

Keep me safe

Commercial Property Owners Insurance

Policy document



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Our claims service goes the extra mile. Committed to doing the right thing for policyholders we aim to settle claims quickly, even in the most difficult of circumstances.

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COMMERCIAL PROPERTY OWNERS INSURANCE POLICY

Liverpool Victoria Insurance Company Limited (the **Insurer**) will provide the insurance described in the Policy subject to its terms and conditions for the Period of Insurance stated in the Schedule and any subsequent period for which the **Insured** shall pay and the **Insurer** shall agree to accept the premium. Any information supplied by or on behalf of the **Insured** shall be incorporated in the contract

The Policy the Schedule the Statement of Fact and any endorsements shall be read together as one contract and this is the contract of Insurance between the **Insured** and the **Insurer**

It is therefore essential that the **Insured** provides a fair presentation of the risk, that the Statement of Fact and Schedule are accurate and true to the best of the **Insured's** knowledge and belief. If the **Insured** fails to provide a fair presentation of the risk, the Statement of Fact and/or Schedule are inaccurate, incomplete or untrue it may affect the **Insured's** rights under the Policy

Any word or expression to which a specific meaning has been given shall have that meaning wherever it appears

The **Insured** is not required to sign the Statement of Fact but should read it carefully and confirm that all the information contained within it and the Schedule is correct

If the presentation of the risk, the Statement of Fact and/or Schedule are incorrect or incomplete you should notify the Broker, Intermediary or Agent who arranged the Policy immediately and obtain a revised Statement of Fact and/or Schedule with the revisions required. You must ensure that all documentation in your possession is accurate and complete

DEFINITIONS

The following words or phrases have the same meaning wherever they appear, in **bold**, within this Policy

Building(s) – The Building or Buildings at the risk address(es) stated in the Schedule including

- a) outbuildings attached to or detached from the main Building
- b) walls gates and fences around the Buildings and belonging to them
- c) solar panels
- d) **Landlord's Fixtures and Fittings**
- e) car parks yards paved areas roads pavements and footpaths

all belonging to the **Insured** or for which the **Insured** is legally responsible

Business – The Business specified in the Schedule conducted solely from within the **Territorial Limits** including the ownership repair and maintenance of the **Premises** including the provision of first aid but excluding any first aid provided by any qualified medical practitioner or nurse

Computer – All equipment including interconnected wiring fixed disks and telecommunications equipment used at the **Premises** for the storage and communication of electronically processed data but excluding any such equipment controlling any manufacturing process belonging to the **Insured** or leased hired or rented to the **Insured** and for which the **Insured** is legally responsible

Computer Records – All current and backup Computer Records excluding fixed disks and paper records of any description incorporating stored programs and information stored on them belonging to the **Insured** or leased hired or rented to the **Insured** and for which the **Insured** is legally responsible

Consequential Loss – Loss resulting from interruption or interference with the **Business** carried on by the **Insured** at the **Premises** in consequence of **Damage**

Damage – Loss destruction of or damage to the **Property** insured

Declared Value – The **Insured's** assessment of the cost of reinstatement of the **Property** insured at the level of costs applying at the inception of the Period of Insurance including the extent to which indemnity is provided for

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

ignoring inflationary factors which may operate subsequently

Denial of Service Attack – Any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks network services network connectivity or information systems including but not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

Employee –

- a) Any person under a contract of service or apprenticeship with the **Insured** or
- b) any of the following persons whilst working for the **Insured** in connection with the **Business**
 - i. any labour master or labour only subcontractor or person supplied by them
 - ii. any self employed person providing labour only
 - iii. any trainee or person undergoing work experience
 - iv. any voluntary helper
 - v. any person who is hired to or borrowed by the **Insured**

Excess – The amount for which the **Insured** is responsible for each and every claim or loss as specified in the Schedule or in the Policy

Hacking – Unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data whether the property of the **Insured** or not

DEFINITIONS CONTINUED

Indemnity Period – The period beginning with the occurrence of the **Damage** and ending not later than the **Maximum Indemnity Period** as stated in the Schedule afterwards during which the results of the **Business** shall be affected in consequence of the **Damage**

Injury – Bodily injury death illness or disease mental injury or nervous shock

Insured – The person persons or company named in the Schedule including subsidiary companies notified to and agreed as accepted by the **Insurer**

Insured Perils – Those Insurable Perils which are operative as stated in the Schedule subject always to the terms conditions and exclusions applying to the Insurable Peril and of Section 1 and the Policy

Insurer – Liverpool Victoria Insurance Company Limited

Landlord's Contents – The contents of the **Buildings** used in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally responsible including furniture carpets furnishings and all other property belonging to the **Insured** or for which the **Insured** is responsible whilst contained in the common parts of the **Buildings** or parts of the **Buildings** under the direct control of the **Insured** including

- a) **Landlord's Contents** in the open subject to a maximum of £500 for any one loss
- b) Paintings prints and works of art subject to a maximum of £500 per item for any one loss
- c) **Money** subject to a maximum of £500 for any one loss

but excluding any property more specifically insured and

- a) **Computers** and **Computer Records**
- b) Stock and materials in trade
- c) property belonging to any **Tenant** for which the **Insured** is not responsible
- d) credit cards securities of any description jewellery curiosities or rare books
- e) mobile devices where the sole or primary function of the item is to make send and receive telephone calls and SMS messages

Landlord's Fixtures and Fittings –

- a) built-in furniture and built-in domestic appliances
- b) fixed pipes tanks fires central heating equipment boilers or storage heaters

Legal Costs – All costs and expenses incurred with the prior written consent of the **Insurer** in addition to claimant's costs and expenses for which the **Insured** is legally liable

Maximum Indemnity Period – The number of Months stated in the Schedule as applying to the Indemnity Period

Money – Cash bank currency notes uncrossed cheques uncrossed postal orders and money orders unused postage stamps National Insurance stamps trading stamps luncheon vouchers lottery and other prize scratch cards utility vouchers top up cards mobile phone vouchers and International Phone Cards held in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally liable

Offshore Installation –

- a) Any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- b) any installation in the sea or tidal waters which is intended for the storage or recovery of gas or generation of electricity
- c) any pipe or system of pipes in the sea or tidal waters
- d) any accommodation installation for persons who work on or from the locations specified above

Phishing – any access or attempted access to data or information made by means of misrepresentation or deception

DEFINITIONS CONTINUED

Pollution or Contamination –

- a) All Pollution or Contamination of buildings or other structures or of water or land or the atmosphere and
- b) all **Injury** loss or damage directly or indirectly caused by such Pollution or Contamination

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

Premises – The **Buildings** and the land inside the boundaries at the risk address stated in the Schedule

Principal – Any person firm company ministry or authority for whom the **Insured** is undertaking work

Products Supplied – Any goods or other property including containers packaging labelling and instructions for use sold supplied delivered erected repaired serviced altered treated installed processed manufactured or tested by the **Insured** in connection with the **Business**

Property –

- a) **Buildings Landlord's Contents** and in respect of Section 1 of the Policy such other items to which cover is expressly extended in Section 1 of the Policy or Schedule
- b) in respect of Section 6 of the Policy land and/or **Buildings** owned or occupied by the **Insured** or otherwise for which the **Insured** is legally responsible

The **Insurer** agrees to accept the classification under which any **Property** has been entered in the books of the **Insured**

Rent Receivable – The money paid or payable to the **Insured** by **Tenants** for accommodation and services provided in the course of the **Business** at the **Premises**

Solicitors' Fees – Solicitors' Fees for the representation of the **Insured** at any Coroner's Inquest or Fatal Accident Inquiry or at proceedings in any court of summary jurisdiction in respect of any occurrence which may be the subject of indemnity under Sections 3 and 4

Standard Rent Receivable – The **Rent Receivable** during the period immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Tenant(s) – The tenant or lessee(s) of any **Building**

Territorial Limits – Great Britain Northern Ireland the Isle of Man or the Channel Islands

Terrorism – 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

Unoccupied – Any **Building** or part of any **Building** which is empty or not in use by the **Insured** or any **Tenants** of the **Insured** for more than 60 consecutive days

Virus or Similar Mechanism – Program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not including but not limited to trojan horses worms and logic bombs

GENERAL CONDITIONS

The following general conditions apply to the whole of this Policy

1) Misrepresentation and Fair Presentation

The **Insured** and anyone representing the **Insured** have a Duty to provide a fair presentation of the risk. A fair presentation is one which, in a reasonably clear and accessible manner, provides the material facts which the **Insured** knows or ought to know following a reasonable search. Failing that, the information provided must be sufficient to warn the **Insurer** that additional enquiries must be made to fully understand the risk. The information provided must be substantially correct, complete and made in good faith.

If the **Insured** or anyone representing the **Insured**

- provides the Broker Intermediary or Agent who arranged the Policy or the **Insurer** with misleading incomplete or incorrect information when applying for amending or renewing this insurance
- deliberately and/or recklessly withholds information or misleads the Broker Intermediary or Agent who arranged the Policy or the **Insurer** in order to obtain cover or gain a cheaper premium or more favourable terms
- provides the Broker Intermediary or Agent who arranged the Policy or the **Insurer** with false documents

The **Insurer** may

- amend the **Insured's** Policy to record the correct information
- apply different terms (not relating to a higher premium) effective from the date of the misrepresentation. In which event the **Insured's** Policy will be amended to record the correct information and terms.
- reduce proportionately the amount to be paid on a claim, where different terms relating to a higher premium would have been applied. In which event the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of a claim
- cancel the **Insured's** Policy in accordance with General Condition 6) Cancellation
- void the **Insured's** Policy and treat it as if it had never existed and return the premium paid other than in circumstances of
 - i. deliberate and /or reckless misrepresentation where no premium shall be returned by the **Insurer**
 - ii. where the **Insured** has made claims under the Policy then
 - any sums that have been paid by way of benefit under the Policy will be deducted from any return premium due to the **Insured** or
 - in the event that the premium paid does not exceed the sums paid by way of benefit under the Policy the **Insured** will be responsible for reimbursing the **Insurer** the difference
- in addition to voiding the **Insured's** Policy the **Insurer** may also void any other policies which the **Insured** has with the **Insurer**. The premium paid for such policies will be returned other than in circumstances where
 - i. deliberate and/or reckless misrepresentation has also occurred on these policies, in which event, no premium shall be returned by the **Insurer**
 - ii. claims have also been made on these policies, in which event
 - any sums that have been paid by way of benefit under the Policy will be deducted from any return premium due to the **Insured** or
 - in the event that the premium paid does not exceed the sums paid by way of benefit under the Policy the **Insured** will be responsible for reimbursing the **Insurer** the difference

2) Fraud

If the **Insured** or anyone representing the **Insured**

- makes a fraudulent payment by bank account and/or card
- provides the Broker Intermediary or Agent who arranged the Policy or the **Insurer** with false documents or false statements to support a claim
- makes a claim or part of any claim that is fraudulent, false or exaggerated

GENERAL CONDITIONS CONTINUED

The **Insurer** may

- cancel the **Insured's** Policy and not return any premium paid by the **Insured** in accordance with General Condition 6) Cancellation
- reject a claim or reduce the amount of payment that would have been paid
- recover from the **Insured** any sums paid by way of benefit under the Policy in respect of any claim or part of any claim that is fraudulent, false or exaggerated
- pass details to fraud prevention and law enforcement agencies who may access and use this information

