

COMMERCIAL PROPERTY POLICY

GUIDE TO THIS POLICY

This is your Commercial Property Policy, a legal document which sets out the insurance cover you have requested and which we have agreed to provide.

Like most commercial policies, the language of this Policy is quite formal. Please read it carefully, including the Schedule, and ensure you understand it fully. Please contact your insurance broker immediately if anything needs correcting, or if anything is not clear to you.

The Policy has separate sections for the different types of cover you may have purchased. In each section is an insuring clause which, with any Extensions, set out the initial scope of cover. Then there are Exceptions, which exclude certain elements of that cover. Finally there are Conditions, which contain important provisions which you should comply with in order to avoid potential problems.

The policy has a “private dictionary” – words with a special meaning are listed in alphabetical order in the definitions section, and those words always appear with a capital letter. Also, there are some extensions, exceptions and conditions that apply to more than one Section, and to enable you to find the relevant clauses there are signposts where necessary.

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INDEMNITY AGREEMENT

Liberty Mutual Insurance Europe SE (hereinafter referred to as the Company) in consideration of the Insured having paid or agreed to pay the premium, will, subject to the terms, Exceptions, Conditions, Endorsements, and applicable Limits of Indemnity and Inner Limits of Indemnity (as shown in the Schedule) of this Policy, indemnify the Insured against all sums as stated in any operative Section of this Policy, which arises in connection with the Business.

Signed on behalf of the Company



Philip Hobbs
Deputy Managing Director
Liberty Mutual Insurance Europe SE

Liberty Mutual Insurance Europe SE
Registered Office: 5-7 rue Léon Laval,
L-3372 Leudelange, Grand Duchy of Luxembourg
Registered in Luxembourg
Registered Number: B232280

CLAIMS MANAGER

The Claims Manager for the purpose of the Claims Conditions is DMS, PO Box 2801, ST4 9DN.

To notify a loss under Claims Condition 2, email:
newclaims.liberty@davies-group.com

All other communications with the Claims Manager shall be sent by email to:
post.liberty@davies-group.com

or by post or by hand to DMS at the above address.

The Claims Manager will also be available on:
0344 8562 364.

DEFINITIONS

In this Policy, defined words have initial capitals

Act of Terrorism shall mean acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's Government in the United Kingdom or any other government de jure or de facto.

All Other Contents shall mean:

- (a) directors', Employees', and visitors' personal effects;
- (b) Employees' tools;
- (c) computer systems records but only for the value of the materials together with the cost of clerical labour time expended in reproducing such records excluding any expenses in connection with the production of information to be recorded therein;
- (d) patterns, models, moulds, plans, and designs;
- (e) documents, manuscripts, and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up.

Ancillary Equipment shall mean air conditioning equipment, voltage regulating equipment, and generating equipment solely for use with Computer Equipment.

Assault Injury shall mean injury:

- (a) which is sustained by the Insured Person during the Period of Insurance; and
- (b) caused by accidental, violent, external, and visible means which shall solely and independently of any other cause result in the death or disablement of an Insured Person within twenty-four calendar months from the date of the accident by which such injury was caused.

Buildings shall mean:

- (a) the buildings of the Premises including outbuildings, landlord's fixtures and fittings, foundations, walls, gates, and fences around and pertaining to the Premises;
- (b) piping, ducting, cables, wires, and associated control gear, and accessories on the Premises extending to the public mains but only to the extent of the Insured's responsibility;
- (c) yards, car parks, roads, and pavements which partly or wholly serve to supply the Premises.

Business shall mean the business described in the Schedule.

Business Interruption shall mean any loss covered under Section 2 of this Policy.

Business Hours shall mean the Insured's usual office hours and the working hours, including overtime, during which the Insured, their principals, or Employees, entrusted with the Insured's Money are on the Premises or at sites of contract for the purpose of the Business.

Claims Manager shall be as stated in the Policy.

Computer Data shall mean data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

Computer Equipment shall mean computers and all other equipment used for the storage and communication of electronically processed data including interconnecting wiring, fixed discs, and other data carrying Media, software and telecommunications but excluding any equipment used in the control of a manufacturing process.

Computer Systems shall mean a computer or other equipment or component or system or item which processes stores transmits or receives Computer Data.

Damage shall mean direct physical loss, destruction, or damage which is both sudden and accidental, and Damaged shall have the equivalent meaning.

Data shall mean facts concepts and/or information converted to a form useable in the Insured's computer operations owned leased or rented by the Insured or for which they are legally responsible.

Debris Removal shall mean costs and expenses necessarily incurred by the Insured with the consent of the Company in:

- (a) debris removal;
- (b) dismantling and demolishing, shoring up or propping, and clearing of drains and sewers of the portion(s) of the Property Insured Damaged by any Defined Peril.

The Company shall not pay for any costs or expenses:

- (a) incurred in removing debris except from the site of such property Damaged and the area immediately adjacent to such site;
- (b) arising from pollution or contamination of property not insured by this Section.

Declared Value shall mean the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the definition of Reinstatement at the inception of the Period of Insurance, ignoring inflationary factors, making the allowance for:

- (a) the additional cost of Reinstatement to comply with Public Authority requirements;
- (b) Professional Fees;
- (c) Debris Removal costs.

Defined Peril shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, earthquake, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, storm, flood, escape of water from any tank, apparatus or pipe, impact by any road vehicle or animal, or accidental discharge or leak of water from any automatic sprinkler installation.

Denial of Service Attack shall mean any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or Computer 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, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other Computer Systems.

Estimated Gross Profit shall mean 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.

Geographical Limits shall mean for the purposes of Sections 1 and 2 and the definition of Transit: Great Britain, Northern Ireland, the Isle of Man, or the Channel Islands unless otherwise stated in the Schedule.

Goods shall mean, for the purposes of Section 6,

- (a) property of every description belonging to the Insured, held in trust, or on commission, for which the Insured is responsible or has accepted responsibility;
- (b) securing chains, toggles, dunnage, sheets, tarpaulins, packing materials, and the like, including containers belonging to the Insured or for which the Insured is responsible, or wishes to accept responsibility, but cover for these shall not exceed GBP 2,500 in respect of any one claim.

Gross Profit shall mean the amount by which the sum of the amount of the Turnover and the amounts of the closing Stock shall exceed the sum of the amounts of the opening Stock and the amount of the Specified Working Expenses.

The amounts of the opening and closing Stock shall be arrived at in accordance with the Insured's normal accountancy methods due provision being made for depreciation.

Hacking shall mean unauthorised access to any Computer System, whether the property of the Insured or not.

Incident shall mean Damage to Property Insured, used by the Insured at the Premises for the purpose of the Business.

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Indemnity Period shall mean:

- (a) for all purposes apart from in connection with the Infectious Diseases Extension to Section 2, the period beginning with the occurrence of an Incident;
- (b) for the purposes of the Infectious Diseases Extension to Section 2, the period beginning with the date from which the restrictions on the Premises are applied;

and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business are affected as a result of such Incident or restriction.

Insured shall mean the party stated as Insured in the Schedule.

Insured Amount Per Week shall mean one-fiftieth part of the Research Establishment Expenditure incurred during the financial year immediately before the date of an Incident, to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or special 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 result which but for the Incident would have been obtained during the relative period after the Incident.

Insured Person shall mean:

- (a) the Insured or any principal, director, or Employee of the Insured; or,
- (b) any person acting on behalf of the Insured other than an employee of a security company or organisation;

but excluding any person committing the robbery or attempted robbery.

Limit of Indemnity shall mean the total liability of the Company for all amounts payable in accordance with the Insuring Clause for any loss or series of losses arising from any one occurrence as stated in the Schedule.

For the avoidance of doubt, the Limit of Indemnity is inclusive of the relevant Deductible stated in the Schedule.

Loss of a Limb shall mean loss by physical separation of a hand, at or above the wrist, or of a foot, at or above the ankle, and includes total and irrecoverable loss of use of hand, arm, foot, or leg.

Loss of Sight shall mean the total and irrecoverable loss of sight in one or both eyes.

Machinery/Plant shall mean the machinery, plant, fixtures and fittings, tenants improvements, alterations and decorations, Computer Equipment and All Other Contents all belonging to the Insured or held by the Insured in trust, or on commission, for which they are responsible or wish to assume responsibility but excluding:

- (a) landlord's fixtures and fittings;
- (b) Stock;
- (c) Money;
- (d) Computer Equipment otherwise insured.

Maximum Indemnity Period shall be as stated in the Schedule.

Media shall mean solely the materials on which Data and/or Programs are recorded.

Money shall mean current coin, bank, and currency notes, cheques, travellers cheques, postal and money orders, current unused postage stamps, national savings stamps, and certificates, premium bonds, luncheon vouchers, credit card sales vouchers, unused franking machine units, trading stamps, gift tokens, customer redemption vouchers, holiday and pay stamps, banker's drafts, promissory notes, savings bonds, securities, bills of exchange, dividend warrants, V.A.T. purchase invoices, consumer redemption vouchers, company sales vouchers or other negotiable instruments belonging to the Insured or for which the Insured is responsible.

Notifiable Disease shall mean illness sustained by any person resulting from:

- (a) food or drink poisoning; or,
- (b) acute encephalitis
acute infectious hepatitis
acute meningitis
acute poliomyelitis
anthrax
botulism
brucellosis
chicken pox
cholera
diphtheria
dysentery
haemolytic uraemic syndrome
legionellosis
legionnaires disease
leprosy

leptospirosis
malaria
measles
meningococcal infection
mumps
ophthalmia neonatorum
paratyphoid fever
plague
rabies
rubella
scarlet fever
small pox
streptococcal disease
tetanus
tuberculosis
typhoid fever
typhus
viral hemorrhagic fever
viral hepatitis
whooping cough
yellow fever.

Nuclear Installation shall mean any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State by statutory instrument being an installation designed or adapted for:

- (a) the production or use of atomic energy;
- (b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations;
- (c) the storage, processing or disposal of nuclear fuel, or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor shall mean any plant (including any machinery, equipment or appliance, whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

Outstanding Debit Balances shall mean the total amount outstanding in customers' accounts as set out in the Insured's accounts as at the end of the last calendar month, adjusted for:

- (a) bad debts;
- (b) 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 to which said last statement relates and the date of the Incident; and,
- (c) any abnormal conditions of trade which had or could have had a material effect on the Business;

so that the figure thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of an Incident had the Incident not occurred.

Permanent Total Disablement shall mean disablement for at least 104 (not necessarily consecutive) weeks from engaging in, or giving attention to, a profession or occupation of any kind.

Phishing shall mean any access or attempted access to Computer Data or information made by means of misrepresentation or deception.

