

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 - Domestic Perils

Only applicable to Items as shown in the Schedule

Indemnity

The Company agrees to provide insurance against loss damage destruction or liability for injury or damage in accordance with the Contingencies detailed below

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

- i) in the whole the total sum insured or limit of liability 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

Definition

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

Property Insured

Column 1 shall insure –

The building(s) including domestic outbuildings swimming pools paved terraces walls gates fences patios paths drives and landlords fixtures and fittings all on the same premises and in addition any private garage(s) owned and used in connection with the said buildings

Sum Insured

The Insured declares that the sum insured marked 'R' on the Schedule represents the full cost of rebuilding the Property Insured in the same form style and condition as new plus a reasonable amount for the cost of shoring up debris removal architects surveyors and legal fees and the sum insured on said property shall be maintained on this basis during the currency of the Insurance

Basis of Claims Settlement

In the event of DAMAGE to

- a) the Property Insured caused by any Contingency insured the Company may either
 - i) pay for rebuilding or repair or
 - ii) make a money payment instead

but it is a condition precedent to liability that the Property Insured be maintained in a good state of repair and the property be insured for the full value as defined in the paragraph headed Sum Insured

- b) matching sets suites groups and collections

the Company will not pay for the cost of replacing an undamaged or unbroken item or parts of items forming part of a set suite or other article of uniform nature colour or design when damage or breakage occurs within a clearly identifiable area to a specific part and replacements cannot be matched

Amount Excluded

The Company will not be liable for the first £30 of each claim other than those arising under

- i) Paragraph 6 (Subsidence) of the Contingencies where the Company will not be liable for the first £1,000 of each claim
- ii) Paragraph (F) (Property Owners Liability) of the Contingencies

Inflation Protection

The Company will adjust the sum insured in line with suitable indices of costs and the renewal premium for the Section will be based on the adjusted sum insured

Contingencies

A. DAMAGE to the Property Insured caused by

1. Fire smoke explosion lightning subterranean fire or earthquake
2. Riot civil commotion labour and political disturbances and strikes
3. Malicious damage but not
 - a) DAMAGE by a person lawfully in the dwelling
 - b) DAMAGE occurring when the dwelling has not been lived in for more than 30 consecutive days or is not furnished for full occupation
4. Impact by aircraft or other aerial devices or anything dropped from them vehicles trains animals falling trees or branches falling aerials or masts
5. Storm or flood but not DAMAGE to swimming pools paved terraces gates fences patio paths and drives
6. Subsidence or heave of the site on which the dwelling stands or landslip but not
 - a) the first £1,000 of each claim
 - b) DAMAGE to swimming pools paved terraces walls gates fences patios paths and drives unless the main building of the dwelling is damaged at the same time from the same cause

- c) DAMAGE to solid floor slabs or DAMAGE resulting from their movement unless the foundations beneath the outside walls of the main building of the dwelling are damaged at the same time by the same cause
 - d) DAMAGE to the buildings or any part of them arising from construction structural alteration or repair or demolition
 - e) DAMAGE caused by or resulting from faulty workmanship or design or the use of faulty materials
 - f) DAMAGE caused by coastal or river erosion
 - g) DAMAGE caused solely by normal settlement shrinkage or expansion of the buildings
7. Escape of water from or the freezing of any fixed domestic water installation but not DAMAGE occurring when the dwelling has not been lived in for more than 30 consecutive days or is not furnished for full occupation
 8. Theft or attempted theft but not when the dwelling has not been lived in for more than 30 consecutive days or is not furnished for full occupation
 9. Escape of oil from any fixed domestic oil heating installation

Note: If more than one dwelling is insured by this Section any exclusion or limitation applies separately to each dwelling

B. Additional Expenses

Necessary expenses for rebuilding or repairing the dwelling as a result of DAMAGE insured by this Section namely

- a) architects surveyors and legal fees
- b) the cost of clearing debris from the site or demolishing or shoring up the dwelling

- c) other costs to comply with government local authority requirements or European Community requirements

The total amount payable in respect of DAMAGE and these additional expenses is limited to the sum insured on the dwelling damaged

C. Damage to cables underground pipes and drains

D. Breakage of Glass and Sanitary Fixtures

The cost of repairing accidental breakage of fixed glass and sanitary fixtures in the dwelling but not when the dwelling has not been lived in for more than 30 consecutive days or is not furnished for full occupation

E. Loss of Rent

The Section will cover the rent the Insured would have received or ground rent the Insured would have paid for up to two years together with the reasonable cost of necessary alternative accommodation for the Insured and their family but only if the dwelling is uninhabitable following DAMAGE insured under this Section

The most this Section will pay in any period of insurance in respect of Loss of Rent is 20% of the sum insured on the dwelling damaged

F. Property Owners Liability

The Insured (or their personal representatives if they die) are insured against their legal liability to pay damages costs and expenses to the person claiming against the Insured resulting from an accident during the period of insurance arising from the Insureds ownership of the dwelling if the accident causes

accidental bodily injury including death disease and illness to any person

or

accidental damage to material property

The most the Company will pay for claims for one accident or series of accidents from one cause is £1,000,000 plus other costs incurred with the Companys written consent

The Company insures the Insureds liability under Section 3 of the Defective Premises Act 1972 or Series 5 of the Defective Premises (Northern Ireland) Order 1975 This means that the Company insures the Insured as owners of any previous residence which the Insured occupied at the time of sale or disposal for any accident in and around that residence if the accident causes accidental bodily injury including death disease and illness to any person or accidental damage to material property

This Defective Premises Act insurance continues for seven years from the date this Section expires or is cancelled but the insurance will not apply if the Insureds liability is covered by a more recent policy

The most the Company will pay for claims for one accident or series of accidents from one cause is £1,000,000 plus other costs incurred with the Companys written consent

The Company will not pay for any claim arising from

- a) any injury to a member of the Insureds household or to anyone in their employ as domestic staff or to repair or decorate the dwelling
- b) loss or damage to property which is owned leased let rented hired lent or entrusted to the Insured or to a member of their household
- c) any business trade or profession other than the owning of the Property Insured
- d) loss or damage arising from the possession or use of motorised garden implements

- e) loss or damage arising from any agreement unless the Insured would have been liable had the agreement not been made
 - f) loss or damage arising from any private residence previously owned or occupied by the Insured
 - g) action for damages brought in a court outside the British Isles
- 2. Diminution of market value beyond the cost of repair or replacement
 - 3. Loss damage liability or bodily injury arising directly or indirectly from pollution or contamination unless caused by
 - a) a sudden and unforeseen and identifiable incident
 - b) leakage of oil from a domestic oil installation at the dwelling

Special Conditions

This section does not cover –

1. Any expense consequential loss legal liability or damage to property directly or indirectly caused by or arising from or contributed to by
 - a) pressure waves caused by aircraft or other aerial devices
 - b) ionising radiation or contamination by radioactivity from any nuclear fuel or from nuclear waste from the combustion of nuclear fuel
 - c) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
 - d) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
 - e) 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