

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

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

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

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

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

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

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

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

- 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 seawhether 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
- 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

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

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

- 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

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

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

- 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.