Pollutants shall mean any solid, liquid, gaseous, or thermal irritants, smoke, vapour, soot, fumes, acids, alkalis, chemicals, waste, or other substances or contaminants, moulds or other fungi (including but not limited to mildew or mycotoxins or spores or any other substance or product produced or released by moulds or fungi); which actually or are alleged to adversely affect land, water, atmosphere, property, buildings, other structures, or people, animals, plants, and all other living organisms, or the general environment.

Premises shall mean the Premises as stated in the Schedule.

Professional Fees shall mean architects', surveyors', consulting engineers', legal and other fees necessarily incurred in the reinstatement of the Property Insured as a result of its Damage, but not for preparing any claim.

Programs shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Insured or for which they are legally responsible.

Property Insured shall mean the items of property listed in the Schedule.

Rate of Gross Profit shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Incident;

Reinstatement shall mean:

- (a) the rebuilding or replacement of property 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.

or,

- (b) the repair or restoration of the 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.

- (c) in respect of Computer Equipment and Ancillary Equipment and data carrying materials, to the extent that it cannot be economically repaired, it will be replaced by similar equipment of similar capacity in a condition equal to but not better or more extensive than its condition when new. If it is not possible to obtain equipment of similar capacity replacement will be of the next higher capacity.

Rent Payable shall mean loss of rent payable as a result of the Building(s) or any part being unfit for occupation in consequence of:

- (a) their being Damaged; or,
- (b) Damage elsewhere on or about the Premises.

Rent Receivable shall mean the amount of the rent received and payments for services provided in respect of the letting of the Premises.

Research Establishment Expenditure shall mean the total expenditure on research by the Insured at the Premises less the relative cost of raw materials consumed.

Standard Rent Receivable shall mean the Rent Receivable during the period in the twelve months immediately before the date of the damage appropriately adjusted where the indemnity period exceeds twelve months.

Standard Turnover shall mean the Turnover during that period in the twelve months immediately before the date of an Incident which corresponds with the Indemnity Period.

Stock shall mean the stock and materials in trade, including work in progress, at the Premises, the property of the Insured, or held in trust by the Insured, or on commission, for which the Insured are responsible or wish to assume responsibility.

System Failure shall mean malfunction or non-function of any mechanical and/or electronic system (whether or not the property of the Insured) caused by:

- (a) the response of a computer to any date or date change; or,
- (b) the failure of a computer to respond to any date or date change; or,
- (c) any loss of, damage to, change or corruption in, data or software on a computer system; or,
- (d) any Virus or Similar Mechanism, or Hacking, or degradation of, or breach of security in, or denial of access to, a computer system, or website.

Temporary Total Disablement shall mean temporary total disablement for less than 104 (not necessarily consecutive) weeks which prevents the Insured Person from attending to his usual business or occupation.

Terrorism shall mean any action, threat of action, or attempt at action, by any individual(s) or group(s) of individuals or body or organisation(s), whether acting alone, on behalf of, or in concert with any other body, organisation, or government, where such action, threat, or attempt is designed to influence, intimidate, or coerce, any government or international governmental organisation or the population or any section of the population, or any community, and the action, threat, or attempt, is made for the purpose of advancing a political, religious, or ideological cause.

Terrorism includes but shall not be limited to:

- (a) the use of violence against any person;
- (b) the causing of loss of, or damage to, property;
- (c) acts which endanger a person's life;
- (d) acts involving the use of biological or chemical materials or weapons, or any nuclear device, nuclear material, or radioactive substance;
- (e) acts which create a risk to the health of an individual, the public, or any section of the public;
- (f) acts designed or intended to interfere with, disrupt, or cause the malfunction of, any electronic or mechanical equipment.



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For the avoidance of doubt, the defined terms Terrorism and Act of Terrorism are independent of each other.

Third Party Premises shall mean premises that are owned, tenanted, or occupied by a third party and that are not used or occupied by the Insured.

Transit shall mean in transit by road, rail, or inland waterway, between any addresses within the Geographical Limits including any loading and unloading and whilst what is in transit is temporarily housed.

Turnover shall mean 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.

Unoccupied shall mean closed for Business or not occupied for its usual Business purposes for any period of more than 30 consecutive days.

Virus or Similar Mechanism shall mean program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Computer Data 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 and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

Working Hours shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period.

SECTION 1 – MATERIAL DAMAGE

INSURING CLAUSE

This Section shall cover, in accordance with the Indemnity Agreement, Damage to any of the Property Insured for which a Limit of Indemnity or Inner Limit of Indemnity is stated in the Schedule. The Company will pay to the Insured the values of such property at the time of the Damage or the amount of the Damage or at the Company's option reinstate or replace such Property Insured or any part thereof.

Provided that the liability of the Company during any Period of Insurance shall in no case exceed, in respect of each Item, the relevant Inner Limit of Indemnity in the Schedule or in the aggregate any aggregate Limit of Indemnity in the Schedule.

EXTENSIONS APPLICABLE TO SECTION 1

1. Annexes

Unless more specifically insured the following are included in respect of the Buildings to which such property is attached or belongs:

- (a) external fire escapes, hoists, gangways, external clocks, fences, walls, gates, and staircases and water tanks;
- (b) external trunks, conveyors, shafting, belting, ropes, cables, service pipes, and similar equipment including all supporting structures and all such property in the adjoining yards, roadways, or underground;
- (c) small outside buildings and their contents, conveniences, yards, car parks, service roads, loading bays, street furniture, the buildings and contents of extensions to, and communicating with, any of the above described buildings, oil and fuel tanks, and ancillary equipment and the contents thereof;

all the property of the Insured or for which they are responsible.

2. Branded Goods

In the event of a claim for Damage to the Property Insured any salvage of branded goods, and/or merchandise either in the Insured's own possession or held by them in trust or on commission, and/or goods sold but not delivered shall not be disposed of by sale without the consent of the Company. If such salvage is not disposed of by sale then the claim will be assessed at the value agreed between the Insured and the Company and taken into consideration at the settlement of the loss.

3. Capital Additions

The Company agrees to include:

Any newly acquired and/or newly erected Buildings and Machinery/Plant including improvements and extensions, insofar as they are not otherwise insured anywhere in the Geographical Limits.

Provided that:

- (a) the liability of the Company in respect of Property Insured at any one location shall not exceed the Inner Limit of Indemnity shown in the Schedule;
- (b) the Insured undertake to give to the Company full particulars of any Buildings and Machinery/Plant subject to cover under this Extension within 30 days of cover attaching, and to effect specific insurance thereon retrospective to the date of the commencement of the Insured's liability; and,
- (c) following advice of any additional insurance the provisions of this Extension are fully reinstated.

4. Changing Locks and Keys

The Company agrees to include costs incurred as a result of the necessary replacement of locks and keys following the loss of keys by theft from the Premises or from the homes of principals, directors, or authorised Employees, or by unauthorised duplication of keys, provided that if such keys relate to a safe or strong room no payment shall be made if they are left on the Premises overnight.

5. Clearing of Drains

The Company agrees to cover expenses necessarily incurred in clearing, cleaning, or repairing drains, gutters, sewers, and the like for which the Insured is responsible as a result of Damage to the Property Insured.

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6. Contract Price

In respect of Damage to goods sold under a sale contract but not delivered, for which the Insured is responsible, which contract is cancelled by reason of the condition of the goods, the liability of the Company shall be based on the contract price.

7. Customers' Goods

The Insured having accepted responsibility for Damage to customers' property or for which the customers may be legally responsible, it is agreed that all such goods shall be insured by the Item as shown in the Schedule covering Stock except insofar as they shall be more specifically insured.

8. European Community and Public Authorities

This Policy extends to include such additional cost of reinstatement as may be incurred to comply with European Union legislation or building or other regulations under any Act of Parliament or bye-laws of any public authority in respect of the Damaged Property Insured excluding:

- (1)
 - (i) Damage occurring prior to the inception date of this Policy;
 - (ii) Damage not insured by these Sections;
 - (iii) reinstatement required pursuant to any notice that has been served upon the Insured prior to the happening of the Damage;
 - (iv) reinstatement required pursuant to an existing requirement which has to be implemented within a given period;
 - (v) any Property Insured that is entirely undamaged;
- (2) the additional cost that would have been required to make good the Property Insured to a condition equal to its condition when new had the necessity to comply with the legislation or regulations not arisen;
- (3) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property Insured or by the owner thereof by reason of compliance.

Provided that:

- (i) 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 in writing allow during the said twelve months, and may be carried out upon another site if the Legislation or Regulations so necessitate, subject to the liability of the Company under this Extension not being increased;
- (ii) if the liability of the Company under any Item in the Schedule shall be reduced by the application of any of the terms and conditions of this Section then the liability of the Company under this Extension shall be reduced in like proportion;
- (iii) the total amount recoverable under any Item as shown in the Schedule shall not exceed the relevant Limit of Indemnity.

9. Fire Extinguishing Expenses

The Company agrees to include:

- (a) the cost of replacing or replenishing extinguishment materials necessarily and reasonably expended by the Insured, their Employees, or the fire brigade in attempts to extinguish or minimise Damage by fire;
- (b) the cost of extinguishment expenses for which the Insured may be assessed in the event of Damage;
- (c) Damage by the fire brigade in respect of landscaping at the Premises as a result of Damage to the Premises;

during or following Damage by fire at the Premises, not exceeding the Inner Limit of Indemnity stated in the Schedule and only to the extent that such expenses are not otherwise recoverable.

10. Glass

The Company agrees to include breakage of sanitary fixtures and fittings, mirrors, fixed plain, plate, or sheet glass, including wired or armoured glass, including the cost of boarding-up, temporary repairs, and removal of debris, and obstructions but excluding Damage:

- (a) to glasshouse conservatories, or cold frames;
- (b) not extending through the glass's entire thickness;
- (c) to any glass flawed or broken at the commencement of this Policy;
- (d) due to dilapidation of frames, or framework.

The Limit of Indemnity shall not exceed the amount stated in the Schedule.

11. Inadvertent Omissions

The Insured having intended to insure all Property Insured within the Geographical Limits in which the Insured is interested and it being the Insured's belief that all such property is insured (for the avoidance of doubt, this Extension shall not apply where the Insured deliberately or recklessly omitted the property), if hereafter any such Property Insured shall be found to have been inadvertently omitted the Company will deem it to be insured within the terms of this Section as from the commencement of the Period of Insurance or from the date of the Insured's interest in such property if erected or purchased after the commencement of the Period of Insurance;

Provided that:

The Limit of Indemnity under this Extension shall for the purpose of the Average Condition be added to the combined total of the sum of the Declared Value for Buildings and Machinery/Plant and the Limit of Indemnity for all other Property Insured.

The insurance under this Extension shall not apply to Property Insured situate outside the Geographical Limits.

12. Internal Transfers

The Company agrees to include any property transferred between the Premises described in any Item anywhere within the Geographical Limits including transit by road, rail, air, and inland waterway, but excluding loading and unloading between the Premises, subject to the Inner Limit of Indemnity stated in the Schedule.