3) Reasonable Care

The **Insured** shall

- a) take all reasonable precautions to prevent or diminish loss destruction damage or injury
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority
- c) exercise care in the selection and supervision of **Employees**
- d) maintain all **Buildings** ways works machinery and plant in sound condition

As soon as possible after discovery of any defect or danger the **Insured** shall cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require

4) Alteration

This Policy shall cease to be in force from the date of the alteration if

- a) any alteration is made either in the **Business** or at the **Premises** or to any **Property** insured after the commencement of the insurance that increases the risk of loss destruction damage or injury

or

- b) the **Insured's** interest ceases except by will or operation of law or
- c) the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued unless the **Insurer** has agreed in writing to accept such alteration

5) Payment of Premium

It is a condition precedent to the **Insurer's** liability that

- a) the premium for the Policy or any endorsement attaching to the Policy shall be paid when due
- b) if the premium for the Policy or endorsement is payable by instalments then
 - i. each instalment shall be paid when due or
 - ii. where a notice has been issued requiring the outstanding amount must be paid by a specific date then such payment is made by that date

6) Cancellation

- a) Cancellation by the **Insured**
 - i. Cooling off cancellation rights

The **Insured** has the right to cancel the insurance from inception within 14 days of the receipt of the documents at the start of the insurance or within 14 days of the start of the insurance whichever is later ('the cooling off period') if the cover does not meet their requirements by returning all documents and any certificate to the Broker Intermediary or Agent who arranged the Policy

The **Insurer** shall return any premium paid in full within 30 days of the receipt of the notice of cancellation from the Broker Intermediary or Agent if the cover is cancelled either

- before the inception date or

GENERAL CONDITIONS CONTINUED

- within the 14 day cooling off period provided that no claim has been made or incident advised that could give rise to a claim in these circumstances no return of premium will be made

ii. Cancelling the Policy after the cooling off period

The **Insured** may cancel the insurance at any other time by contacting the Broker Intermediary or Agent who arranged the Policy

On receipt of the notification from the Broker Intermediary or Agent the **Insurer** will cancel the Policy and provide a proportionate return of the premium in respect of the unexpired Period of Insurance provided that no claim has been made or incident advised that could give rise to a claim in these circumstances no return of premium will be made

b) Cancellation by the **Insurer**

i. Non-payment of Premium

If the **Insurer** has not received the premium in accordance with the terms of General Condition 5) Payment of Premium the **Insurer** will cancel the Policy by giving 7 days' notice in writing by letter to the **Insured** at the **Insured's** last known address

The insurance will end immediately the 7 days' notice runs out

If the **Insured** has just incepted the Policy or renewed the Policy with the **Insurer** and the premium is unpaid then the **Insurer** will cancel the insurance from the inception or renewal date

ii. Cancellation for any other reason

The **Insurer** may cancel the Policy or any section or endorsement by giving 30 days' notice in writing by letter to the **Insured** at the **Insured's** last known address

The **Insurer** does not have to give a reason for the cancellation although valid reasons for doing so may include but are not limited to the following

- the **Insured** has not provided to the Broker Intermediary or Agent the information or documents the **Insurer** has requested as part of the terms and conditions in providing the insurance
- the **Insured** has not met the terms and conditions contained in this document of insurance including those shown on their Schedule
- where the **Insured** does not comply with any of the different policy terms and conditions imposed by the **Insurer** as a result of the identification of misrepresentation as detailed in General Condition 1) Misrepresentation and Fair Presentation
- where an alteration is made to the **Business** the **Premises** or the **Property** or where the **Insured's** interest ceases unless agreed by the **Insurer** as detailed in General Condition 4) Alteration
- where the survey arranged by the **Insurer** has identified additional risks which were not evident to the **Insurer** prior to the survey or where the **Insured** have not complied with the **Insurer's** acceptance criteria nor with the timely completion of any risk improvements as detailed in General Condition 10) Subject to Survey
- The **Insured** has behaved in a manner that makes it inappropriate for the **Insurer** to continue the insurance, e.g. the **Insured** harassing or showing abusive or threatening behaviour towards the **Insurer's** staff or the **Insurer's** appointed representatives

The insurance will end immediately the 30 days' notice runs out

If the **Insured** has just incepted the Policy or renewed the Policy with the **Insurer** and the premium is unpaid then the **Insurer** will cancel the insurance from the inception or renewal date

The **Insurer** will provide a proportionate return of premium in respect of the unexpired Period of Insurance of the Policy or Section other than in circumstances listed below

- where the **Insurer** identifies fraud as detailed in General Condition 2) Fraud
- where a claim has been made or incident advised that could give rise to a claim

in these circumstances no premium shall be returned by the **Insurer**

GENERAL CONDITIONS CONTINUED

7) Choice of Law

Both parties to this contract have a choice as to which law should be applied. In the absence of written agreement to the contrary English law applies to this contract

8) Observance of Terms

It is a condition precedent to the **Insurer's** liability that the **Insured** shall observe the terms of the Policy so far as they relate to anything to be done or complied with

9) Legal Representatives

In the event of the death of the **Insured** the **Insurer** will indemnify the **Insured's** legal personal representatives in respect of liability at law previously incurred by the **Insured** provided they observe fulfil and be subject to the terms conditions and limitations of the Policy to the extent that they can apply

10) Subject to Survey

If any insurance by the Policy either at inception or subsequent renewal has been granted subject to the completion of a survey of the **Premises** or if following notification of a claim or an alteration to the **Business** or the **Premises** or to any **Property** under the Policy the **Insurer** requires a survey

- a) then pending completion of such survey the terms conditions exclusions and limits as specified in the Policy and Schedule shall apply
- b) if following completion of the survey and in the opinion of the **Insurer** this has identified additional risks which were not evident to the **Insurer** prior to the survey then the **Insurer** reserves the right to alter or amend the terms and conditions of the Policy or to suspend or withdraw cover immediately
- c) the continuation of cover after the survey by the **Insurer** shall be subject to the **Insured** complying with the **Insurer's** acceptance criteria and the completion of any risk improvements required within the time frame agreed with the **Insurer** otherwise the **Insurer** may at its option invoke the General Condition 6) Cancellation

11) Third Party Rights

A person or company who is not a party to the Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any clause or term of the Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act

The **Insured** shall not assign or transfer their rights under the Policy without the written agreement of the **Insurer**

12) Limit of Indemnity

All the Sums Insured Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability stated in the Policy shall apply as maximum limits to the **Insurer's** liability irrespective of the number of persons entitled to indemnity under the Policy

For the purposes of the Sums Insured Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability the **Insured** and all other persons entitled to be indemnified under the Policy shall be treated as one party or legal entity so that there shall be only a single contract of insurance between the **Insurer** as one party and the **Insured** and all other persons entitled to be indemnified as the other party

13) Unoccupied Buildings

It is a condition precedent to the **Insurer's** liability that when any **Building** or portion thereof becomes **Unoccupied**

- a) the **Insured** must give immediate notice in writing to the **Insurer** of such unoccupancy and when any **Building** or portion thereof becomes re-occupied
- b) the **Insured** or their authorised representative will
 - i. ensure all the main services are turned off or disconnected (except the electricity supply to maintain any fire or intruder alarm system) or
 - ii. as an alternative to b) i. above leave the main services turned on to keep the central heating system working at a minimum temperature of 5°C during the period 1st October to 1st April each year always provided that outside this period condition i. will apply

GENERAL CONDITIONS CONTINUED

- iii. carry out a thorough inspection of the **Premises** on at least a weekly basis and carry out immediately any work necessary to maintain the security of the **Premises**
- iv. remove all refuse and waste materials from the **Premises** following such inspection
- v. maintain a written record of such inspections
- vi. ensure the **Premises** are secured against unlawful entry

Special Provision

where the **Insured** or their authorised representative comply with paragraph b) ii. of this Condition during the period from 1st October to 1st April each year the **Insurer** will not apply exclusion b) of **Insured Peril 11) Escape of Water** and **Insured Peril 12) Accidental escape of water from any automatic sprinkler installations** (where shown as operative in the Schedule)

14) Insured's Contribution

Where stated in the Schedule the **Insured** shall be responsible for paying an **Excess** in relation to each claim made by the **Insured** under this Policy

GENERAL EXCLUSIONS

This Policy does not cover

1) War Government Action Radioactive Contamination and Sonic Bangs

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **Consequential Loss** or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- b) nationalisation confiscation requisition seizure or destruction by the government or any public authority
- c) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- d) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- e) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

2) Terrorism and Civil Commotion

Damage to any **Property** whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **Consequential Loss** directly or indirectly caused by or contributed to by or arising from

- a) **Terrorism**
- b) civil commotion in Northern Ireland

In any action suit or other proceedings where the **Insurer** alleges that by reason of this Exclusion as far as it relates to **Terrorism** any **Damage** or resulting loss or expense or **Consequential Loss** is not covered by the Policy the burden of proving that such **Damage** loss expense or **Consequential Loss** is covered shall be upon the **Insured**

3) Date Recognition

Damage or **Consequential Loss** of whatsoever nature or liability for damages attaching to the **Insured** or any associated costs relating thereto arising directly or indirectly from or consisting of the failure or inability of any

- a) computer data processing equipment microchip integrated circuit or any similar device or any computer software or computer firmware
- b) media or systems used in connection with any of the above

whether the property of the **Insured** or not

- i. to recognise correctly any date as its true calendar date
- ii. to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date

but

- a) in respect of Section 1 and Section 2 this shall not exclude subsequent **Damage** not otherwise excluded which itself results from the **Insured Perils**
- b) this exclusion shall not apply to Section 4

4) Marine Policies

Damage to Property which at the time of the happening of the **Damage** is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Policy not been effected

GENERAL EXCLUSIONS CONTINUED

5) Computer Virus

Alteration modification distortion corruption erasure of or damage to and **Consequential Loss** arising from any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or data or programs or software) whether the property of the **Insured** or not where such damage is directly or indirectly caused by or contributed to or by or arises from or occasioned by or results from a **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**

6) Illegal Deliberate and Criminal Activities

Damage or **Consequential Loss** of whatsoever nature or liability for damages attaching to the **Insured** or any associated costs relating thereto arising directly or indirectly from

a) damage or liability caused as a result of the **Premises** being used for illegal activities

b) deliberate or criminal acts

by the **Insured** the **Insured's** family or **Employee(s)**

SECTION 1 – MATERIAL DAMAGE

In the event of **Damage** to **Property** insured at the **Premises** from an **Insured Peril** during the Period of Insurance the **Insurer** will indemnify the **Insured** for the loss or amount of **Damage** or at its option replace or reinstate such **Property** in accordance with the provisions of the Policy and provided that during the Period of Insurance the liability of the **Insurer** under this Section shall not exceed the lesser of the Sum Insured or Limit stated in the Policy or Schedule in respect of any item at the time of **Damage**

Insurable Perils

The following are the Insurable Perils operative as **Insured Perils** if stated in the Schedule

1) Fire

Excluding **Damage** caused by

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

2) Lightning

3) Explosion

Excluding **Damage** caused by the bursting by steam pressure of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only belonging to or under the control of the **Insured**

However this exclusion does not apply to **Damage** caused by the explosion of any boiler or gas used only for domestic purposes

