a) the cost of remedying
- i) wear and tear or gradual deterioration whether by wasting grooving rust corrosion erosion or otherwise
 - ii) gradually developing defects flaws deformation distortion cracks or partial fractures
 - iii) loose parts or defective joints or seams (other than joints between the sections of sectional heating or hot water supply boilers)

but insured DAMAGE resulting from the foregoing is not excluded

- b) i) scratching of painted or polished surfaces
- ii) damage to rubber tyres non metallic protective linings batteries flexible pipes or hoses and driving or conveyor belts
 - iii) pipes or hoses and driving or conveyor belts damage to ropes (other than damage resulting in complete severance)

unless forming part of other damage for which indemnity is provided by this insurance

7. Guarantees of Performance

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

8. Erection Risk

DAMAGE to machinery during installation erection dismantling resiting transportation or removal other than resiting transportation or removal under its own power whilst at its operating site

9. Excluded Parts

DAMAGE to safety or protective devices due to their functioning

10. 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

SUDDEN AND UNFORESEEN DAMAGE

11. Terrorism

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

12. Riot Strike and Civil Commotion

DAMAGE resulting from riot strike lock-out or civil commotion

13. Airborne and Waterborne Craft

DAMAGE to any airborne or waterborne vessel craft platform or rig nor any Machinery situated thereon

14. Consequential Loss

Loss of use of Machinery or other property or any other consequential loss whatsoever incurred by the Insured

15. Contingencies

DAMAGE (except while the Machinery and Plant is temporarily located away from the Situation) caused by

- a) fire lightning aircraft and other aerial devices or articles dropped therefrom malicious persons theft earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal or water discharged or leaking from an installation of automatic sprinklers
- b) explosion (other than Explosion as defined under Definitions)

16. 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 in the Terrorism Exclusion Clause

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

17. Application of Tools

DAMAGE caused by or arising out of the application of any tool or process during the course of maintenance inspection modification or overhaul

Cover Extensions and Limitations

Where any of the following clause references appear against insured Machinery in the Schedule the indemnity otherwise granted herein for such Machinery is amended accordingly

Cover Clause ADL (Accidental Damage Limitation)

The Company shall not be liable for DAMAGE to Machinery caused by or arising from Breakdown Collapse or Explosion

Subject otherwise to the terms conditions and exclusions of the Policy

SUDDEN AND UNFORESEEN DAMAGE

Cover Clause BKL (Breakdown Limitation)

The liability of the Company for DAMAGE from sudden and unforeseen cause shall be limited to DAMAGE to such Machinery by its Breakdown

Subject otherwise to the terms and conditions and exclusions of the Policy

Cover Clause EXC (Explosion/ Collapse Limitation)

The liability of the Company for DAMAGE from sudden and unforeseen cause shall be limited to DAMAGE to such machinery by its explosion (as insured by this Section) or Collapse

Subject otherwise to the terms conditions and exclusions of the Policy

Cover Clause FRA (Fragmentation)

The Company will subject to the Sum Insured indemnify the Insured against accidental damage by impact to surrounding property to property belonging to or in the custody and control of the Insured and for which they are responsible resulting from fragmentation of the Machinery

This clause does not cover DAMAGE

- a) caused by fire howsoever the fire may have been caused
- b) to the item of Machinery itself or to property which at the time is actually being handled or processed by the Machinery
- c) caused by and occurring during testing or intentional overloading of the Machinery or by the application of any tool or process in the course of any modification maintenance repair or overhaul of the Machinery
- d) resulting from lack of heat light power steam refrigeration or air conditioning

Subject otherwise to the terms and conditions of the Policy

Cover Clause MDL (Material Damage Limitation)

The Company shall not be liable for DAMAGE to any Machinery

Subject otherwise to the terms conditions and exclusions of the Policy

SUDDEN AND UNFORESEEN DAMAGE

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

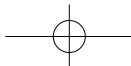
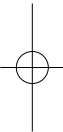
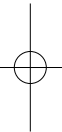
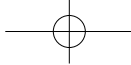
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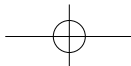
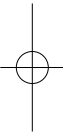
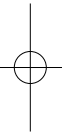
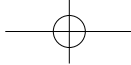
The discount shown in the Schedule is allowed off the net premiums on this Section in consideration of the Insured having given an undertaking expiring on the date stated in the Schedule to offer annually the insurance under this Section on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premium annually in advance it being understood that

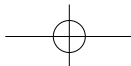
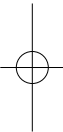
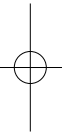
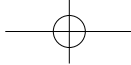
- a) the Company shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking
- b) where appropriate the Sum Insured may be reduced at any time to correspond with any reduction in value

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







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