13. Leased or Rented Premises

If during the Period of Insurance any premises leased or rented by, or to, the Insured anywhere within the Geographical Limits sustains Damage, where separate insurances are placed elsewhere in respect of such premises under lease agreements or otherwise, the Company will indemnify the Insured in respect of the difference between the amounts recoverable under such other insurance and the amounts which would be payable under this Policy.

Further this Policy extends to include any difference in conditions between such other insurances and those contained within this Policy.

14. Metered Water

The Company agrees to include the costs for which the Insured is responsible in respect of loss of metered water provided that the Insured maintains a record of readings from the Water Authority meter at intervals of not more than 7 days.

The amount payable in respect of any one Premises is limited to such excess water charges demanded by the Water Authority and resulting from the accidental escape of water from pipes, apparatus, or tanks as a result of Damage and shall not exceed the Inner Limit of Indemnity stated in the Schedule.

15. Non-invalidity

If the risk of Damage is increased by any act or omission, or by any alteration, that occurs without the Insured's knowledge, such increase will not invalidate this insurance, provided that the Insured immediately on such act, omission or alteration coming to their knowledge, gives notice thereof to the Company and pays such extra premium as the Company may require.

16. Professional Fees

The Company agrees to include an amount in respect of Professional Fees provided that the liability for Damage and fees shall not exceed in the aggregate either:

- (a) the amount payable for such fees authorised under the Scale of Professional Charges of the Royal Institute of British Architects the Royal Institution of Chartered Surveyors the Association of Consulting Engineers and the Law Society; or,
- (b) the relevant Limit of Indemnity as shown in the Schedule;

whichever is the less.

17. Re-Erection Costs

The Company agrees to include under Item No 2 of Section 1 as shown in the Schedule the cost of re-erection and fixing Machinery/Plant as a result of Damage by any of the Defined Perils subject to the Inner Limit of Indemnity stated in the Schedule.

18. Reinstatement Day One (Non-Adjustable)

- A. For each Item of Property Insured other than Stock the first and annual premiums are based upon the Declared Value as stated in the Schedule;
- B. The Insured must notify the Company of the Declared Value at the start of each Period of Insurance.

If the Insured fails to notify the Company of the Declared Value at the start of any Period of Insurance, the Company will use the last Declared Value notified by the Insured for the following Period of Insurance.

Unless otherwise stated in the Schedule, in the event of Damage the basis upon which the Company will calculate the amount it will pay for any claim will be the reinstatement of the Property Insured lost, destroyed or damaged, subject to the following conditions:

- (i) If Property Insured under any Buildings, or Machinery/Plant Item described in the Schedule, other than pedal cycles, personal items, rent or motor vehicles if insured, is lost or destroyed, the Company will pay for its rebuilding or replacement by similar property in a condition as good as, but not better than or more extensive than, its condition when new;

If such Property Insured is damaged, the Company will pay for replacement or repair of the damaged portion to a condition as good as, but not better than or more extensive than, its condition when new;

However the Company will not pay more than it would have done if the property had been completely destroyed;

- (ii) The Property Insured may be replaced on another site and in a manner suitable to the needs of the Insured, but this must not increase the liability of the Company;
 - (iii) All work must begin and be carried out as quickly as possible;
 - (iv) If at the time of the Damage, the Declared Value is less than the cost of Reinstatement of the Property Insured at the start of the Period of Insurance, the liability of the Company for any Damage will be limited to that proportion which the Declared Value bears to the cost of Reinstatement of the Property Insured;
 - (v) The Company will not pay under this clause;
 - (a) Until the Insured has incurred the cost of replacing or repairing the property;
 - (b) If the Insured or an agent of the Insured has insured the property under another policy which does not have the same basis of reinstatement;
 - (c) If the Insured does not comply with any of the provisions of this clause
- However the Limits of Indemnity will be limited to 100% of the Declared Values stated in the Schedule;
- (vi) The maximum the Company will pay in respect of each separate Item subject to this clause is as stated in the Schedule.

COMMERCIAL PROPERTY POLICY

19. Salvage

The Insured shall have full right to the possession of all goods involved in any Damage and shall retain control and, exercising reasonable discretion, shall be the sole judge as to whether the goods involved in any Damage are fit for use. No goods so deemed by the Insured to be unfit for use shall be sold or otherwise disposed of except by the Insured or with the Insured's consent; however, the Insured shall allow the Company any salvage obtained on any sale or other disposition of such goods. In the event the Insured elects to stamp "salvage" on the merchandise or its containers or removes or obliterates the labels or brands they shall do so at their own expense.

20. Stock Basis of Settlement

The basis upon which the amount payable in respect of Stock is to be calculated as follows:

- (a) material in trade, supplies, and other merchandise not manufactured by the Insured shall be the replacement cost;
- (b) Stock which forms part of work in progress shall be the value of raw materials and labour plus the appropriate proportion of overhead charges;
- (c) finished Stock shall be the regular cash selling price less all discounts and charges to which such finished Stock would have been subject had no loss occurred.

21. Subsidence

The Deductible applicable to each and every occurrence of subsidence or ground heave or landslip shall be GBP1,000 unless a higher policy Deductible is stated in the Schedule.

22. Temporary Removal

The Property Insured under this Section, other than Stock, is covered whilst temporarily removed for cleaning, renovation, repair, or other similar purposes to another part of the Premises, or to any other premises within the Geographical Limits including whilst in Transit.

The amount recoverable in respect of each Item shall not exceed 10% of the relevant Limit of Indemnity after deducting the value of any Building, exclusive of fixtures and fittings, or Stock.

This Extension does not apply to:

- (a) motor vehicles and motor chassis licensed for normal road use;
- (b) property held by the Insured in trust, other than Machinery/Plant.

23. Temporary Removal (Documents)

The Company agrees to cover deeds and other documents, including stamps thereon, manuscripts, plans, and writings of every description, books, written and printed, and computer systems records; for an amount not exceeding 10% of their value whilst temporarily removed to any premises not in the Insured's occupation within the Geographical Limits and whilst in Transit.

24. Theft Damage to Buildings

The Company agrees to include Damage sustained to any Buildings leased or rented to the Insured and where the Damage has arisen as a result of theft, or attempted theft, involving entry to, or exit from, the Premises by violent and forcible means.

25. Third Party Premises

The Company agrees to include Property Insured at Third Party Premises anywhere within the Geographical Limits subject to the Inner Limit of Indemnity as stated in the Schedule.

COMMERCIAL PROPERTY POLICY

26. Trace and Access

The Company agrees to include costs necessarily incurred in locating the source of any escape of:

- (a) water from any fixed water services or heating installation;
- (b) fuel oil used for domestic purpose only;

including subsequent making good of damage caused as a consequence.

The amount payable shall not exceed the Inner Limit of Indemnity stated in the Schedule.

27. Undamaged Stock

The Company agrees to include any loss incurred less the amount of any salvage monies obtained in the event of undamaged Stock being rendered unusable for any reason whatsoever resulting solely from Damage.

28. Workmen's Clause

Workmen may be employed for the purpose of minor extensions, or alterations, installations, maintenance, and the like without prejudice to this Section.

FOR EXCEPTIONS SEE PAGES 24 TO 30

FOR CONDITIONS SEE PAGES 31 TO 41

SECTION 2 - BUSINESS INTERRUPTION

INSURING CLAUSE

In the event that any Building or other property, used in connection with the Business, has suffered Damage and as a result the Business carried on by the Insured is interrupted or interfered with, the Company will pay to the Insured in respect of each Item as stated in the Schedule the amount of loss resulting from such interruption or interference as calculated in accordance with the Basis of Cover Applicable to Section 2.

Provided that:

1. at the time of the Damage, there shall be in force an insurance covering the Premises against such Damage and:
 - (a) payment has been made or liability shall have been admitted; or,
 - (b) liability would have been admitted 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:
 - (a) the aggregate Limit of Indemnity as stated in the Schedule;
 - (b) the relevant Limit of Indemnity remaining after deduction for any other interruption or interference occurring during the Period of Insurance, unless the Company shall have agreed to reinstate the Limit of Indemnity.

BASIS OF COVER APPLICABLE TO SECTION 2

1. Gross Profit including Increase in Cost of Working – Declaration Linked Basis

Cover under this Item is limited to loss of Gross Profit due to reduction in Turnover and increase in cost of working and the amount payable shall be calculated as follows:

- (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, as a result of the Incident, fall short of the Standard Turnover;

Rate of Gross Profit and Standard Turnover shall be adjusted 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, 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;

- (b) in respect of the increase in cost of working, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover that, but for that expenditure, would have taken place during the Indemnity Period as a result of the Incident, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided, subject to the Uninsured Standing Charges Condition;

less any sums saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Profit that are not incurred or are reduced as a result of the Incident.

The liability of the Company shall not exceed in respect of Gross Profit 133.33% of the Declared Value stated in the Schedule nor in the whole the sum of 133.33% of the Declared Value for Gross Profit and 100% of the Limit of Indemnity by other Items.

2. Additional Increase in Cost of Working

Cover under this Item is limited to such further additional expenditure beyond that recoverable under clause (b) of Item No 1 on Gross Profit as the Insured shall necessarily and reasonably incur during the Indemnity Period as a result of the Incident for the purpose of avoiding or diminishing the reduction in Turnover.

3. Outstanding Debit Balances/Book Debts

Cover under this Item is limited to loss sustained by the Insured in respect of Outstanding Debit Balances due directly to the Incident and the amount payable in respect of any one occurrence shall not exceed:

- (a) the difference between:
 - (i) the Outstanding Debit Balances;
 - and,
 - (ii) the total of the amounts received or traced in respect thereof;
- (b) the additional expenditure incurred with the previous consent of the Company in tracing and establishing customers' debit balances after the Incident.

Provided that if the Limit of Indemnity is less than the Outstanding Debit Balances the amount payable shall be proportionately reduced.

Further, it shall be a condition precedent to liability that:

- (a) the Insured's books of account or other business books or records in which customers' accounts are shown shall be kept in a fireproof cabinet or the like; and
- (b) any accounting or other business records in which customer accounts are shown that are stored on Computer Equipment are 'backed up' weekly and stored off-site.

4. Fines and Damages

Cover under this Item is limited to fines or damages for breach of contract and the amount payable shall be such sums as the Insured shall be legally liable to pay and shall pay in discharge of fines or damages incurred solely as a result of the Incident for non-completion or late completion of orders.