4) Aircraft or other aerial devices or articles dropped from them

5) Earthquake and subterranean fire

6) Riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons

Excluding **Damage**

- a) arising from cessation of work or due to confiscation nationalisation seizure requisition or destruction by order of the government or any public authority
- b) by theft or attempted theft
- c) caused by malicious persons whilst any **Building** is **Unoccupied**
- d) caused by a **Tenant** or their family occupying the **Building** or portion of any **Building** for residential purposes

7) Theft or attempted theft involving entry to or exit from the **Buildings** at the **Premises** by forcible and violent means or actual or threatened hold up assault or violence

Excluding

- a) loss from any structure which is incapable of being locked
- b) **Damage**
 - i. in respect of **Property** in the open
 - ii. whilst any **Building** is **Unoccupied**
 - iii. expedited or in any way brought about by the **Insured** or any partner director or **Employee** of the **Insured**
 - iv. caused by a **Tenant** or their family occupying the **Building** or portion of any **Building** for residential purposes

SECTION 1 – MATERIAL DAMAGE CONTINUED

8) Storm

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**
- d) whilst any **Building** is **Unoccupied**

9) Flood

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**

10) Impact by

- a) any road vehicles or animals
- b) falling trees or boughs
- c) breakage or collapse of aerials or satellite dishes

Excluding **Damage** by lopping pruning or felling of trees

11) Escape of water from any tank apparatus or pipe or escape of oil from any fixed oil-fired heating installation

Excluding **Damage**

- a) by water discharged or leaking from any automatic sprinkler installation
- b) whilst any **Building** is **Unoccupied**
- c) caused by subsidence ground heave or landslip
- d) for subsidence ground heave or landslip caused by the escape of water

12) Accidental escape of water from any automatic sprinkler installation

Excluding **Damage** occasioned by or attributable to

- a) heat caused by fire
- b) any **Building** being **Unoccupied**
- c) repairs alterations or extensions to the **Buildings** and/or sprinkler installations

13) Accidental damage

Excluding **Damage**

- a) caused by any other Insurable Peril
- b) to a **Building** or structure caused by its own collapse or cracking
- c) to **Property** insured caused by **Pollution or Contamination** other than **Damage** caused by
 - i. **Pollution or Contamination** which itself results from an **Insured Peril**
 - ii. an **Insured Peril** which itself results from **Pollution or Contamination**
- d) to **Property** resulting from its undergoing any process of production packing treatment testing commissioning servicing adjustment or repair

SECTION 1 – MATERIAL DAMAGE CONTINUED

- e) to **Property** insured caused by or consisting of
 - i. inherent vice latent defect gradual deterioration wear and tear frost or change in water table level
 - ii. its own faulty or defective design or materials
 - iii. faulty or defective workmanship operational error or omission on the part of the **Insured** or any of their **Employees**

but this shall not exclude subsequent **Damage** which results from a cause not otherwise excluded

- f) caused by
 - i. corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching
 - ii. scratching tearing or fouling by pets or domesticated animals
 - iii. vermin or insects
 - iv. change in temperature colour flavour texture or finish
 - v. joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping connected to them
 - vi. mechanical or electrical breakdown or derangement in respect of the particular machines apparatus or equipment in which the breakdown or derangement originates

but this shall not exclude such **Damage** not otherwise excluded which itself results from any other accidental damage or subsequent **Damage** which itself results from a cause not otherwise excluded

- g) caused by disappearance unexplained or inventory shortage misfiling or misplacing of information
- h) caused by acts of fraud or dishonesty
- i) occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority
- j) caused by electrical or magnetic disturbance or erasure of electronic records

14) Subsidence ground heave or landslip

Excluding **Damage**

- a) to outbuildings yards pipes cables wires ducting car parks roads pavements walls gates fences swimming pools tennis courts and children's play areas unless the structure of the main building or buildings at the risk address stated in the Schedule is also affected at the same time by the same cause
- b) to solid floor slabs or **Damage** resulting from their movement unless the foundations beneath the outside walls of the main building or buildings at the risk address stated in the Schedule are also affected at the same time by the same cause
- c) arising from the settlement or movement of made-up ground or by coastal or river erosion
- d) occurring as a result of the construction demolition structural alteration or structural repair of any property at the **Premises**
- e) arising from normal settlement or bedding down of new structures
- f) which originated prior to the granting of this cover
- g) caused by faulty or defective workmanship materials or design
- h) caused by fire subterranean fire explosion earthquake
- i) recoverable under any warranty or guarantee including NHBC guarantee

SECTION 1 – MATERIAL DAMAGE CONTINUED

Additional Covers

All terms exclusions and conditions of Section 1 apply to these Additional Covers in addition to those shown below as applying to these Additional Covers

Glass

The **Insurer** will indemnify the **Insured** in respect of **Damage** to glass for which the **Insured** is responsible at the **Premises** occurring during the Period of Insurance

Following **Damage** to glass at the **Premises** the **Insurer** will also indemnify the **Insured** in respect of

- a) the cost of reinstating any component parts of any intruder alarm system including devices used to transmit or receive signals damaged as a result of glass breakage
- b) any boarding up costs incurred
- c) any **Damage** to framework and **Landlord's Contents** caused by the impact of falling glass

The **Insurer** will also indemnify the **Insured** for **Damage** at the **Premises** to sanitary ware (fixed baths washbasins pedestals bidets shower trays sinks lavatory pans and cisterns) where such **Damage** renders such article completely unserviceable

The liability of the **Insurer** under a) b) and c) shall be restricted to £2,500 for any one loss

Exclusions

The **Insurer** shall not be liable for **Damage** to glass

- a) caused by repairs or alterations to the **Premises**
- b) caused by alteration installation or removal
- c) in any **Building** which is **Unoccupied**
- d) caused by or arising from
 - i. superficial **Damage** or scratching or cracking which does not result in the complete breakage of the glass
 - ii. inherent or latent defect its own faulty or defective design or materials
 - iii. gradual deterioration or gradually operating cause wear and tear change in colour or finish
 - iv. changes in temperature or atmospheric or climatic conditions
 - v. defects in frames framework or any fitting

Illegal Cultivation of Drugs

The **Insurer** will indemnify the **Insured** against **Damage** caused by the manufacture cultivation harvest or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971) by a **Tenant** or their family occupying the **Building** or portion of any **Building** for residential purposes

The liability of the **Insurer** under this Additional Cover shall be restricted to the Sums Insured stated in the Schedule for any one loss

Exclusions

The **Insurer** shall not be liable for

- a) the first £250 of each and every claim or loss under this Additional Cover

Conditions

It is a condition precedent to the **Insurer's** liability under this Additional Cover that the **Insured** or authorised persons acting on their behalf or their managing agents shall in each instance

- a) obtain and retain written and verified references for all new residential **Tenants** prospective residential **Tenants** or **Tenants** in residence for less than a year from a current employer former landlord or sponsor

The **Insured** must produce such written references if so requested by the **Insurer** in the event of a claim under this Additional Cover

SECTION 1 – MATERIAL DAMAGE CONTINUED

- b) obtain and retain formal photo ID of any new **Tenant**
- c) obtain and record details of any new **Tenants** bank account and verify those details by receiving at least one payment from such account
- d) carry out internal and external inspection of the **Buildings** at least every 3 months
- e) maintain a log of such inspections and retain that log
- f) carry out a six monthly management check of the inspections log

Malicious Damage by Residential Tenants

The **Insurer** will indemnify the **Insured** against **Damage** caused by the malicious actions of a **Tenant** or their family occupying the **Building** or portion of any **Building** for residential purposes

The liability of the **Insurer** under this Additional Cover shall be restricted to the Sums Insured stated in the Schedule for any one loss

Exclusions

The **Insurer** shall not be liable for

- a) the first £250 of each and every claim or loss under this Additional Cover
- b) **Damage** by theft or attempted theft caused by a **Tenant** or their family occupying the **Building** or portion of any **Building** for residential purposes

Conditions

It is a condition precedent to the **Insurer's** liability under this Additional Cover that the **Insured** or authorised persons acting on their behalf or their managing agents shall in each instance

- a) obtain and retain written and verified references for all new residential **Tenants** or prospective residential **Tenants** or **Tenants** in residence for less than a year from a current employer former landlord or sponsor. The **Insured** must produce such written references if so requested by the **Insurer** in the event of a claim under this Additional Cover
- b) obtain and retain formal photo ID of any new **Tenant**

Extensions to Section 1

All terms exclusions and conditions of the **Insured Perils** under Section 1 apply to these Extensions in addition to those shown below as applying to each Extension

1) Underground Services

The **Insurer** will indemnify the **Insured** for **Damage** to underground water pipes gas pipes electricity and telephone cables extending from the **Premises** to the public mains from the **Insured Perils** but only to the extent of the **Insured's** responsibility

2) Theft of Locks and Keys

The **Insurer** will indemnify the **Insured** for the cost of replacing locks and keys (including digital access cards safe keys or safe combination access codes) to the **Buildings** or safes within the **Buildings** subject to an aggregate maximum of £10,000 in any one Period of Insurance

Provided that the original keys cards or codes were stolen either

- a) from the **Buildings** or the private residence of the **Insured** or any authorised **Employee**
- b) following actual or threatened hold-up or assault or violence to the **Insured** or authorised **Employee** whilst the keys cards or codes are in their personal custody

Provided also that **Damage** by theft is not excluded in its entirety under this Section

This Extension shall not apply to replacement of locks keys or cards arising from the failure of guests to return any keys or cards belonging to the **Insured** upon final departure

3) Landscaped Gardens

The **Insurer** will indemnify the **Insured** for costs and expenses incurred by the **Insured** with the consent of the **Insurer** in making good **Damage** to landscaped gardens and grounds caused by Fire Brigade equipment and personnel in the course of combating or reducing **Damage** from the **Insured Perils** at the **Premises** subject to an aggregate maximum of £25,000 in any one Period of Insurance

SECTION 1 – MATERIAL DAMAGE CONTINUED

4) Loss of Metered Supplies

The **Insurer** will indemnify the **Insured** for the cost of metered electricity gas oil and water consumed as a direct result of **Damage** from the **Insured Perils** to any tank apparatus pipe or cable not being automatic sprinkler installations at the **Premises** calculated at the rate applying at the time of the **Damage** subject to a maximum of £25,000 for any one loss

5) Trace and Access

The **Insurer** will indemnify the **Insured** for the costs incurred in locating the source of an escape of water or fuel from any tank apparatus or pipe on the **Premises** and subsequent making good of **Damage** caused as a consequence of locating such source subject to a maximum of £25,000 for any one loss

6) Clearing of Drains

The **Insurer** will indemnify the **Insured** for the costs and expenses incurred in cleaning clearing or repairing drains gutters or sewers at the **Premises** as a consequence of **Damage** from the **Insured Perils** but only to the extent of the **Insured's** responsibility subject to a maximum of £25,000 for any one loss

7) Fire and Security Equipment

The **Insurer** will indemnify the **Insured** in respect of costs and expenses incurred with the consent of the **Insurer** in

- a) refilling recharging or replacing any
 - i. portable fire extinguishing appliances
 - ii. local fire suppression system
 - iii. fixed fire suppression system
 - iv. sprinkler installation
 - v. sprinkler heads
- b) re-setting fire and/or intruder alarms and/or closed circuit television equipment following **Damage** to **Property** insured under Section 1 – Material Damage subject to a maximum of £25,000 for any one loss

If in relation to any claim under this Extension the **Insured** have failed to fulfil the following condition the **Insured** will lose the right to indemnity or payment for that loss