5. Research Establishment Expenditure

Cover under this Item is limited to the loss sustained by the Insured as a result of the Incident in respect of the Research Establishment Expenditure and increase in cost of working and the amount payable:

- (a) in respect of Research Establishment Expenditure for each working week in the Indemnity Period during which the activities of the Business as a result of the Incident are:
 - (i) totally interrupted or totally given over to the reworking of projects affected – the Insured Amount Per Week;
 - (ii) partially interrupted or partially given over to the re-working of projects – an equitable portion of the Insured Amount Per Week based on the time rendered ineffective by reason of the Incident.
- (b) increase in cost of working reasonably and necessarily incurred as a result of the Incident in order to minimise the disruption, but the amount payable shall not exceed the additional amount that would have been payable under (a) above if no such increase had occurred;

less any sum saved during the Indemnity Period in respect of any of the Research Establishment Expenditure as a result of the Incident.

COMMERCIAL PROPERTY POLICY

6. Rent Receivable

Cover under this Item is limited to loss of Rent Receivable and additional expenditure, and the amount payable shall be:

- (a) in respect of loss of Rent Receivable, the amount by which the Rent Receivable during the Indemnity Period shall as a result of the Incident fall short of the Standard Rent Receivable;
- (b) in respect of additional expenditure: the amount incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which would have been due during the Indemnity Period as a result of the Incident but not exceeding the amount of the reduction thereby avoided;

less any amount saved during the Indemnity Period in respect of expenses and charges not incurred as a result of the Incident.

Provided that if the Limit of Indemnity is less than the annual Rent Receivable, or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months, the amount payable shall be proportionately reduced.

EXTENSIONS APPLICABLE TO SECTION 2

1. Loss following Damage to property and not otherwise excluded

Loss resulting from interruption of or interference with the Business in consequence of Damage to property as specified below and occurring within the Geographical Limits shall not exceed:

- (i) the percentage of the total of the Limits of Indemnity or 133.33% of the Estimated Gross Profit;
 - or,
 - (ii) the Limit of Indemnity and Maximum Indemnity Period shown in the Schedule.
- (a) **Specified Suppliers**
- Property of the supplier(s) detailed in the Schedule.

(b) **Unspecified Suppliers**

Property of any other of the Insured's direct suppliers, manufacturers, or processors of components, goods, or materials, but excluding the property of any supplier of electricity, gas, or telecommunications services, and premises not occupied by the Insured where Property Insured is stored.

(c) **Prevention of Access**

Damage to property within 5 miles of the Premises which shall prevent or hinder the use of the Premises or access thereto, but excluding Damage to property of any supplier from which the Insured obtains electricity, gas, water or telecommunications services, which prevents or hinders the supply of such services to the Premises.

(d) **Public Utilities**

Property at any generating station or sub-station of the electricity supplier, land based property of the gas supplier, or any natural gas producer linked directly thereto, water works or pumping station of the public water supplier, land based property of the telecommunications supplier, from which the Insured obtains electricity, gas, water, or telecommunications services.

(e) **Specified Customers**

Property of the customer(s) listed in the Schedule.

(f) **Unspecified Customers**

Property of any other of the Insured's direct customers, with whom at the time of the Incident the Insured has contracts to supply goods or services.

(g) **Contract Sites**

Premises not in the occupation of the Insured where the Insured is carrying out the contracts for the supply of goods or services.

(h) **Transit**

The Property Insured whilst in Transit.

(i) **Property Stored**

The Property Insured whilst stored anywhere other than at the Premises occupied by the Insured.

(j) **Group Interdependency**

Property of any member, subsidiary, or associated company of the Insured shall be deemed to be loss resulting from Damage to Property Insured used by the Insured at the Premises to the extent to which that member, subsidiary, or associated company has been declared to, and accepted by, the Company

(k) **Professional Insured – Documents**

Documents belonging to, or held in trust by, the Insured, whilst temporarily at premises not in the occupation of the Insured, or whilst in Transit.

(l) **Failure of Utilities**

The accidental failure of:

- (i) the supply of electricity at the terminal ends of the supplier's feeders at the Premises;
- (ii) the supply of gas at the supplier's meters at the Premises;
- (iii) the supply of water at the supplier's main stop cock serving the Premises;
- (iv) the supply of telecommunications services, other than satellite services, at the incoming line terminals or receivers at the Premises;

excluding any failure:

- (i) for a duration of twenty four hours or less;
- (ii) caused by the deliberate act of any supplier by any such supplier utilising its power to withhold or restrict supply or services not for the purpose of safeguarding life or protecting the supplier's system;
- (iii) caused by strikes or any labour or trade dispute;
- (iv) caused by drought;

- (v) caused by atmospheric or weather conditions but this shall not exclude failure due to Damage to equipment caused by such conditions.

2. Infectious Diseases

This Extension shall only apply in respect of the Premises:

Loss resulting from interruption of or interference with the Business in consequence of:

- (a) (i) any occurrence of a Notifiable Disease at the Premises or attributable to food or drink supplied from the Premises;

or,

- (iii) any discovery of an organism at the Premises likely to result in a Notifiable Disease;

- (b) the discovery of vermin or pests at the Premises;

- (c) any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority;

- (d) any occurrence of murder or suicide at the Premises;

including the costs and expenses necessarily incurred with the consent of the Company in:

- (i) cleaning and decontamination of Property Insured used by the Insured for the purpose of the Business, other than Stock;
- (ii) removal and disposal of contaminated Stock;

at or from the Premises the use of which has been restricted on the order or advice of the competent local authority solely as a result of the Incident.

Proviso 1 in the Insuring clause to Section 2 shall not apply to the above Extensions.

FOR EXCEPTIONS SEE PAGES 24 TO 30

FOR CONDITIONS SEE PAGES 31 TO 41

COMMERCIAL PROPERTY POLICY

SECTION 3 - TERRORISM

INSURING CLAUSE

The Insurance provided by Sections 1, 2 and 5 is extended by this Section to include any loss directly caused by an Act of Terrorism occurring during the Period of Insurance at the Premises but only in England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man nor the Channel Islands, subject to all the terms, Exceptions and Conditions of this Policy.

The Company's Limit of Indemnity under this Section in any Period of Insurance will not exceed the relevant Limit of Indemnity for each of Sections 1, 2 and 5.

FOR EXCEPTIONS SEE PAGES 24 TO 30

FOR CONDITIONS SEE PAGES 31 TO 41

COMMERCIAL PROPERTY POLICY

SECTION 4 - MONEY

INSURING CLAUSE

In the event of any Money belonging to the Insured or for which the Insured is responsible being lost, destroyed or damaged within the Geographical Limits by any cause the Company will indemnify the Insured in respect of such loss.

In addition the Company shall indemnify the Insured in respect of:

- (a) any financial loss sustained by the Insured arising out of the fraudulent use of any credit, bankers, or account cards, or cheques, or cash issued to and used by the Insured;

Provided that:

- (i) the Insured shall comply with the provisions, conditions and other terms under which such cards shall have been issued, and,
 - (ii) the liability of the Company shall not exceed the relevant Limit of Indemnity stated in the Schedule.
- (b) the cost of repair or replacement following loss, destruction or damage to:
 - (i) safes, strong rooms, or franking machines;
 - (ii) bags cases or waistcoats used for the carriage of Money.

EXTENSION APPLICABLE TO SECTION 4

Personal Accident Assault

In the event of Assault Injury to an Insured Person directly due to theft, or attempted theft, the Company will pay to the Insured Person compensation in accordance with benefits as stated in the Schedule.

FOR EXCEPTIONS SEE PAGES 24 TO 30

FOR CONDITIONS SEE PAGES 31 TO 41

COMMERCIAL PROPERTY POLICY

SECTION 5 - COMPUTER EQUIPMENT ALL RISKS

INSURING CLAUSE

This Section shall cover, in accordance with the Indemnity Agreement, Damage to any of the Property Insured for which a Limit of Indemnity is stated in the Schedule. The Company will pay to the Insured the values of such property at the time of the Damage or the amount of the Damage or at the Company's option reinstate or replace such Property Insured or any part thereof.

Provided that the liability of the Company during any Period of Insurance shall in no case exceed, in respect of each Item, the Limit of Indemnity in the Schedule.

EXTENSIONS APPLICABLE TO SECTION 5

The cover provided by this Section shall extend to include the following subject to the liability of the Company not exceeding in respect of each insured extension Limit of Indemnity stated within the Schedule in respect of any one claim or claims arising from an Event.

1. Accidental Discharge of Gas Flooding Systems

Where such gas flooding systems conform to the requirements of health and safety legislation the Company will pay for the cost of refilling the cylinder(s) of any gas flooding systems installed solely for the protection of the Property Insured arising out of the accidental discharge of such.

2. Additional Property

The Company agrees to include any newly acquired Computer Equipment insofar as it is not otherwise insured anywhere in the Geographical Limits provided that:

- (a) the liability of the Company in respect of Property Insured at any one location shall not exceed the Limit of Indemnity shown in the Schedule;
- (b) the Insured undertake to give to the Company full particulars of any Computer Equipment subject to cover under this Extension within 30 days of cover attaching, and to effect specific insurance thereon retrospective to the date of the commencement of the Insured's liability;
- (c) following advice of any additional insurance the provisions of this Extension are fully reinstated.

3. Additional Rental

In the event of Damage insured by this Section to Property Insured requiring replacement of a lease/hire agreement by a new contract for similar property the Company undertakes to pay any additional rental charges reasonably incurred.

4. Automatic Reinstatement

The amounts stated in this Section as Limits of Indemnity will be automatically reinstated from the date of occurrence of any claim at additional premium to be agreed between the Company and the Insured except that the Company will not require additional premium if the total cost of the claim does not exceed GBP10,000.

5. Breakdown or Derangement

The cover provided by this Section shall extend to include Damage to any item of Computer Equipment due to its own breakdown or derangement but only when such item is at the time of the Damage the subject of a maintenance rental hire or lease agreement which must provide a minimum service of on call remedial and/or corrective maintenance at inclusive cost.

COMMERCIAL PROPERTY POLICY

6. Consulting Engineers' Fees / Repair Investigation Costs

The Company will pay said fees/costs incurred with the consent of the Company in conducting investigations and/or tests into possible repair reinstatement (whether or not successful) or replacement consequent upon Damage insured by this Section but not for preparing any claim the Company's liability for such Damage and fees/costs shall not exceed in the aggregate the Limit of Indemnity in respect of the appropriate Item.

7. Debris Removal

The Company will pay for costs and expenses necessarily incurred by the Insured with the consent of the Company in:

- (a) debris removal;
- (b) dismantling and demolishing;
- (c) shoring up or propping;

following Damage insured by this Section.

The Company shall not pay for any costs or expenses:

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

8. Fire Extinguishing Expenses

The insurance by this Section extends to include the costs incurred by the Insured in recharging replenishing or replacing fire extinguishing appliances (other than gas flooding systems) and replacing sprinkler heads in automatic sprinkler installations rendered necessary as a result of fire at the Premises for which liability is admitted under this Section.

9. Incompatibility of Computer Records

The Company will pay for:

- (a) costs of modification of Computer Equipment;
- or,
- (b) costs of replacement of Computer Equipment together with reinstatement of Programs and/or Data thereon;

(whichever is less) to achieve compatibility in the event that loss or destruction of Computer Equipment insured by this Section has resulted in undamaged Computer Equipment being incompatible with the replacement Computer Equipment.