The **Insured** must maintain all such equipment in accordance with the manufacturer's instructions

The **Insurer** will not indemnify the **Insured** in respect of any costs and expenses recoverable from the **Insured's** maintenance company or the Fire and Rescue Service

8) Gardening Equipment

The **Insurer** will indemnify the **Insured** for **Damage** to gardening equipment owned by the **Insured** at the **Premises** from the **Insured Perils** subject to

- a) maximum of £1,000 for any one loss
- b) **Insured Perils** 8 and 9 being inoperative whilst gardening equipment is in the open
- c) **Insured Peril** 7 being inoperative unless the gardening equipment is stored within a locked building or outbuilding at the **Premises**

9) Unauthorised Use of Supplies

The **Insurer** will indemnify the **Insured** for the cost of water gas electricity or other metered supply charges incurred by the **Insured** and for which the **Insured** is legally responsible up to a maximum of £25,000 for any one loss due to unauthorised use by persons taking possession of or occupying any **Building** without the written consent of the **Insured** provided that

- a) the **Insured** shall take all practicable steps to terminate such unauthorised use as soon as it is discovered
- b) General Condition 13 of the Policy has been complied with by the **Insured**
- c) immediate notification of such possession is given to the **Insurer** upon the **Insured** becoming aware of it

SECTION 1 – MATERIAL DAMAGE CONTINUED

10) Emergency Access

The **Insurer** will indemnify the **Insured** for the costs incurred following **Damage** to the **Buildings** caused by the emergency services or persons acting under their control in gaining access to the **Buildings** as a result of concern for the welfare of the **Tenant(s)** or to combat **Damage** caused by an **Insured Peril** to the **Premises** subject to an aggregate maximum of £10,000 in any one Period of Insurance

This Extension shall not include any costs incurred following **Damage** caused by the police in the course of a criminal investigation or as a result of unlawful activities at the **Premises**

11) Theft of Building Fabric

The **Insurer** will indemnify the **Insured** for **Damage** to

- a) the external fabric of the **Buildings** as a result of theft or attempted theft
- b) **Property** as a result of rainwater entry following theft or attempted theft of the external fabric of the **Buildings** for which the **Insured** is legally responsible and is not otherwise insured

The liability of the **Insurer** under this extension shall be restricted to the Sums Insured shown in the Schedule

This Extension shall not apply

- a) to any **Buildings** which are **Unoccupied**
- b) when scaffolding is erected at the **Buildings**
- c) where **Insured Peril 7 – Theft** is not operative

12) Removal of Wasp and Bee Nests

The **Insurer** will indemnify the **Insured** for the costs incurred in removing wasp or bee nests from the **Buildings** at the **Premises** subject to a maximum of £500 any one loss and an aggregate maximum of £2,500 in any one Period of Insurance

The **Insurer** will not be liable for any costs of removing wasp or bee nests already in existence in the **Buildings** at the **Premises** prior to the inception of the Policy

13) Fly Tipping

The **Insurer** will indemnify the **Insured** for the costs incurred in clearing and removing any property illegally deposited in or around the **Premises** during the Period of Insurance

Subject to a maximum of £2,500 any one loss and an aggregate maximum of £15,000 in any one Period of Insurance

14) Tree Felling and Lopping

The **Insurer** will indemnify the **Insured** for the costs incurred in removing or lopping trees by a professionally qualified tree surgeon or tree feller which are an immediate threat to the safety of life or of **Damage** to the **Premises** subject to a maximum of £1,000 any one loss and an aggregate maximum of £2,500 in any one Period of Insurance

The **Insurer** will not be liable for

- a) legal or local authority costs involved in removing trees
- b) costs incurred solely to comply with a Preservation Order

15) Temporary Removal

The **Insurer** will indemnify the **Insured** for **Damage** to **Landlord's Contents** whilst temporarily removed for cleaning renovation repair or similar purposes and whilst in transit by road vehicle rail or inland air freight within the **Territorial Limits** from the **Insured Perils**

Subject to a maximum for any one loss of 15% of the Sum Insured shown for **Landlord's Contents** or £50,000 whichever is the lesser amount

This Extension shall not apply to property more specifically insured

SECTION 1 – MATERIAL DAMAGE CONTINUED

16) Undamaged Portions of the Buildings

The **Insurer** will indemnify the **Insured** for the cost replacing or modifying undamaged portions of the **Buildings** insured providing the alterations are needed so they are in keeping with the repairs restoration or replacement of the damaged portion of the **Buildings** insured

The **Insurer's** liability under this Extension shall not exceed 10% of the **Declared Value** of the **Buildings** insured

17) Inadvertent Omission to Insure

The **Insurer** will indemnify the **Insured** for loss destruction or damage to buildings within the **Territorial Limits** and loss of rent in respect thereof where the **Insured** has an obligation to insure such buildings whether owned by or on lease to the **Insured** or in which they have an interest as mortgagees but which have inadvertently been left uninsured

Provided that

- a) the liability of the **Insurer** shall not exceed £500,000 any one loss in respect of buildings or loss of rent at any one premises
- b) the **Insured** shall give notice in writing to the **Insurer** immediately they become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became the **Insured's** responsibility
- c) the **Insured** will carry out at not less than annual intervals a check of all properties owned by them or leased by them and for which they are responsible to ensure that effective insurance is in force for such properties
- d) this Extension will only be effective if the **Insurer** is the sole provider of buildings insurance in respect of the **Insured's** properties owned in connection with the **Business** as defined in the Schedule and where the **Insured** have an obligation to arrange such insurance

18) Obsolete Building Materials

The **Insurer** will pay additional costs incurred in replacement of damaged materials which given consideration to the scientific and technical knowledge at the time of installation construction or fitting were reasonably deemed to be fit for the purpose intended but require replacement with more suitable modern materials after the **Damage**

The **Buildings** shall not be regarded as being better or more extensive than when new provided that the liability of the **Insurer** shall not exceed 10% of the **Declared Value** of such **Buildings** in respect of such additional costs

19) Tenant Debris Removal

The **Insurer** will indemnify the **Insured** in respect of costs incurred with the consent of the **Insurer** following **Damage** at the **Premises** for the removal of contents debris including fixtures and fittings not the property of the **Insured** for the purpose of speeding up the reinstatement of the **Premises** subject to a maximum of £25,000 any one loss

The **Insurer** will not indemnify the **Insured** where a more specific insurance policy is in force

20) Further Investigation Expenses

The **Insurer** will indemnify the **Insured** where a portion of the **Building** has suffered **Damage** and there is a reasonable possibility of **Damage** having occurred to other portions of the same **Building** which is not immediately apparent

The **Insurer** will pay

- a) costs incurred with the prior consent of the **Insurer** in establishing whether or not such **Damage** has occurred and
- b) costs incurred with the prior consent of the **Insurer** in establishing whether or not other **Buildings** insured at the **Premises** have suffered such **Damage** but only if such **Buildings** are subsequently found to have suffered such **Damage** for which the **Insurer** is liable under the Policy

Subject to a maximum of £5,000 for any one loss

SECTION 1 – MATERIAL DAMAGE CONTINUED

21) Loss Minimisation Costs and Prevention Expenditure

Following **Damage** at the **Premises** the **Insurer** will pay for costs and expenses incurred by the **Insured** with the prior consent of the **Insurer** to provide necessary additional physical protection to prevent further **Damage**

The **Insurer** will not pay

- a) more than the reduction in **Damage** avoided by the expenditure
- b) for costs otherwise incurred under General Condition 3) Reasonable Care

Subject to an aggregate maximum of £25,000 in any one Period of Insurance

22) Claims Preparation

The **Insurer** will indemnify the **Insured** for the costs and expenses incurred with the consent of the **Insurer** in the preparation presentation certification and verification of any claim (including the cost of utilising external consultants) for which this Policy provided an indemnity under Section 1 – Material Damage and/or Section 2 – Loss of Rent provided that the liability of the **Insurer** to pay for such costs and expenses shall only apply when the individual or combined claim arising from the **Damage** caused by an insured event under Section 1 and/or Section 2 exceeds £25,000 in total after the application of the Basis of Settlement Clause 1) Average and the Excess as appropriate

The total liability of the Insurer to pay such costs and expenses shall be a maximum limit of £25,000 any one claim

Clauses

1) Non-Invalidation

The insurance by this Section shall not be invalidated by any act or omission or alteration by a **Tenant** and unknown to or beyond the control of the **Insured** whereby the risk of **Damage** is increased as long as immediately the **Insured** becomes aware of the increase in risk they inform the **Insurer** in writing and pay an appropriate additional premium if required by the **Insurer**

2) Reinstatement of Losses

Unless written notice to the contrary be given by either the **Insurer** or the **Insured** the insurance by this Section shall not be reduced by the amount of any loss and the **Insured** shall pay the appropriate additional premium from the date of the **Damage** to the date of expiry of the Period of Insurance

3) Freeholder Lessors and Mortgagees

The interest of any freeholder lessor or mortgagee shall not be prejudiced by any act or neglect of any leaseholder lessee mortgagor or occupier which may increase the risk of **Damage** to any **Building** insured by this Section provided the freeholder lessor or mortgagee immediately upon becoming aware of such increase in risk shall give notice to the **Insurer** and pay an appropriate additional premium if required

4) Property more specifically insured

The **Insurer** shall not be liable for **Damage** to any **Property** insured more specifically by or on behalf of the **Insured**

5) Minor Repairs and Alterations

The insurance by this Section shall not be invalidated if the **Insured** employs workmen to carry out repairs minor additions and decorations at the **Premises**

6) Seventy Two Hour Period

Where shown on the Schedule as insured under Section 1 - Material Damage all losses arising separately out of one event of the following **Insured Perils**

- i. Storm
- ii. Flood
- iii. Earthquake

occurring within each and every separate period of 72 hours during the Period of Insurance will be deemed to be one loss in determining the application of the **Excess**

SECTION 1 – MATERIAL DAMAGE CONTINUED

Basis of Settlement Clauses

1) Average

If the **Property** covered by this Policy shall at the time of the **Damage** be collectively of greater value than the Sums Insured then the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of their **Damage** accordingly

2) Property Insured – Reinstatement

In the event of **Damage** to **Property** insured the basis of settlement shall be the cost of reinstatement meaning the rebuilding replacement repair or restoration of such **Property** to a condition substantially the same as but not better or more extensive than its condition when new

Special Provisions

- a) The replacement must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred
- b) Where **Damage** occurs to only part of the **Property** the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had such property been wholly destroyed
- c) If at the time of reinstatement of any item the sum representing 85% of the cost which would have been incurred in reinstating the whole of the **Property** covered by such item exceeds its Sum Insured at the time of the **Damage** the liability of the **Insurer** shall not exceed that proportion of the amount of the **Damage** which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time

3) Property Insured – Day One

For any item specified on the Schedule showing a Declared Value and a Sum Insured this shall be deemed to be a Day One Basis of Settlement and the following clause shall replace Basis of Settlement Clause 2 above

In the event of **Damage** to **Property** insured the basis of settlement shall be the cost of reinstatement meaning the rebuilding replacement repair or restoration of such **Property** to a condition substantially the same as but not better or more extensive than when new