10. Increase in Cost of Working

If the computer operations of the Business are interrupted or interfered with due to the occurrence during the Period of Insurance of an Incident the Company will pay as Increase in Cost of Working the additional expenditure necessarily and reasonably incurred by the Insured during the Indemnity Period in consequence of such interruption or interference.

11. Measures Taken in Avoidance of Impending Loss or Damage

The Company will subject to the Limit of Indemnity in respect of Item 1 – Fixed Computer Equipment pay costs incurred by the Insured in taking reasonable but exceptional measures to avoid or mitigate impending Damage insured by this Section provided that:

- (i) the impending Damage does not stem from any reasonable foreseeable cause and that Damage would be the natural outcome to be expected in the absence of such measure;
- (ii) the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken;
- (iii) the terms exclusions and conditions of this section shall apply as if Damage had occurred.

COMMERCIAL PROPERTY POLICY

12. Professional Accountants' Charges

The Company will subject to Limit of Indemnity – Increase in Cost of Working shown in the Schedule pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing particulars of any claim for which indemnity is provided by Limit of Indemnity – Increase in Cost of Working.

13. Reinstatement of Data

In the event of accidental loss distortion corruption or erasure of Data recorded on Media insured by this Section the Company will pay the costs necessarily and reasonably incurred by the Insured in the Reinstatement of Data but excluding the value to the Insured of the Data.

14. Reinstatement of Programs

In the event of accidental loss distortion corruption or erasure of Programs recorded on Media insured by this Section the Company will pay the costs necessarily and reasonably incurred by the Insured in the Reinstatement of Programs but not for any Reinstatement of Data or the value to the Insured of the Data contained therein.

15. Temporary Repairs and Expediting Costs

The Company will pay for costs necessarily and reasonably incurred in the making of temporary repairs upon or the expediting of the repair reinstatement or replacement of Property Insured consequent upon Damage insured by this Section.

16. Waiver of Subrogation against Authorised Users

The Company shall waive any rights of subrogation against any user of the Property Insured provided that:

- (i) such user has the authority of the Insured to use the Property Insured; and,
- (ii) that such user shall as if he were the Insured observe fulfil and be subject to the terms exclusions and conditions of this Section.

FOR EXCEPTIONS SEE PAGES 24 TO 30

FOR CONDITIONS SEE PAGES 31 TO 41

COMMERCIAL PROPERTY POLICY

SECTION 6 – GOODS IN TRANSIT

INSURING CLAUSE

The Company will by payment, or at its option by reinstatement, repair, or replacement indemnify the Insured against Damage to Goods whilst in Transit.

EXTENSIONS APPLICABLE TO SECTION 6

1. General Average and Salvage Charges

The Company will in addition to the relevant Limit of Indemnity pay the Insured any General Average and Salvage charges adjusted or determined to the contract of affreightment or the governing law and practice, or if there is no contract of affreightment, according to Foreign Statement or to York-Antwerp Rules, incurred to avoid, or in connection with the avoidance of, loss from any cause.

The Company shall pay to the Insured only General Average contributions and Salvage charges recoverable thereunder the subject matter insured shall be deemed to be insured for its full contributory value.

General Average deposits shall be payable on production of General Average deposit receipts.

The total amount recoverable under this extension shall not exceed GBP5,000.

2. Additional Costs

The Company will in addition to the relevant Limit of Indemnity pay to the Insured costs reasonably incurred in connection with the Goods in respect of:

- (a) transshipping any of the Goods to another vehicle or delivering it to its original destination or returning it to its place of despatch following Damage to the Goods or an accident to any vehicle owned or operated by the Insured;
- (b) clearing away the debris of any of the Goods consequent upon its Damage but only to the extent that such costs are not recoverable under any other insurance under this or any other policy;
- (c) reloading or recovery charges for which the Insured is responsible following accident, collision, fire, or overturning of the conveying vehicle, or the Goods falling from such vehicle but only to the extent that such charges are not recoverable under any other insurance under this or any other policy.

The total amount recoverable under this extension shall not exceed GBP5,000.

FOR EXCEPTIONS SEE PAGES 24 TO 30

FOR CONDITIONS SEE PAGES 31 TO 41

EXCEPTIONS APPLICABLE TO ALL SECTIONS

1. Building Collapse

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused by, or consisting of:

- (a) Damage to a Buildings or a structure caused by its own collapse or cracking; or,
- (b) Business Interruption resulting from Damage to Buildings or a structure caused by its own collapse or cracking;

unless resulting from a Defined Peril insofar as it is not otherwise excluded.

2. Cessation of Work

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused directly by or consisting of or resulting from cessation of work.

3. Chemical, Biological or Nuclear Risks

The Company shall not indemnify the Insured under Section 3 against any loss arising directly or indirectly caused by, or contributed to, by, or arising from:

- (a) (i) the radioactive, toxic, explosive, or other hazardous, properties of any explosive nuclear assembly or nuclear component thereof;
- (ii) ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
- (iii) chemical, biological, or radiological irritants, contaminants, or pollutants;

in respect only of residential property, houses and blocks of flats, and other dwellings, insured in the name of a private individual;

- (b) loss of any property at or Damage to any Nuclear Installation or Nuclear Reactor.

4. Consequential Loss

The Company shall not indemnify the Insured under Sections 1, 4, 5 or 6 against consequential loss or damage of any kind or description other than:

- (a) Rent Payable when such loss is expressly covered under Section 1;
- (b) that provided for specifically under Section 5 and such cover provided under Section 5 shall not include any consequential loss which is also insured under Section 2.

5. Corrosion

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused directly 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;

but this shall not exclude:

- (i) loss which results from a Defined Peril or from any other accidental damage not being an Excepted cause; or,
- (ii) subsequent loss resulting from a cause not otherwise excluded.

6. Data

The Company shall not indemnify the Insured against any loss directly or indirectly caused by or consisting of unexplained disappearance of information, unexplained or inventory shortage, misfiling or misplacing of information;

7. Digital or Cyber Risks

The Company shall not indemnify the Insured against any loss whatsoever directly or indirectly caused by or contributed to, or arising from, or occasioned by, or resulting from:

- (i) the alteration, modification, distortion, corruption of or damage to any Computer System; or,
- (ii) any alteration, modification, distortion, erasure, corruption of Computer Data;

where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack.

However, where Section(s) 1, 2, 3 or 5 are operative in the event that a peril listed below results from any of the matters described in paragraph (i) above, this Policy will cover Damage to Property Insured directly caused by:

Fire,
Explosion.

8. Erasure of Programs and Data

The Company shall not indemnify the Insured under Section 5 against loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other Damage to Property Insured and is not otherwise excluded.

9. Excepted Property

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss in respect of:

- (a) glass other than fixed glass, china, earthenware, marble, or other fragile or brittle objects;
- (b) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art, or rare books;
- (c) Money;

other than loss caused by a Defined Peril and not otherwise excluded.

10. Goods in Transit

Section 6 does not cover:

- (a) accounts, deeds, evidence of debt, currency, Money, bullion, notes;
- (b) jewellery, watches, gold and silverware, furs, or articles trimmed with fur;
- (c) animals, birds, or plants of any description;
- (d) loss of profit, loss of use or loss of market;
- (e) loss, destruction or damage caused by or consisting of:
 - (i) improper packing, rough handling, or unexplained shortage;
 - (ii) insect, vermin, or inherent vice;
- (f) loss, destruction or damage caused by or consisting of leakage, evaporation, shrinkage, dampness, dryness, breakage, change in temperature, colour, flavour, texture, or finish, mould, rust, wet, or dry rot, souring, bending, denting, chipping, marring, scratching.

Provided that this Exception shall not apply to loss, destruction, or damage not otherwise excluded that results from a Defined Peril, or from collision, derailment, overturning, stranding, burning, or sinking of a ferry or watercraft;

- (g) export shipments which have been laden on board export conveyance or have come under the protection of marine insurance whichever first occurs;
- (h) import shipments until fully discharged from import conveyance or until marine insurance has ceased to cover whichever last occurs.

COMMERCIAL PROPERTY POLICY

11. Heat

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused by fire resulting from the Property Insured undergoing any heating process involving the application of heat, other than by fire or explosion, resulting from the Property Insured undergoing any process of production, packing, treatment, testing, commissioning, servicing, or repair.

12. Leaks, Breakdown and Utilities

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused directly by or consisting of:

- (a) joint leakage, failure of welds, cracking, fracturing, collapse, or overheating of boilers, economisers, superheated pressure vessels, or any range of steam and feed piping in connection therewith;
- (b) mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus, or equipment in which such breakdown or derangement originates;
- (c) 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) loss which results from a Defined Peril, or from any other accidental damage not being an Excepted cause; or,
- (ii) subsequent loss resulting from a cause not otherwise excluded.

13. Maintenance Agreement

The Company shall not indemnify the Insured under Section 5 against Damage recoverable under any guarantee or maintenance rental hire or lease agreement.

14. Marine

The Company shall not indemnify the Insured

- (a) against any loss in respect of Property Insured that is insured by, or would, but for the existence of this Policy, be insured by any marine policy/ies, except in respect of any excess beyond the amount which would have been payable under the marine policy/ies had this insurance not been effected;
- (b) under Section 3 in respect of any loss arising under any marine, aviation, transit policy or any motor certificate or policy.

15. Molten materials

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused by or consisting of the solidification of the contents of molten material holding units, molten material, transmission lines and/or appurtenances, unless it results from a Defined Peril and is not otherwise excluded.

16. Money

The Company shall not indemnify the Insured under Section 4 against

- (a) loss, destruction, or damage:
 - (i) arising from dishonesty on the part of any director, partner, or Employee of the Insured not discovered within fourteen days of the occurrence;
 - (ii) occasioned by errors or omissions;
 - (iii) recoverable from a specialist security carrier
 - (iv) from an unattended vehicle operated or under the control of the Insured or their Employees;
 - (v) covered by a policy of fidelity guarantee insurance.
- (b) loss or shortages due to depreciation or currency fluctuation.

COMMERCIAL PROPERTY POLICY

17. Mould

The Company shall not indemnify the Insured against any loss caused directly by or consisting of or resulting from mould, mildew, fungus or spores but this shall not exclude such loss not otherwise excluded which itself results from a Defined Peril, in which case the Insured must report to the Company the existence and cost of the loss as soon as practicable, but no later than six months after the Defined Peril first caused any loss to the Insured during the Period of Insurance; the Company shall not indemnify the Insured for loss reported after that six month period.

18. Movable property

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss in respect of movable property in the open, fences and gates, caused by wind, rain, hail, sleet, snow, flood, or dust.

19. Other Excepted Causes

The Company shall not indemnify the Insured under sections 1 to 3 in respect of any loss caused directly by or consisting of

- (a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
- (b) faulty or defective workmanship, or operational error or omission on the part of the Insured or any of their Employees;
- (c) the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturer's instructions or specification;

but this shall not exclude subsequent loss which itself results from a cause not being an Excepted cause or otherwise excluded.

- (d) explosion occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus in which the internal pressure is due to steam only and belonging to or under the control of the Insured but this shall not exclude loss resulting from interruption or interference with the Business or subsequent loss which itself results from a cause not being an Excepted cause or otherwise excluded.

20. Other insurance

The Company shall not indemnify the Insured against any loss in respect of any property more specifically insured under any other policy, by or on behalf of the Insured.

21. Personal Accident Assault

The Company shall not be liable under Section 4 for Assault Injury consequent upon, or contributed to by:

- (a) the Insured Person having any physical or mental defect or infirmity, which was known to the Insured or the Insured Person at the inception of this Policy or prior to the latest renewal thereof, and which had not been declared to, and accepted in writing by, the Company;
- (b) Assault Injury to any person under the age of sixteen years or over the age of seventy years.

22. Pollution

The Company shall not indemnify the Insured under Sections 1, 2, 3, 5 and 6 against any loss caused by pollution or contamination but this Exception shall not apply to Damage to Property Insured caused by:

- (a) pollution, or contamination from a Defined Peril;
- (b) a Defined Peril resulting from pollution or contamination.

23. Pressure waves

The Company shall not indemnify the Insured against any loss caused by or consisting of pressure waves caused by aircraft, or other aerial devices, travelling at sonic or supersonic speeds, but this shall not exclude subsequent loss which itself results from a cause not otherwise excluded.

24. Private property

The Company shall not indemnify the Insured under Section 3 in respect of Damage to:

- (a) any property which is specifically excluded elsewhere in this Policy;
- (b) any land or Building which is insured in the name of an individual and is occupied by that individual for residential purposes unless:
 - (i) insured under the same policy as the remainder of the Building which is not a private residence;
 - (ii) the Building is a block of flats.

25. Property Insured away from the Premises

The Company shall not indemnify the Insured under Section 1 and 5 against Damage to Property Insured:

- (a) away from the Premises (where the insurance on any Property Insured item as stated in the Schedule so provides) caused by theft or attempted theft of the Property Insured:
 - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property Insured to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked;
 - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property Insured to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound;
 - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer;
 - (iv) where Property Insured is otherwise left unattended (which term shall mean that the Insured is unable to exercise control over or otherwise unable to influence events affecting the Property) unless contained in a locked building of substantial construction or in a secure locked room.
- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by:
 - (i) storm, tempest, water, hail, frost or snow;
 - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours.

26. Property in Transit

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss in respect of property in transit except as provided for by Section 1 Extensions – Temporary Removal and Temporary Removal (Documents).

27. Reinstatement of Data and Reinstatement of Programs

The Company shall not indemnify the Insured under Section 5 in respect of cover under Limit of Indemnity - Increase in Cost of Working the costs of Reinstatement of Data and Reinstatement of Programs onto Media.

28. Radiation

The Company shall not indemnify the Insured under any Section of this Policy against any loss or liability: 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;

29. Riot

The Company shall not indemnify the Insured:

- (a) against any loss arising directly or indirectly in consequence of riot, civil commotion and (except in respect of any loss by fire or explosion) strikers, locked out workers, persons engaged in labour disturbances or malicious persons in Northern Ireland;
- (b) under Section 3 in respect of any loss directly or indirectly caused by or contributed to by, or arising from, or occasioned by or resulting from riot or civil commotion.

30. Sanctioned Territories

The Company shall not indemnify the Insured under this Policy against Damage to Property Insured (where the insurance on any Property Insured item so applies) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America.

31. Satellite Telecommunications

The Company shall not indemnify the Insured under Section 5 against Increase in Cost of Working due to

- (i) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
- (ii) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite.

32. Subsidence

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused by or consisting of subsidence or ground heave or landslip:

- (a) of yards, car-parks, roads, pavements, walls, gates and fences unless a Building at the Premises insured hereby is also Damaged thereby;
- (b) caused by or consisting of:
 - (i) the normal settlement or bedding down of new structures;
 - (ii) the settlement or movement of made-up ground;
 - (iii) coastal or river erosion;
 - (iv) defective design or workmanship or the use of defective materials;
 - (v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe.
- (c) where Damage originated prior to the inception of this Policy;
- (d) caused by:
 - (i) demolition, construction, structural alteration or repair of any property; or,
 - (ii) groundworks or excavation;at the Premises.

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33. Terrorism

The Company shall not indemnify the Insured against:

- (a) any loss occasioned by or happening through or in consequence directly or indirectly of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- (b) any loss cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with, any action taken in controlling, preventing, suppressing, or in any way related to Terrorism.

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

34. Theft

The Company shall not indemnify the Insured under Sections 1 to 3 and 5 against any loss caused directly by or consisting of theft or any attempted theft:

- (a) which does not involve entry to, or exit from, the Premises by forcible and violent means;
- (b) of Property Insured whilst left in any yard, open space, or open sided building;
- (c) by or in collusion with any Employee or any other person lawfully on the Premises unless such loss is notified to the Company within 30 days of it occurring.

35. Unoccupied Buildings

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss caused:

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

in respect of any Building which is Unoccupied.

36. Vehicles, Construction, Agriculture and Roads

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss in respect of:

- (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 any such property in the course of construction or erection;
- (c) land, roads, pavements, piers, jetties, bridges, culverts, or excavations;
- (d) livestock, growing crops, or trees;

other than:

- (i) under Section 1 where specifically insured;
- (ii) under Section 2 - where Business Interruption is caused by a Defined Peril and such property or sites are specifically insured or noted under the description of Premises.

37. War

The Company shall not indemnify the Insured against any loss or liability arising directly or indirectly in consequence of:

- (a) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not) civil war, rebellion, revolution, insurrection, sabotage, mutiny, martial law, military or usurped power;
- (b) nationalisation, confiscation, requisition, seizure or destruction by any government or any public authority;
- (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

38. Water Table

The Company shall not indemnify the Insured under Sections 1 to 3 against any loss attributable solely to change in the water table level.

COMMERCIAL PROPERTY POLICY

CONDITIONS APPLICABLE TO ALL SECTIONS

1. Accumulated Stocks

In adjusting any loss under Section 2, account shall be taken and an equitable allowance made if any shortfall in Turnover due to an Incident happens by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

2. Alteration of Risk

Sections 1 to 6 shall cease to have effect from the date of any one of the following:

- (a) the interest of the Insured ceases;
- (b) the Business is wound up, or carried on, by an administrator, trustee in bankruptcy, liquidator, or receiver, or permanently discontinued;
- (c) any alteration which materially affects the risk insured provided that if the alteration could not reasonably have been known to the Insured, or the alteration is beyond the Insured's control, the Policy shall continue in force, subject to the Insured:
 - (i) notifying the Company in writing of the alteration in risk within 14 days of the Insured becoming aware of the alteration;and,
 - (ii) promptly paying any additional premiums required by the Company, such amount to be calculated at the Company's discretion.

3. Alternative Trading

If during the Indemnity Period goods shall be sold or services rendered elsewhere than at the Premises for the benefit of the Business, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

4. Automatic Fire Alarm Installations

It shall be a condition precedent to liability under Sections 1, 2 and 5 that where automatic fire alarms are installed the Insured shall:

- (a) carry out the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed;
- (b) carry out the maintenance procedures specified by the manufacturers of the equipment;
- (c) notify the Company immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 hours or more;
- (d) record details of all events such as alarm faults, tests, maintenance, and disconnections and keep such details available for examination by the Company's representatives.

5. Automatic Reinstatement

In the absence of written notice by the Company or the Insured to the contrary the insurance by Sections 1, 2 and 5 shall not be reduced by the amount of any loss and in consideration the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance. This shall not apply to losses that are covered under Section 3.

6. Automatic Sprinkler Installations

It shall be a condition precedent to liability under Sections 1, 2 and 5 that where an automatic sprinkler system is installed the Insured shall ensure that:

- (a) it is continuously operational;
 - (b) every working day a test is made to ensure that the circuit between the alarm switch and the control unit, except where it is continuously monitored or is such that one break of wires will not prevent an alarm signal being transmitted, for example a ring circuit, is operational;
 - (c) every week:
 - (i) a test is made to ensure the condition of:
 - (1) the connection with the public fire station, central fire alarm depot, or public fire brigade control, unless they have given a written undertaking to carry out this test;
 - (2) the relevant batteries.
- However, where the circuit concerned is not continuously monitored, these tests must be made every day;
- (ii) the alarm gong is tested to ensure that it is in working order and that the stop valves controlling the individual water supplies and the installation are fully open;
 - (iii) the pump(s) are tested to ensure they can be started both automatically and manually and that in respect of any diesel engine driven pump the battery electrolyte level and density are correct and a record is kept;
- (d) they have a contract with approved installing engineers providing for the maintenance and half-yearly inspection of the automatic sprinkler installation system and obtain certification after each inspection that the system is in satisfactory working order;
 - (e) every quarter or half year, if required by the Company, they test that each water supply is in order and a record of the tests is kept;
 - (f) they remedy promptly any defect disclosed by any tests;

- (g) they comply with and display prominently at each sprinklered area, a notice of the terms agreed with the Company which specifies:
 - (i) the description of goods that may be stored;
 - (ii) the maximum height of storage;
 - (iii) the minimum permitted clearance between goods stored and the sprinkler deflectors.

Provided the Insured shall not be in breach of sub-clauses (a) or (b) of this Condition if:

- (i) notice is given to the Company immediately the installation is rendered inoperative or in the event of an emergency; and
- (ii) the Insured takes all reasonable steps immediately to ensure the installation returns to full operation.

7. Average

Each Declared Value is to be subject to Average, meaning that if the Property Insured shall, at the commencement of any loss, be collectively of greater value than the Declared Value then the Insured shall pay the difference and shall bear a rateable share of the loss accordingly.

8. Building Works on an Adjoining Site

The Insured shall give immediate notice to the Company in respect of subsidence, landslip, and ground heave.

In the event of building demolition or excavation operations being commenced on any adjoining site the Company shall have the right to vary or cancel the cover against loss caused by subsidence, landslip, and ground heave.

9. Cancellation

The Company may cancel this Policy by sending thirty days notice by registered letter to the Insured at their last known address, or that of their agent or intermediary. In such event the Insured shall become entitled to the return of a proportionate part of the premium corresponding to the unexpired portion of the Period of Insurance, less any sums due from the Insured to the Company; provided always that no claim(s) or circumstance(s) have been notified to the Company.

In the event that any claims or circumstances have been advised to the Company, then the Company reserves the right to withhold such return premium until such claims or circumstances are settled or a release from liability is received from the Insured.