Special Provisions relating to **Property** insured

- a) At the inception of each Period of Insurance the **Insured** shall notify the **Insurer** of the **Declared Value** of the **Property** insured by each item described in the Schedule
- b) If at the time of **Damage** the **Declared Value** of the **Property** insured by each item is less than the cost of reinstatement at the inception of the Period of Insurance the liability of the **Insurer** shall not exceed the proportion which the **Declared Value** bears to the costs of such reinstatement
- c) Where **Damage** occurs to only part of the **Property** the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had such property been wholly destroyed
- d) The replacement must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred
- e) No payment will be made beyond the amount the **Insurer** would have paid where **Property** insured at the time of **Damage** is covered by any other insurance effected by the **Insured** or on behalf of the **Insured** which is not on the same basis of reinstatement

4) Index Linking

Where so indicated in the Schedule the Sums Insured for **Buildings** and **Landlord's Contents** shall be adjusted in accordance with fluctuations in suitable indices of cost to be decided upon by the **Insurer**. At each renewal of the Policy the premium shall be calculated on the revised Sums Insured

5) European Union and Public Authorities

The **Insurer** will indemnify the **Insured** for the additional cost of

- a) reinstating the damaged parts of the **Buildings**

SECTION 1 – MATERIAL DAMAGE CONTINUED

- b) upgrading any undamaged parts of the **Buildings**

for an amount not exceeding 15% of the amount that would have been payable if the **Buildings** had been totally destroyed incurred solely by the necessity to comply with any building or other statutory regulations or Public Authority Bylaw or European Community Legislation excluding

- i. any cost resulting from any such requirement first imposed upon the **Insured** before the date of the **Damage**
ii. the amount of any rate tax duty development or other charge arising out of capital appreciation as a result of complying with any such requirements which may be payable in respect of the **Buildings**

Conditions

- a) The work of reinstatement must be completed within 12 months of the date of the **Damage** or such further period as the **Insurer** may in writing allow
b) The liability of the **Insurer** for **Damage** to such property including such costs and expenses shall not exceed the Sum Insured stated in the Schedule

6) Removal of Debris

This insurance includes the costs incurred in respect of removal of debris of **Property** insured resulting from **Damage** from an **Insured Peril** excluding

- a) costs incurred in removing debris except from the site of such **Damage** and the area immediately adjacent to such site
b) costs arising from **Pollution or Contamination** of property not insured by this Section

The liability of the **Insurer** for **Damage** to such **Property** including such costs and expenses shall not exceed the Sums Insured stated in the Schedule

7) Capital Additions

To the extent that they are not otherwise insured the insurance of **Buildings** and **Landlord's Contents** shall extend to cover

- a) alterations additions and improvements to **Buildings** and **Landlord's Contents** but not appreciation of the value of such property
b) any newly erected or acquired **Buildings** and **Landlord's Contents** within the **Territorial Limits** from the commencement date of the responsibility of the **Insured**

subject to

- i. the **Insured** advising the **Insurer** of the amendments as soon as practicable on becoming aware of the increase in the extent of cover required and paying the appropriate additional premium
ii. the Sums Insured for **Buildings** and **Landlord's Contents** at each location only being increased by the value of the additional property up to no more than 10% of the existing Sums Insured or £500,000 whichever is the lesser at any one location

8) Professional Fees

The insurance by each item on **Buildings** and **Landlord's Contents** includes an amount for architects' surveyors' consulting engineers' and legal fees incurred in the reinstatement or repair of such property consequent upon its **Damage** but not for preparing any claim.

The total liability of the **Insurer** for **Damage** to such property including such fees shall not exceed the Sums Insured stated in the Schedule

9) Contracting Purchaser

Where the **Insured** at the time of **Damage** has contracted to sell their interest in any insured **Building** and the purchase is subsequently completed the contracting purchaser shall be entitled to benefit under the Policy provided that the **Building** is not otherwise insured in respect of such **Damage**

SECTION 1 – MATERIAL DAMAGE CONTINUED

10) Subrogation Waiver

In the event of a claim arising under this Section the **Insurer** 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 or subsidiary to the **Insured**

or

b) any company which is a subsidiary of or a parent company of which the **Insured** themselves are subsidiary in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order current at the time of the **Damage**

11) Other Interests

Interests of third parties which the **Insured** is required to include herein under the terms of any mortgage property lease or hiring leasing or hire purchase agreement are automatically deemed to be held covered subject to notification by the **Insured** to the **Insurer** at the time of the **Damage**

12) Business Books

The basis of settlement of any claim for business books shall be their value as stationery together with the cost of clerical labour expended in their reproduction

13) Matching Items

In the event of **Damage** to **Property** insured the basis of settlement shall not include the cost of replacing any undamaged item or part of any item which forms part of a matching set or suite

Exclusions applying to Section 1 – Material Damage

The **Insurer** shall not be liable for **Damage** to

- a) vehicles licensed for road use (including accessories on them) caravans trailers railway locomotives rolling stock watercraft or aircraft (including drones and other unmanned aerial vehicles)
- b) property or structures in the course of construction or erection and materials or supplies in connection with all such property or structures in the course of construction
- c) land piers jetties bridges culverts or excavations
- d) livestock growing crops or trees
- e) jewellery precious stones precious metals bullion or furs

SECTION 2 – LOSS OF RENT

In the event of **Damage** to the **Property** used by the **Insured** for the purposes of the **Business** carried on by the **Insured** at the **Premises** during the Period of Insurance from the **Insured Perils** under Section 1 resulting in loss of **Rent Receivable** the **Insurer** will indemnify the **Insured** in respect of the amount of the loss of **Rent Receivable** provided that

- a) such **Damage** is covered under Section 1 of this Policy and that liability shall be admitted or payment made therefore or
- b) payment would have been made or liability admitted but for the operation of a proviso in the insurance excluding liability for losses below a specified amount

The liability of the **Insurer** under this Section shall not exceed in respect of any item its Sum Insured or Limit stated in this Policy or the Schedule at the time of the event

Clause

Reinstatement Following a Loss

The liability of the **Insurer** under this Section shall not exceed the Sum Insured or Limit remaining after deduction for any other interruption or interference resulting from **Damage** occurring during the same Period of Insurance unless the **Insurer** has agreed to reinstate any such Sum Insured or Limit

Basis of Settlement Clauses

1) Rent Receivable

The **Insurer** will pay as indemnity to the **Insured** the amount of their loss in respect of

- a) the amount by which the **Rent Receivable** during the **Indemnity Period** shall fall short of the **Standard Rent Receivable** as a result of the **Damage**
- b) the amount of additional expenditure incurred by the **Insured** as a result of the **Damage** but not exceeding the loss of **Rent Receivable** thereby avoided

provided that if the Sum Insured for loss of **Rent Receivable** is less than the **Standard Rent Receivable** the amount payable shall be proportionately reduced

2) Cost of Re-letting

The **Insurer** will pay costs and expenses incurred with the consent of the **Insurer** during the **Indemnity Period** in re-letting the **Premises** including legal fees in connection with the re-letting solely in consequence of the **Damage** subject to a maximum of £5,000 for any one loss

3) Additional Expenditure - Loss Minimisation

The **Insurer** will pay the additional expenditure incurred in respect of **Buildings** which have suffered **Damage** being expenditure (other than that recoverable under Basis of Settlement Clause 2 above) incurred with the prior consent of the **Insurer** in consequence of the **Damage** solely to avoid or minimise the loss of **Rent Receivable** during the **Indemnity Period** but not exceeding the amount of the reduction avoided by such expenditure plus 5% of the Sum Insured by the item subject to a maximum amount of £250,000 for any one loss

4) Alternative Accommodation

The **Insurer** will indemnify the **Insured** for costs incurred for

- a) alternative accommodation for **Tenants** in the residential portion of the **Premises** and
- b) temporary storage of such **Tenants'** furniture

if as a result of **Damage** from the **Insured Perils** the occupied **Buildings** are rendered unfit for occupation or access to them is denied provided that the liability of the **Insurer** for any one loss shall not exceed the Sum Insured shown in the Schedule at the time of the event

5) Managing Agents' Charges

The **Insurer** will pay to the **Insured** the charges payable to their managing agents necessarily incurred in connection with re-letting the **Premises** following **Damage** insured under Section 1

SECTION 2 – LOSS OF RENT CONTINUED

6) Accountants' and Auditors' Charges

The **Insurer** will pay to the **Insured** the charges payable by the **Insured** to their professional accountants and auditors for producing and certifying any particulars or details or any other proofs information or evidence as may be required by the **Insurer** under the terms of this Section and reporting that such particulars or details are in accordance with the **Insured's** books or documents

7) Value Added Tax

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

8) Payments on Account

Payments on account will be made to the **Insured** during the **Indemnity Period** if so requested subject to appropriate adjustment at the end of the **Indemnity Period**

Extensions to Section 2

All terms exclusions and conditions of the **Insured Perils** under Section 1 and all terms exclusions and conditions of Section 2 apply to these Extensions in addition to those shown below as applying to each Extension

The liability of the **Insurer** includes loss as insured by this Section resulting from interruption or interference with the **Business** in consequence of

1) Denial of Access – damage from the Insured Perils

Damage from the **Insured Perils** to property within a one-mile radius of the **Premises** which shall prevent or hinder the use of or access to the **Insured's Premises** whether or not there has been **Damage** to the **Premises** or **Property** of the **Insured** but excluding the property of any supply undertaking from which the **Insured** obtains electricity gas water or telecommunications services subject to a maximum of £100,000 for any one loss

2) Denial of Access - action by Police Government or other Competent Authority

The prevention or restriction of access to or closure of the **Insured's Premises** by any Police Government or other competent Authority due to an emergency event within a one-mile radius of the **Premises** that causes or threatens a danger or disturbance subject to a maximum of £100,000 for any one loss

The **Insurer** will not indemnify the **Insured** under this Extension

- a) in respect of any action taken in controlling preventing or suppressing the spread of any disease
- b) in respect of any danger or disturbance caused wholly or partly by the **Insured** or through the **Insured's** misconduct connivance neglect or omission
- c) for any interruption or interference lasting less than 12 consecutive hours
- d) in conjunction with a claim under Extension 1) Denial of Access - damage from the Insured Perils

3) Managing Agents' Premises

Damage from the **Insured Perils** at the premises of the **Insured's** managing agents within Great Britain Northern Ireland the Channel Islands or the Isle of Man subject to a maximum of £10,000 any one loss

4) Accidental Failure of Public Supply

Accidental failure at the terminal ends of the public supply undertakings' feed to the **Premises** of electricity gas water or telecommunications services as a direct result of damage subject to a maximum of £100,000 for any one loss and providing the cessation of supply is of at least 30 minutes in respect of electricity gas or water and for a minimum of 8 consecutive hours in respect of telecommunications excluding

- a) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
- b) total or partial failure of the public supply occasioned by strike or lock-out total or partial withdrawal of labour or total or partial cessation of work

5) Documents

Damage from the **Insured Perils** to 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 by road rail or inland waterway in Great Britain Northern Ireland the Channel Islands or the Isle of Man subject to a maximum of £25,000 for any one loss

SECTION 2 – LOSS OF RENT CONTINUED

6) Loss of Attraction

The insurance by each item on Loss of Rent includes loss as insured by this Section caused by damage to buildings or other property within a one-mile radius of the **Premises** which would have such an effect on the **Business** carried on at the **Premises** that

- a) an agreement to lease the **Premises** or any part of the **Premises** in course of negotiation or review is avoided or amended and the **Rent Receivable** by the **Insured** is reduced or
- b) the turnover of any lessee's business is affected and **Rent Receivable** by the **Insured** is reduced

subject to a maximum of £50,000 for all losses or series of losses arising directly from the same originating cause during the **Indemnity Period**

Provided always that

- a) this Extension shall not include loss following obstruction by storm flood or snow
- b) the **Insurer** shall not be liable for any loss within the first 12 hours of the **Indemnity Period**

Definition applying to this Extension

The following words or phrases have the same meaning wherever they appear, in **bold italics**, within this Extension

Indemnity Period

The period during which the results of the **Business** are affected starting from the date of the damage to the buildings or other property within a one-mile radius and ending not later than a maximum period of three months

Exclusion

The **Insurer** shall not be liable under this Section for loss arising directly or indirectly from

- a) erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked out workers persons taking part in labour disturbances or civil commotion or malicious persons
- b) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from the **Insured Perils** insofar as it is not otherwise excluded

SECTION 3 – PROPERTY OWNERS’ LIABILITY

In the event of accidental

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

occurring within the **Territorial Limits** during the Period of Insurance and arising out of ownership of the **Premises** or in the course of the **Business** the **Insurer** will indemnify the **Insured** in respect of all sums which the **Insured** become legally liable to pay as compensation and claimant’s costs and expenses

The **Insurer** will also pay **Legal Costs** and **Solicitors’ Fees**

Limit of Indemnity

The liability of the **Insurer** under this Section for compensation in respect of

- a) one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
- b) all **Injury** and damage occurring during any one Period of Insurance in respect of **Products Supplied**
- c) all **Pollution or Contamination** which is deemed to have occurred during any Period of Insurance

shall not exceed the Limit of Indemnity stated in the Schedule

Section Definition

The following words or phrases have the same meaning wherever they appear, in **bold italics**, within this Section.

Territorial Limits

- a) Great Britain Northern Ireland the Isle of Man or the Channel Islands
- b) and in respect **Products Supplied** anywhere in the world except for the United States of America or Canada or their dependencies or trust territories unless specifically agreed by the **Insurer** provided that the **Products Supplied** are supplied from or are worked upon in the territories specified in a) above

Extensions to Section 3

1) Consumer Protection and Food Safety Acts – Legal Defence Costs

The **Insurer** will indemnify the **Insured** and at the **Insured’s** request any director partner or **Employee** of the **Insured** against **Legal Costs** incurred with the **Insurer’s** written consent in connection with the defence of any proceedings or an appeal against conviction arising from such proceedings brought for a breach of

- a) Part 2 of the Consumer Protection Act 1987 or
- b) Section(s) 7 8 14 and/or 15 of the Food Safety Act 1990

committed or alleged to have been committed in the course of the **Business** during the Period of Insurance

Provided that this indemnity shall not apply to

- i. the payment of fines or penalties
- ii. proceedings or appeals in respect of any deliberate act or omission by the **Insured**
- iii. costs or expenses insured by any other policy

2) Court Attendance Compensation

The **Insurer** will indemnify the **Insured** for the costs of attendance at court to help defend or act as a witness in connection with any claim for which the **Insured** is entitled to indemnity under this Section and with the **Insurer’s** agreement up to a maximum of £250 per day per person

3) Cross Liabilities

Where the **Insured** comprises more than one party the **Insurer** shall treat each party as the **Insured** as if a separate Policy had been issued to each provided that nothing in this Extension shall increase the liability of the **Insurer** beyond the amount for which the **Insurer** would have been liable had this Extension not applied

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

4) Data Protection Act

The **Insurer** will indemnify the **Insured** against liability at law incurred by the **Insured** under Section 13 of the Data Protection Act 1998 in connection with personal data (as defined in such Act) held by the **Insured** provided always that the **Insurer** shall not be liable for

- a) the payment of fines and penalties
- b) the cost of replacing reinstating rectifying or erasing any personal data

5) Defective Premises Act

The **Insurer** will indemnify the **Insured** in respect of any legal liability incurred by the **Insured** during the Period of Insurance under the terms of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any business premises or land which have been disposed of by the **Insured**

Provided that the **Insurer** shall not be liable

- a) for the cost of remedying any defect or alleged defect in the premises disposed of
- b) if the **Insured** is entitled to indemnity from any other source

6) Health and Safety at Work – Legal Defence Costs

The **Insurer** will indemnify the **Insured** and at the **Insured’s** request any director or partner of the **Insured** or any **Employee** against **Legal Costs** incurred in defending prosecutions for a breach of the Health and Safety at Work Act 1974 or similar legislation in Northern Ireland the Channel Islands or the Isle of Man committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgment given

Provided that this indemnity shall not apply to the payment of fines or penalties

7) Indemnity to Other Parties

If the **Insured** so request the **Insurer** will indemnify the following parties

- a) any member of the **Insured’s** first aid service (but excluding medical practitioners) against liability incurred in such capacity
- b) any partner director or **Employee** of the **Insured** against liability incurred in such capacity and in respect of which the **Insured** would have been entitled to indemnity under this Section if the claim had been made against the **Insured** as though each party was individually named as the **Insured** in this Section
- c) any **Principal** for whom the **Insured** have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the **Insured** and in respect of which the **Insured** are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the **Insured**

Provided that

- i. each such party shall observe fulfil and be subject to the terms and conditions of this Section insofar as they can apply
- ii. the **Insurer’s** liability to the **Insured** and all parties indemnified shall not exceed in total the Limit of Indemnity stated in the Schedule

8) Corporate Manslaughter and Corporate Homicide – Legal Defence Costs

The **Insurer** will indemnify the **Insured** against **Legal Costs** incurred with the **Insurer’s** written consent in defending prosecutions under the Corporate Manslaughter and Corporate Homicide Act 2007 committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgment given provided that this indemnity shall not apply to the payment of fines or penalties or the costs of remedial orders or publicity orders

9) Indemnity to Managing Agents

In respect of liability arising in connection with the **Buildings** insured under Section 1 – Material Damage if the **Insured** so requests the **Insurer** will extend Section 3 – Property Owners’ Liability to indemnify the **Insured’s** appointed managing agents in respect of liability arising out of the agreement entered into by the **Insured** with the managing agent to the extent required by such agreement

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

Provided that

- a) the **Insured** would have been entitled to indemnity under this Section if the claims had been made against the **Insured**
- b) the managing agent shall as if they were the **Insured** be subject to the terms of this Section and Policy
- c) the total amount payable under this Section shall not exceed the Limit of Indemnity stated in the Schedule regardless of the number of persons claiming to be indemnified
- d) the indemnity will not apply to legal liability arising out of a breach of professional duty or service

Exclusions

The indemnity granted under this Section shall not apply to

1) Advice and Design

Liability arising from advice design formula specification inspection certification or testing provided by or on behalf of the **Insured** for a fee or in circumstances where a fee would normally be charged

2) Damage to Goods Supplied

Liability in respect of

- a) damage to any goods or other property sold supplied delivered installed or erected by or on behalf of the **Insured**
- b) all costs of or arising from the need for making good removal repair rectification replacement or recall of any such goods or property or any defective work carried out by or on behalf of the **Insured**

3) Products Supplied

Liability in respect of **Injury** loss or damage arising from **Products Supplied** but this Exclusion shall not apply to

- a) any food or drink supplied to partners directors **Employees** or non-paying guests of the **Insured**
- b) the disposal of furniture and office equipment originally intended solely for the use of the **Insured** in connection with the **Business**

4) Fines

Liability in respect of liquidated damages fines penalties exemplary punitive aggravated or multiplied damages

5) Injury to Employees

Liability in respect of **Injury** to any **Employee** arising out of and in the course of the employment or engagement of such person by the **Insured**

6) Mechanically Propelled Vehicles

Liability arising out of the ownership possession or use by or on behalf of the **Insured** of any mechanically propelled vehicle or trailer attached thereto which is required by any road traffic legislation to be the subject of compulsory insurance or other security but this Exclusion shall not apply

- a) while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under road traffic legislation)
- b) in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle

except where more specifically insured by any other policy

7) Pollution or Contamination

Liability arising

- a) out of **Pollution or Contamination** unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance provided that all **Pollution or Contamination** arising out of one incident shall be deemed to have occurred at the time such incident takes place
- b) directly or indirectly by **Pollution or Contamination** occurring in the United States of America or Canada or their dependencies or trust territories

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

8) Property in the Charge or Control of the Insured

Liability in respect of loss or damage to any property belonging to or in the charge or control of the **Insured** other than

- a) personal effects or vehicles of any partner director or **Employee** of or visitor to the **Insured**
- b) premises (and their contents) not belonging leased rented or hired to the **Insured** but temporarily in the charge of the **Insured** for the purpose of carrying out work
- c) premises (including their fixtures and fittings) leased rented or hired to the **Insured** but this Section does not cover liability attaching to the **Insured** solely under the terms of any tenancy or other agreement

9) Vessels or Craft

Liability arising out of ownership possession or use by or on behalf of the **Insured** of any vessel or craft designed to travel in on or through water air (including drones and other unmanned aerial vehicles) or space (other than hand-propelled watercraft)

10) Asbestos

Any liability of whatsoever nature arising out of the manufacture mining processing distribution testing remediation removal storage disposal sale use of or exposure to asbestos or materials or products containing asbestos

This Exclusion shall not apply in respect of such removal storage or disposal provided that

- a) the **Insurer’s** liability in respect of **Injury** loss or damage occurring during any one Period of Insurance shall not exceed £2,000,000 in the aggregate or the amount of the Limit of Indemnity for this Section as stated in the Schedule whichever is the lower
- b) such activity does not form part of the **Insured’s** usual trade or **Business** or contract
- c) the discovery of asbestos by the **Insured** is unintentional and accidental
- d) upon discovery of asbestos or products made entirely or mainly of asbestos all work immediately stops
- e) an HSE licensed asbestos removal contractor who has Employers’ Liability and Public and Products Liability insurances in force that
 - i. provide Limits of Indemnity no less than those stated in the Schedule and
 - ii do not exclude the work to be carried out

is contracted if legally required to make safe the area in which the discovery is made as soon as is practicable

11) Contractual Liability

Liability which attaches because of a contract or agreement but which would not have attached in the absence of such contract or agreement

12) Slings and Cradles

Liability for **Injury** or loss or damage arising out of the operation of a sling or cradle

13) Overseas Representation

Liability caused by or arising from any action brought against the **Insured** in any country which is not a member of the European Union where the **Insured** have a branch or a parent or a subsidiary company or are represented by a person or company holding the **Insured’s** Power of Attorney

Conditions

1) Discharge of Liability

The **Insurer** may at any time pay to the **Insured** in connection with any claim or series of claims

- a) the amount of the Limit of Indemnity or
- b) any lesser amount for which such claim or claims can be settled less any sum or sums already paid as compensation claimant’s costs and expenses **Legal Costs** and **Solicitors’ Fees** recoverable prior to the date of such payment

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

On payment the **Insurer** shall relinquish the conduct and control of and be under no further liability in connection with such claim or claims except for the payment of costs and expenses incurred prior to the date of such payment

2) Other Insurances

If any claim under this Section is also covered in whole or in part by any other existing insurance or by an indemnity from any other source the liability of the **Insurer** shall be limited to any excess beyond the amount which would have been payable under such other insurance or from such other source had this Section not been effected