If the sum total of all claims paid exceeds the calculated pro rata time on risk charge, the Company reserves the right to deduct the amount of the excess from the return premium which would have been allowable.

See also Condition 20 relating to Goods in Transit.

10. Contracting Purchaser

If at the time of loss the Insured has contracted to sell his interest in any of the Premises and the purchase has not been completed, the purchaser, upon completion of the purchase, if and to the extent the property is not otherwise insured against such loss by or on behalf of the purchaser, shall be entitled to benefit under Section 1 without prejudice to the rights and liabilities of the Insured and the Company until completion.

11. Data and Media Basis of Valuation

Should any electronic data or processing media insured by Section 1, 2 or 5 suffer physical loss or damage covered by this Policy then the basis of valuation shall be the cost of the blank media plus the cost of copying the electronic data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering, or assembling such electronic data. If the media is not repaired, replaced, or restored the basis of valuation shall be the cost of the blank media. However, Sections 1, 2 and 5 do not insure any amount pertaining to the value of such electronic data to the Insured or any other party even if such electronic data cannot be recreated gathered or assembled.

12. Deductibles

All claims under this Policy for loss arising out of any one occurrence, or series of losses arising out of one occurrence, shall be adjusted separately, and from the amount of each adjusted loss, the amount stated in the Schedule as the Deductible for the relevant Section shall be deducted after application of the terms, conditions, and provisions of this Policy including any condition of Average.

The Limit(s) of Indemnity and Inner Limits of Indemnity are inclusive of the Deductible.

13. Departmental

In respect of Section 2 if the Business be conducted in departments the independent trading results for which are ascertainable the provisions of clauses (a) and (b) of Item 1. Gross Profit including Increase in Costs of Working – Declaration Linked Basis shall apply separately to each department affected by the Incident except that if the Declared Value by the said Item be less than the aggregate of the sums produced by applying the Rate of Gross Profit for each department of the business (whether affected by the Incident or not) to its relative annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

14. Designation

For the purpose of determining the Item under which any property is insured the Company agrees to accept the designation under which such property has been entered in the Insured's books.

15. 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 Damage caused by an explosion originating therein is subject to the provision that such vessel, machinery, or apparatus shall be subject of a policy or other contract providing the required inspection service.

16. Contracts (Rights of Third Parties) Act 1999

A person who is not party to this Policy has no rights under the Contracts (Rights of Third Parties) Act 1999, or any subsequent legislation amending or replacing such Act, to enforce any term of this Policy but this shall not affect any right or remedy available to a third party, which exists or is available separately from that Act.

17. Fraud

The Company shall not indemnify the Insured against any loss caused directly by or consisting of acts of fraud or dishonesty on the part of the Insured or any partner, director or Employee of the Insured, members of their families or any other person to whom Property Insured has been entrusted but this shall not exclude such loss not otherwise excluded which itself results from a Defined Peril. Nor shall the Company provide any indemnity under this Policy in respect of a claim that is fraudulent in any respect. The Company may by notice to the Insured treat this Policy as having been terminated from the time of the fraudulent act and need not return any of the premiums paid.

18. Fire Break Doors and Shutters

It shall be a condition precedent to liability under Sections 1, 2 and 5 that all fire break doors and shutters be kept closed except during working hours and maintained in an efficient working order.

19. Fire Extinguishing Appliances

It shall be a condition precedent to liability under Sections 1, 2 and 5 that the Insured or persons acting on behalf of the Insured shall ensure that:

- (a) approved fire extinguishing appliances are on the Premises; and,
- (b) an inspection of the appliances be made every week to ensure they are in proper working order and any faults discovered are to be remedied immediately.

Provided this Section shall not be invalidated by any defect in any of the said appliances due to circumstances unknown to, or beyond the control of, the Insured.

20. Goods in Transit - Bailee

Section 6 shall not inure directly or indirectly to the benefit of any carrier nor without the affirmative consent of the Insured to the benefit of any other bailee. The Insured may accept without prejudice to Section 6 the ordinary or released value of Bills of Lading of carriers as provided in their tariffs otherwise the Insured agrees not to enter into any special agreements with carriers or bailees releasing them from their common law or statutory liability. The Company shall not be liable for any loss which without its written consent has been settled or compromised by the Insured.

21. Goods in Transit - Cancellation

In the event of cancellation of Section 6 the Insured agrees to furnish the Company with an accurate statement showing the total value of all shipments covered by Section 6 before the date of cancellation, and further agrees to pay premium on such amount if the premium thus determined exceeds the initial premium paid. The amount of such excess premium shall immediately become due and payable to the Company. If the earned premium is less than the original premium the Company shall return the difference to the Insured subject to any minimum premium requirements stated elsewhere in this Policy.

Cancellation of Section 6 does not prejudice any risk in Transit on the effective date of cancellation.

22. Goods in Transit - Component Parts

Under Section 6 when the Goods include a machine consisting of several parts then in respect of loss to any part of such machine the Company shall be liable only for the proportion of the value of the part lost or damaged or, at the Company's option, for the cost and expense (including labour and forwarding charges) of replacing or repairing the lost or damaged part but in no event shall the Company be liable for more than the value of the complete machine.

23. Goods in Transit - Reconditioning Labels

Under Section 6 in the case of damage affecting labels, capsules, or wrappers the Company shall not be liable for more than an amount sufficient to pay the cost of reconditioning the Goods but in no event shall the Company be liable for more than the insured value of the damaged merchandise.

24. Goods in Transit - Valuation

Under Section 6 the valuation of the Goods shall be the actual invoice cost including prepaid freight and any costs and charges since shipment and all claims under this Section shall be paid on this basis. If there is no invoice the valuation of the Goods shall be the actual cash market value of the Goods on the date of loss.

25. Goods in Transit - Vehicles

It shall be a condition precedent to liability under Section 6 that any vehicle and/or trailer left unattended whilst loaded

- (a) has all doors, windows, and other points of access, closed and securely locked, any security devices activated, and all keys to doors, ignition, or other services removed;
- (b) the vehicle and/or trailer is in a securely locked building or locked compound between the hours of 8pm to 6am.

26. Law

This Policy is subject to the law and jurisdiction of England and Wales.

27. Money

It shall be a condition precedent to liability under Section 4 that:

- (a) all protections and procedures for the safety of Money whilst in the Premises undertaken at the request of the Company are maintained and operated;
- (b) the keys for all protections, and any safes containing Money, are removed from the Premises out of Business Hours;
- (c) Money carryings are accompanied by the undernoted number of able bodied adults and distributed equally during Transit and until disbursement:
 - (i) up to GBP2,500
1 able bodied adult;
 - (ii) between GBP2,501 to GBP5,000
2 able bodied adults;
 - (iii) between GBP5,001 to GBP7,500
3 able bodied adults;
 - (iv) between GBP7,501 to GBP10,000
4 able bodied adults;
 - (v) Over GBP10,000
by a specialist Security Carrier as agreed with the Company.
- (d) the times of Transit, routes and conveyances used shall be varied as far as possible.

28. Non-Disclosure

The remedies set out in Section 8 and Schedule 1 of the Insurance Act 2015 shall apply to this Policy.

29. Observance of Terms

The Insured shall fulfil all terms, Conditions, and Endorsements, of this Policy in so far as they relate to anything to be done or complied with by the Insured.

30. Operation of the Policy

This Policy and its terms, including the Schedule, Definitions, Sections, Extensions, Exceptions, Conditions, and Endorsements, shall be read together as one contract. Any word or expression to which a specific meaning has been attached in any part of this Policy shall bear that meaning wherever it may appear unless such meaning is stated only to apply to a specific part of the Policy.

Headings in this Policy are included for convenience only and do not affect the construction of it.

31. Other Interests

Included as Insureds under Section 1, in respect of property not belonging to the Insured, are all parties who have an interest in such property, but only to the extent that the Insured have a responsibility to insure such interest.

32. Payments on Account

Under Section 2 the Company will at the option of the Insured make monthly payments on account during the Indemnity Period.

33. Personal Accident Assault

Under Section 4:

- (a) (i) Compensation shall not be payable under more than one of the Benefits in connection with the same accident;
 - (ii) on the happening of any Assault Injury this Section shall thereafter cease to apply to the Insured Person;
 - (iii) Permanent Total Disablement shall have lasted 104 weeks before Benefit 4 becomes payable;
 - (iv) the weekly rate provided by Benefit 5 as stated in The Schedule shall not exceed the rate of the pre-accident weekly earnings of the Insured Person;
 - (v) no sum payable under this Section shall carry interest;
 - (vi) no benefit shall be payable due solely to inability to take part in sports or pastimes.
- (b) Any certificates, information, and evidence required by the Company shall be furnished free of expense in the form described by the Company. The Insured Person shall as often as required submit to medical examination on behalf of, and at the expense of, the Company in connection with any claim.

34. Professional Accountants

Any particulars or details contained in the Insured's books of account or other business books, records, or documents, which may be required by the Company under the Claims Conditions the purpose of investigating or verifying any claim under any of those Sections, may be produced by professional accountants or auditors 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 or auditors for producing such particulars or details or any other proof, information, or evidence, as may be required by the Company and reporting that such particulars or details are in accordance with the Insured's books of account or other business books, records, or documents.

35. Reasonable Precautions

The Insured shall at their own expense take all reasonable care to prevent accidents, loss, and Damage and maintain the Premises, plant, vehicles, and anything else used in connection with the Business, in proper repair.

The Insured shall make good or remedy any defect and danger which becomes apparent, or take such additional precautions as the circumstance may require.

36. Reinstatement

If the Company elects or becomes bound to reinstate any Property Insured, the Insured shall at their own expense produce and give to the Company all such plans, documents, books, and information as the Company may reasonably require. The Company shall not be bound to reinstate exactly or completely 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 shown in the Schedule more than the Limit of Indemnity stated.

37. Security Protections

It shall be a condition precedent to liability under Sections 1, 2 and 5 that the Insured shall comply with the following provisions in respect of any intruder alarm installed at the Premises:

- (a) it is regularly and efficiently maintained under a maintenance contract with an alarm company;
- (b) it is brought into full and effective operation whenever the Premises are closed for business;
- (c) the alarm company is immediately advised of any apparent defect in the intruder alarm;
- (d) the Company is notified immediately and in writing if the Insured receives written notification from a police authority warning of possible or intended withdrawal of response to calls from the intruder alarm;
- (e) the agreement of the Company is obtained in writing before replacing, extending, or otherwise altering the intruder alarm;
- (f) whenever the Premises are left unattended the Insured shall ensure that:
 - (i) all locks, bolts, and other protective devices are in full operation;
 - (ii) details of any codes used for the operation of the intruder alarm and all keys to the intruder alarm shall be either removed from the Premises or placed within a locked safe or strong room, the keys to which are themselves removed from the Premises.