3) Bona Fide Subcontractors

It is a condition precedent to any liability of the **Insurer** in respect of injury loss destruction or damage arising out of work at the **Premises** commencing within the Period of Insurance carried out on behalf of the **Insured** by bona fide subcontractors that the **Insured** obtain and retain a written record that such subcontractors have in force throughout the duration of any work undertaken by them for the **Insured** the following insurance

- a) Employers’ Liability insurance in accordance with any law relating to compulsory insurance of liability to employees
- b) Public Liability insurance covering legal liability for **Injury** to any person other than described in a) above and loss destruction or damage to property with a limit of indemnity not less than the Limit of Indemnity stated in the Schedule

This condition does not apply where bona fide subcontractors are engaged to carry out work on behalf of the **Insured** in an emergency and there is insufficient time to obtain a written record from such subcontractor provided the **Insured** shall obtain verbal confirmation and confirm such information in writing and retain a copy as a written record

SECTION 4 – EMPLOYERS’ LIABILITY

This Section of the Policy is operative only if stated in the Schedule

In the event of **Injury** sustained by any **Employee** of the **Insured** caused during the Period of Insurance and arising out of and in the course of their employment by the **Insured** for the purposes of the **Business** within the **Territorial Limits** the **Insurer** will indemnify the **Insured** in respect of all sums for which the **Insured** become legally liable to pay as compensation and claimant’s costs and expenses in respect of such **Injury**

The **Insurer** will also pay **Legal Costs** and **Solicitors’ Fees**

Limit of Indemnity

The liability of the **Insurer** under this Section for compensation and claimant’s costs and expenses (and **Legal Costs** and **Solicitors’ Fees**) in respect of one occurrence or all occurrences of a series consequent on or attributable to one source or original cause shall not exceed the Limit of Indemnity stated in the Schedule

Section Definition

The following words or phrases have the same meaning wherever they appear, in **bold italics**, within this Section

Territorial Limits

- a) Great Britain Northern Ireland the Isle of Man or the Channel Islands
- b) elsewhere in the world in respect of **Injury** sustained by any **Employee** resident within the territories specified in a) above and caused whilst such **Employee** is temporarily outside these territories provided that any action for compensation in respect of such **Injury** is brought in a court of law within the territories specified in a) above or any other member country of the European Union

Extensions to Section 4

1) Court Attendance Compensation

The **Insurer** will indemnify the **Insured** for the costs of attendance at court to help defend or act as a witness in connection with any claim for which the **Insured** is entitled to indemnity under this Section and with the **Insurer’s** agreement up to a maximum of £250 per day per person

2) Health and Safety at Work – Legal Defence Costs

The **Insurer** will indemnify the **Insured** and at the **Insured’s** request any director or partner of the **Insured** or any **Employee** against **Legal Costs** incurred in defending prosecutions for a breach of the Health and Safety at Work Act 1974 or similar legislation in Northern Ireland the Channel Islands or the Isle of Man committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgment given

Provided that this indemnity shall not apply to the payment of fines or penalties

3) Indemnity to Other Parties

If the **Insured** so request the **Insurer** will indemnify the following parties

- a) any member of the **Insured’s** first aid service (but excluding medical practitioners) against liability incurred in such capacity
- b) any partner director or **Employee** of the **Insured** against liability incurred in such capacity and in respect of which the **Insured** would have been entitled to indemnity under this Section if the claim had been made against the **Insured** as though each party was individually named as the **Insured** in this Section
- c) any **Principal** for whom the **Insured** have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the **Insured** and in respect of which the **Insured** are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the **Insured**

Provided that

- i. each such party shall observe fulfil and be subject to the terms and conditions of this Section insofar as they can apply
- ii. the **Insurer’s** liability to the **Insured** and all parties indemnified shall not exceed in total the Limit of Indemnity stated in the Schedule

SECTION 4 – EMPLOYERS’ LIABILITY CONTINUED

4) Unsatisfied Court Judgments

In the event of a judgment for damages being obtained by any **Employee** or the personal representatives of any **Employee** in respect of **Injury** caused to the **Employee** during any Period of Insurance and occurring in connection with the **Business** against any person or company operating from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man in any court situate in these territories and remaining unsatisfied in whole or in part six months after the date of such judgment the **Insurer** will at the **Insured’s** request pay to the **Employee** or the personal representatives of the **Employee** the amount of such damages and any awarded costs to the extent that they remain unsatisfied

Provided that

- a) there is no appeal outstanding
- b) if any payment is made under the terms of this Extension the **Employee** or the personal representatives of the **Employee** shall assign the judgment to the **Insurer**

5) Corporate Manslaughter and Corporate Homicide – Legal Defence Costs

The **Insurer** will indemnify the **Insured** against **Legal Costs** incurred with the **Insurer’s** written consent in defending prosecutions under the Corporate Manslaughter and Corporate Homicide Act 2007 committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgment given provided that this indemnity shall not apply to the payment of fines or penalties or the costs of remedial orders or publicity orders

Exclusions

The **Insurer** shall not be liable for

- 1) liability in respect of **Injury** to any **Employee** arising out of the ownership possession or use by or on behalf of the **Insured** of any mechanically propelled vehicle or trailer attached thereto if such liability is required by any road traffic legislation to be the subject of compulsory insurance or other security
- 2) liability in respect of **Injury** to any **Employee** who is working in or on any **Offshore Installation** or any support vessel for any **Offshore Installation** or whilst in transit to or from any **Offshore Installation** or support vessel
- 3) liability in respect of **Injury** to any **Employee** who is working in or on a sling or cradle

Conditions

1) Certificate of Employers’ Liability Insurance

If this Policy or Section is cancelled any Certificate of Employers’ Liability Insurance is similarly cancelled from the same date

2) Compulsory Insurance Legislation

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in the **Territorial Limits** but the **Insured** shall repay to the **Insurer** all sums paid by the **Insurer** which the **Insurer** would not have been liable to pay but for the provisions of such law

3) Discharge of Liability

The **Insurer** may at any time pay to the **Insured** in connection with any claim or series of claims

- a) the amount of the Limit of Indemnity or
- b) any lesser amount for which such claim or claims can be settled less any sum or sums already paid as compensation claimant’s costs and expenses **Legal Costs** and **Solicitors’ Fees** recoverable prior to the date of such payment

On payment the **Insurer** shall relinquish the conduct and control of and be under no further liability in connection with such claim or claims except or the payment of costs and expenses incurred prior to the date of such payment

4) Other Insurances

If any claim under this Section is also covered in whole or in part by any other existing insurance or by an indemnity from any other source the liability of the **Insurer** shall be limited to any excess beyond the amount which would have been payable under such other insurance or from such other source had this Section not been effected

SECTION 5 – TERRORISM

This Section of the Policy is operative only if stated in the Schedule

In consideration of the payment of the premium in respect of the **Period of Insurance** the insurance provided under Section 1 – Material Damage and Section 2 – Loss of Rent is extended to include **Damage** in England Scotland and Wales (but this shall not include the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987) occasioned by or happening through or in consequence of **Terrorism** and loss consequent on interruption to or interference with the **Business** (but only where such loss is insured under these Sections) resulting from such **Damage**

The **Insurer's** liability in respect of all losses arising out of any one occurrence and in the aggregate in any one **Period of Insurance** shall not exceed the Limits as otherwise specified under these Sections as stated in the Schedule

Section Definitions

The following words or phrases have the same meaning wherever they appear, in **bold italics**, within this Section.

Nuclear Installation

Means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time 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 or
- 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

Means 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

Period of Insurance

Means the period commencing from

- a) the Effective Date of the cover provided by this Section as shown in the Schedule or
- b) any subsequent renewal of the Policy and of this Section

Provided that any such Period of Insurance does not exceed twelve calendar months

Private Individual

Means any person other than a

- a) company association or partnership
- b) trustee or body of trustees where insurance is arranged under the terms of a trust
- c) person who owns **Residential Property** for the purpose of a business as a sole trader
- d) person who owns **Residential Property** of which in excess of 20% is commercially occupied

Where

- a) i. the **Residential Property** is occupied by a trustee or a sole trader as a private residence
and
ii. the property is not a block of flats
each will be deemed to be a Private Individual in respect of that same property

SECTION 5 – TERRORISM CONTINUED

- b) two or more persons have arranged insurance on **Residential Property** in
- i. their several names
- and/or
- ii. the name of the Insured includes the name of a bank building society or other financial institution for the purpose of noting their interest in the property insured
- such persons will be deemed to be a Private Individual in respect of that property

Residential Property

Means

- a) private dwelling houses and flats
- b) household goods and personal effects

Exclusions

This Section does not cover

- 1) loss or destruction of or damage caused to **Residential Property** insured in the name of a **Private Individual**
- 2) loss or destruction of or damage caused to any property at a **Nuclear Installation** or **Nuclear Reactor**
- 3) loss or destruction of or damage caused by riot or civil commotion
- 4) any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from
 - a. the alteration modification distortion corruption of or damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) or
 - b. any alteration modification distortion erasure corruption of data processed by any such computer or other equipment or component or system or item whether the property of the **Insured** or not 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**

Provided also that this Section is not subject to any of the General Exclusions of the Policy other than General Exclusion 1a)

Conditions

- 1) The **Insurer** will not indemnify the **Insured** unless and until
 - a) the Treasury issues a certificate certifying that any loss was caused by **Terrorism** or
 - b) in the event of the Treasury refusing to issue such a certificate a tribunal formed by agreement between the Insurer and Pool Reinsurance Company Limited decides that the cause of such loss was **Terrorism**
- 2) If in relation to any claim under this Section the **Insured** have failed to fulfil any of the following conditions the **Insured** will lose their right to indemnity or payment for that claim
 - a) the **Insured** must declare to the **Insurer** all property and/or premises owned by them or for which they are 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
 - b) the **Insured** must purchase Terrorism insurance from a Pool Reinsurance Company Limited member company in respect of all such property and/or premises
- 3) In any action suit or proceedings where the **Insurer** alleges that any **Damage** or loss resulting from **Damage** is not covered by this Section the burden of proving that such **Damage** or loss is covered will be upon the **Insured**

SECTION 6 – LEGAL EXPENSES

The **Insurer** will only indemnify the **Insured** for **Claims** where the dispute and/or legal proceedings and/or **Inland Revenue Investigation** are or would be within the **Territorial Limits** and the **Claim** is notified to the **Insurer's** appointed representative Lyons Davidson Solicitors during the Period of Insurance and is in connection with the activities within the scope and extent of the **Business** activities of the **Insured** as specified in the Schedule

If the **Insured's Claim** is covered under this Section and no exclusions apply then it is vital that the **Insured** complies with the conditions of this Section in order for the **Insured's Claim** to proceed. The conditions applicable to this Section are contained below and should be read carefully. Two of the main conditions to this Section are that the **Claim** has **Prospects of Success** and that costs associated with the **Claim** are **Proportional**

Section Definitions

The following words or phrases have the same meaning wherever they appear, in **bold italics**, within this Section

Acts of Parliament

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

Any One Claim

All **Claims** consequent upon the same original cause event or circumstance

Appointed Representative

A solicitor barrister or other appropriately qualified person appointed to act for the **Insured** in accordance with the terms of the Policy

Claim

A claim under the Policy for **Legal Expenses** or **Professional Expenses**

Contracting Party

A person firm or company domiciled within the **Territorial Limits** with whom the **Insured** has a direct contractual relationship