38. 72 Hour Clause

All claims for loss under Sections 1 and 2 arising from any one occurrence or series of occurrences shall be adjusted as one claim and the Deductible shall be deducted from each claim for the Defined Perils listed below.

The duration of any one occurrence shall be limited to 72 consecutive hours in respect of:

- (a) earthquake;
- (b) storm or flood;
- (c) bursting, overflowing, discharging, or leaking of water tanks, apparatus, or pipes;
- (d) sprinkler leakage.

Provided that the Company shall not be liable for any loss arising from Damage occurring before the effective date and time of this Policy nor for any occurring after the expiration date of this Policy.

39. Terrorism

- 1) The insurance provided by Section 3 is subject to all the terms Conditions and Exceptions of Sections 1, 2 and 5, and all other terms Conditions and Exceptions stated to be applicable to Section 3. If there is a conflict between Section 3 and the rest of the Policy Section 3 will prevail.
- 2) The Company will only indemnify the Insured under Section 3 if:
 - (a) The Treasury issues a certificate certifying that any loss was caused by an Act of Terrorism; or,
 - (b) In the event of the Treasury refusing to issue such a certificate a tribunal formed by agreement between the Company and Pool Reinsurance Company Limited decides that the cause of such loss was an Act of Terrorism.

The Insured will lose the right to indemnity or payment for any claim under Section 3 unless:

- (a) all property and/or premises owned by the Insured, or for which the Insured is responsible, including all such property and/or premises of subsidiary companies, unless it is the practice of any subsidiary company to effect its own insurance, are declared to the Company;
 - (b) the Insured has in effect terrorism insurance from a Pool Reinsurance Company Limited member company in respect of all such property and/or premises.
- 3) The following shall not apply to Section 3:
 - (a) any long term agreement/undertaking applying to this Policy;
 - (b) any terms in this Policy which provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance;
 - (c) any extension of the Property Insured to locations outside England, Wales and Scotland.

COMMERCIAL PROPERTY POLICY

40. Uninsured Standing Charges

If any standing charges of the Business are not insured by Section 2 having been deducted in arriving at the Gross Profit, then in computing the amount recoverable hereunder as increase in cost of working, that proportion of any additional expenditure shall be brought into account as the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges.

41. Unoccupied Buildings

Unoccupied Buildings shall not be covered under Section 1 unless:

- (a) notice in writing is given to the Company that the Buildings are unoccupied and payment of additional premium is made if requested by the Company;
- (b) the Insured ensures all doors and windows are fitted with good quality locks and are secured at all times;
- (c) the Insured properly maintains perimeter fences, walls and gates;
- (d) the Insured bricks up or boards over all unnecessary doors, windows, and other openings at first and ground floor levels;
- (e) the Insured or their appointed representative inspects the Premises internally and externally weekly;
- (f) the Insured removes all combustible materials from inside and around the Buildings and ensures that vegetation is kept under control; and,
- (g) the Insured disconnects the gas, electricity and water services leaving only the central suppliers for security alarms and the like.

42. Value Added Tax

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

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CLAIMS CONDITIONS

1. Contribution and other insurances

If at the time of loss there may be any other insurance effected by or on behalf of the Insured applicable to such loss, the liability of the Company under any of Sections 1 to 6 shall be limited to its rateable proportion of such loss.

If any such other insurance shall be subject to any condition of average this Policy, if not already subject to any condition of average, shall be subject to average in like manner.

If any such other insurance effected by or on behalf of the Insured is expressed to cover any of the Property Insured but 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 to the loss, the liability of the Company shall be limited to such proportion of the loss as the relevant Limit of Indemnity under this Policy bears to the value of the property.

2. Notice of loss

It shall be a condition precedent to liability that in the event of any loss the Insured:

- (a) notifies the Claims Manager in writing as soon as reasonably practicable but, in any event, within 30 days of its happening, and within 7 days of its happening in the case of loss caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, or malicious persons; or within such additional time as the Claims Manager or the Company may in writing allow.
- (b) notifies the Police Authority immediately it becomes evident that any loss has been caused by malicious persons or theft or any attempt thereat.
- (c) carries out and permits to be taken any action which may be reasonably practicable to prevent further loss.
- (d) delivers to the Claims Manager or, if the Claims Manager or the Company so requires, to the Company, at the Insured's expense:
 - (i) full information in writing of the property Damaged and of the amount of loss;

- (ii) details of any other insurances on any Property Insured within 30 days after such loss, and within 7 days in the case of loss caused by riot, civil commotion, strikers, locked-out workers, or persons taking part in labour disturbances, or malicious persons; or within such additional time as the Claims Manager or the Company may in writing allow;
 - (iii) all such proof and information relating to the loss as the Claims Manager or the Company may reasonably require;
 - (iv) if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.
- (e) shall, under Section 2 Business Interruption, at their own expense:
- (i) with due diligence carry out and permit to be taken any action which may reasonably be practicable, to minimise or check any interruption or interference with the Business, or to avoid or diminish the loss;
 - (ii) not later than 30 days after the expiry of the Indemnity Period provide details of the claim and any other applicable insurances;
 - (iii) deliver to the Claims Manager or, if the Claims Manager or the Company so requires, to the Company, such books of account, and other business books, vouchers, invoices, balance sheets, and other documents, proof, information, explanation, and other evidence as may reasonably be required.

If the terms of this Condition have not been complied with:

- A. no claim under this Policy shall be payable; and;
- B. any payment on account of the claim(s) already made, shall be repaid to the Company.

3. Subrogation

Where the Company is entitled to be subrogated in respect of any loss or liability, any claimant under this Policy shall, at the request and the expense of the Company allow to be done anything that may be necessary for the purpose of enforcing any such rights and remedies in order to obtain indemnity from other parties, whether before or after any payment by the Company.



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4. Subrogation Waiver

The Company agrees to waive any rights, remedies, or relief to which it might become entitled by subrogation against:

- (a) any company standing in the relation of parent to subsidiary (or subsidiary to parent) to the Insured.
- (b) any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary.

5. The Company's Rights Following a Claim

On the happening of loss 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 Company's rights under this Policy, enter, take, or keep possession of the Premises where such loss 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. If the Insured shall hinder or obstruct the Company in doing any of the above mentioned acts then all benefit under this Policy shall be forfeited.

No property may be abandoned to the Company whether taken possession of by the Company or not.

COMPLAINTS PROCEDURE

Liberty Mutual Insurance Europe SE aims to provide a high quality service to all its customers. In the event that you are dissatisfied please contact us so we can do what we can to help. We take complaints very seriously and aim to address all concerns fairly and efficiently. If you feel that we have not offered you this standard or you have any questions about your contract or the handling of a claim, then in the first instance you should contact your insurance broker or intermediary who arranged this insurance for you or the branch that issued the Policy.

If you are still not satisfied with the service and wish to make a complaint, you may do so in writing or verbally using the contact details below:

Compliance Officer
Liberty Mutual Insurance Europe SE
20 Fenchurch Street
London EC3M 3AW
Tel: +44 (0) 20 3758 0840
Email: complaints@libertyglobalgroup.com

quoting your Policy and/or claim number;

or

Compliance Officer
Liberty Mutual Insurance Europe SE
5-7 rue Léon Laval
L-3372 Leudelange
Grand Duchy of Luxembourg
Tel: +352 28 99 13 00
Email: complaints@libertyglobalgroup.com

quoting your Policy and/or claim number.

If after making a complaint you are still not satisfied, you may be entitled to refer the dispute to the Financial Ombudsman Service (FOS), which is a free and impartial service, who may be contacted at:

Exchange Tower
Harbour Exchange
London E14 9SR
Tel: 0800 023 4567
Email: enquiries@financial-ombudsman.org.uk

To confirm whether you are eligible to ask the FOS to review your complaint please contact them at www.financial-ombudsman.org.uk/consumer/complaints.htm.

Alternatively, as Liberty Mutual Insurance Europe SE is a Luxembourg insurance company, you are also entitled to refer the dispute to any of the following dispute resolution bodies:

Commissariat aux Assurances
7, boulevard Joseph II
L-1840 Luxembourg
Tel: (+352) 22 69 11 - 1
Email: caa@caa.lu
www.caa.lu

or

Service national du Médiateur de la consommation
Ancien Hôtel de la Monnaie
6, rue du Palais de Justice
L-1841 Luxembourg
Tel: (+352) 46 13 11
Email: info@mediateurconsommation.lu
www.mediateurconsommation.lu

or

Médiateur en Assurances
ACA
12, rue Erasme
L-1468 Luxembourg
Tel: (+352) 44 21 44 1
Email: mediateur@aca.lu
www.ulc.lu/fr/organes/detail.asp?T=2&D=descr&ID=6

PRIVACY NOTICE

How Liberty Specialty Markets uses your personal data

Liberty Specialty Markets takes the protection of your personal data seriously and is committed to protecting your privacy. There are a number of different companies within our group. The specific company within Liberty Specialty Markets which acts as the "data controller" of your personal data will be the organisation providing your policy as set out in the documentation that is provided to you. If you are unsure you can also contact us at any time by e-mailing us at dataprotectionofficer@libertyglobalgroup.com or by post at Data Protection Officer, Liberty Specialty Markets, 20 Fenchurch Street, London EC3M 3AW, UK. Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

In order for us to deliver our insurance services, deal with any claims or complaints that might arise and prevent and detect fraud, we need to collect and process personal data. The type of personal data that we collect will depend on our relationship with you: for example as a policyholder, third party claimant or witness to an incident. Your information will also be used for business and management activities such as financial management and analysis. This may involve sharing your information

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with, and obtaining information about you from, our group companies and third parties such as brokers, credit reference agencies, reinsurers, claims handlers and loss adjusters, professional advisors, our regulators or fraud prevention agencies. We also collect personal data about our suppliers and business partners (such as brokers) for the purposes of business management and relationship development.

Please see the full privacy notice available at www.libertyspecialtymarkets.com/privacy-cookies for further information on how your personal data is used and the rights that you have in relation to the personal data we hold about you. Please contact us using the details above if you wish to see the privacy notice in hard copy.

COMPANY INFORMATION

Liberty Mutual Insurance Europe SE (LMIE) trading as Liberty Specialty Markets, a member of the Liberty Mutual Insurance Group. Registered office: 5-7 rue Léon Laval, L-3372 Leudelange, Grand Duchy of Luxembourg, Registered Number B232280 (Registre de Commerce et des Sociétés). LMIE is a European public limited liability company and is supervised by the Commissariat aux Assurances and licensed by the Luxembourg Minister of Finance as an insurance and reinsurance company.

LMIE's UK branch registered address is 20 Fenchurch Street, London, EC3M 3AW which is authorised by the Commissariat aux Assurances and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority (registered number 829959). Details about the extent of regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from LMIE on request. www.libertyspecialtymarkets.com