Inland Revenue Investigation

The investigation which takes place when an officer of Her Majesty's Revenue & Customs (HMRC) makes a request to examine all of the **Insured's** business books and records and issues a formal notice under S9A or 12AC of the Taxes Management Act 1970 or under Paragraph 24 (1) Schedule 18 Finance Act 1988

Insurer's Representative

Arc Legal Assistance Limited who administers and manages Section 6 – Legal Expenses – of the Policy on behalf of the **Insurer**

Legal Expenses

a) Fees

- i. Any professional fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** and
- ii. any costs incurred by other parties insofar as the **Insured** is held liable in court or tribunal proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the consent of the **Insurer's Representative** but excluding any costs which the **Insured** may be ordered to pay by a court of criminal jurisdiction

b) Witness Attendance Allowance

The amount of money the **Insured** is liable to pay an **Employee** each day they are required by the **Appointed Representative** to attend as a witness at a court or tribunal hearing. This indemnity is limited to £100 per day and a maximum of £1,000 for **Any One Claim**

Legal Expenses Helpline

As specified in the Schedule. The legal advice is provided by Lyons Davidson Solicitors who are authorised and regulated by the Solicitors Regulation Authority. Lyons Davidson Solicitors make no charge to the **Insured** for providing these services. Calls to the **Legal Expenses Helpline** may be recorded. The **Insured** agrees that in all circumstances the **Insurer's Representative** has the **Insured's** express permission to listen and review any call for auditing and monitoring purposes

SECTION 6 – LEGAL EXPENSES CONTINUED

Professional Expenses

Any fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** but excluding any tax or VAT additional tax or VAT interest or penalties demanded assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction

Proportional

An estimate of the **Legal Expenses** and **Professional Expenses** to deal with the **Insured's** claim must not be more than the amount of money at stake. If the estimate exceeds the amount in dispute then the **Insurer's Representative** may decline or discontinue support for the **Insured's** case

Prospects of Success

In the professional opinion of the **Appointed Representative** there must be more than a 50% chance of winning the case and achieving a positive outcome. A positive outcome includes but is not limited to recovering the amount of money at stake enforcing a judgment or achieving an outcome which best serves the **Insured's** interests

Tenancy Agreement

An agreement between the **Insured** and the **Tenant** for the use and occupation of the **Property**

Sub-Section A – Property Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in any dispute or legal proceedings made by or brought against the **Insured**

- a) over the physical possession of the **Property** provided that where appropriate all statutory and contractual notices have been correctly served by the **Insured** on the **Tenant**
- b) over the terms of the **Tenancy Agreement** relating to the use or maintenance of the **Property** excluding dilapidations
- c) other than with a **Tenant** to pursue for damages or other remedy for the actual or alleged physical damage to the **Property** subject to the amount in dispute being in excess of £1,000 and any **Legal Expenses** being limited to 75% of the amount in dispute
- d) over the actual or alleged dilapidations to the **Property** subject to the amount in dispute being in excess of £1,000 and any **Legal Expenses** being limited to 75% of the amount in dispute
- e) to pursue or defend allegations of nuisance or trespass emanating from the **Property** provided the **Property** is solely used for residential purposes

Provided that the **Insured** will suffer financial loss if the **Insured** fails to pursue or defend the dispute or legal proceedings

Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of or in connection with

- a) pursuing or defending the payment or non-payment of any tax rent and/or mesne profits or service charge or any review of rent or service charge
- b) a dispute relating to rent tax planning or building regulations or decisions or compulsory purchase orders or any actual planned or proposed works by or under the order of any government or public or local authority
- c) any dispute arising from the negotiation review or renewal of a **Tenancy Agreement** or the subsequent purchase of the **Property** whether or not such purchase is completed
- d) any actual or alleged harassment of a **Tenant** or the **Insured**
- e) any dispute where the **Insured** has failed to maintain in full force and effect during the **Tenancy Agreement** buildings insurance covering the standard range of perils
- f) a dispute over subsidence or heave howsoever caused
- g) a contract dispute other than where the contract is a **Tenancy Agreement**
- h) any planning application review or decision

SECTION 6 – LEGAL EXPENSES CONTINUED

Sub-Section B – Repair and Renovation Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against the **Insured** in a contractual dispute with a **Contracting Party** over the repair or renovation to a **Property** provided that

- a) the **Legal Expenses** indemnified shall be limited to 75% of the sum in dispute
- b) the amount in dispute exceeds £1,000 and the contract value is less than £100,000

Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of

- a) contracts that provide or arrange credit insurance securities or guarantees
- b) contracts where the liability or right of recovery of the **Insured** is incurred through their agent or by assignment
- c) contracts governed by or alleged to be governed by the Consumer Credit Act 1974
- d) contracts of employment
- e) a **Tenancy Agreement** or a license to use **Property**

Sub-Section C – Health and Safety Prosecutions

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in

- a) defending a prosecution against the **Insured** brought under the Health and Safety at Work Act 1974 in a court of criminal jurisdiction
- b) an appeal by the **Insured** against the service of an Improvement or Prohibition Notice under the Health and Safety at Work Act 1974

provided that the breach or alleged breach of the Health and Safety at Work Act or the Improvement or Prohibition Notice relate to the **Property**

Sub-Section D – Tax Protection

The **Insurer** agrees to indemnify the **Insured** against **Professional Expenses** incurred in respect of representation of the **Insured** in an **Inland Revenue Investigation** including representation at a First-tier Tribunal and at an appeal against a decision following such a Tribunal provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC

Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

- a) technical or routine treatment of matters not connected with nor arising out of an expression of dissatisfaction with the **Insured's** affairs
- b) the defence of any criminal prosecution
- c) taxation proceedings which arise out of negligent mis-statements or omissions made by or on behalf of the **Insured** in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
- d) any **Inland Revenue Investigation** or proceedings which results solely from investigation of earlier accounts or records
- e) taxes fines interest or any other duties or penalties imposed upon the **Insured** by any Revenue authority or court or tribunal
- f) any **Claim** where the tax return is submitted outside the statutory time limits and/or in a penalty position or where the **Insured** has not notified chargeability to tax within the statutory time limits
- g) the preparation and/or correction of Self Assessment Returns accounts Income Tax Returns P11Ds P35s VAT returns or any other statutory returns

SECTION 6 – LEGAL EXPENSES CONTINUED

- h) any enquiry under Public Notice 160 or Section 60 of the VAT Act 1994 or matters handled by HM Revenue and Customs Specialist Investigations Civil Investigations of Fraud and Criminal Investigations Sections. Also Code of Practice 8 and 9 cases
- i) an enquiry into the validity of a claim for Working Tax Credit or a dispute concerning the payment of the Working Tax Credit by an employer
- j) any dispute in connection with the payment of the National Minimum Wage
- k) a dispute or enquiry in respect of IR35 legislation
- l) any **Claim** made where a return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items
- m) an investigation arising out of a voluntary disclosure made to HMRC in respect of omitted tax which become due as a result of the **Insured's** deliberate act or following an HMRC amnesty where the **Insured** has made an incorrect return to HMRC
- n) an investigation by HMRC into a tax planning arrangement where the Anti Avoidance Intelligence Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return or any matter relating to bespoke tax planning

Sub-Section E – Arc Legal Document Service

The Arc Legal Document Service provides access to the **Insured** to the **Insurer's Representative** Legal Document Service. This provides:

- a) Access to a range of legal document templates
- b) A step by step walkthrough to assist the **Insured** in completing the documents

The service contact details are shown in the Schedule

Exclusions to Section 6

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

- 1) the defence of the **Insured** in civil legal proceedings for
 - a) injury or disease including psychiatric injury and/or stress
 - b) loss destruction or damage of or to property (other than as specified in Section 6 Sub-section A)
 - c) alleged breach of any professional duty
 - d) any tortious liability (other than as specified in Section 6 Sub-section A)
- 2) any dispute legal proceedings or **Inland Revenue Investigation** made brought or commenced outside the **Territorial Limits**
- 3) **Legal Expenses** or **Professional Expenses** incurred without the prior written consent of the **Insurer's Representative** or in excess of the **Insurer's Representative's** consent
- 4) any **Claim** relating to or arising from any cause event or circumstance occurring prior to or existing at inception of the Policy and which has or which the **Insured** knew or ought reasonably to have known may give rise to a dispute legal proceedings or **Inland Revenue Investigations** by or against the **Insured**
- 5) fines or other penalties imposed by a court or tribunal
- 6) any dispute legal proceedings or **Inland Revenue Investigations** in respect of which the **Insured** is or but for the existence of the Policy would be entitled to indemnity under any insurance policy whether a legal expenses insurance or not or under a legal aid certificate or representation order
- 7) any **Claim** arising from the **Insured's** intentional wrongdoing or an act or omission with negligent disregard as to its consequences
- 8) any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges

SECTION 6 – LEGAL EXPENSES CONTINUED

- 9) disputes or legal proceedings between **Insureds** as specified in the Schedule or any endorsement thereto or with any parent company or subsidiary company or associated company or partner
- 10) any dispute between the **Insured** and the **Insurer** the **Insurer's Representative** the **Appointed Representative** or the mortgage lender
- 11) any dispute falling within the jurisdiction of the Rent Assessment Committee the Lands Tribunal or the Leasehold Valuation Tribunal
- 12) any dispute or legal proceedings where the **Insured** or his agent are in breach of Section 213 of the Housing Act 2004 (and/or any amending legislation) in relation to the deposit
- 13) any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off whether related to intellectual property or not or the use or alleged use of any intellectual property
- 14) any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood
- 15) any **Legal Expenses** or **Professional Expenses** incurred in respect of or in connection with a judicial review
- 16) appeals arising out of legal proceedings or **Inland Revenue Investigations** to which the **Insurer's Representative's** consent has not been granted
- 17) any **Claim** directly or indirectly caused by or contributed to by seepage pollution or contamination of any kind
- 18) any **Legal Expenses** or **Professional Expenses** which the **Insured** should or would have had to incur irrespective of any dispute or legal proceeding

Legal Expenses Claims Conditions

1) Notification of Claims

In order to be covered by this Section the **Insured** must during the Period of Insurance immediately notify the **Insurer's** appointed representative Lyons Davidson Solicitors in writing if the **Insured** is aware of any cause event or circumstance which has given or may give rise to a **Claim** dispute legal proceedings or **Inland Revenue Investigation** involving the **Insured**

Where such notification has been given the **Insurer** agrees to treat any subsequent **Claim** in respect of the cause event or circumstance notified as though the **Claim** had been notified during the Period of Insurance

Lyons Davidson Solicitors can be contacted by email or telephone

Email LVCommercial@lyonsdavidson.co.uk

Telephone 0800 0321145

2) Insurer's Representative's Consent

The Insurer will only indemnify the **Insured** under this Section if the **Insurer's** consent in writing is obtained before any **Legal Expenses** or **Professional Expenses** are incurred. This consent will be given by the **Insurer's Representative** on behalf of the **Insurer** if the **Insured** can satisfy the **Insurer's Representative** that

a) the **Legal Expenses** and **Professional Expenses** are **Proportional** and

b)

- i. where the **Insured** is pursuing there are **Prospects of Success** of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought

or

- ii. where the **Insured** is defending there are **Prospects of Success** of defending the claim

or

- iii. in respect of a Health and Safety prosecution and where the **Insured** pleads guilty there is a reasonable prospect of a significant mitigation of the **Insured's** sentence or fine

SECTION 6 – LEGAL EXPENSES CONTINUED

If during the course of a **Claim** the **Insured** ceases to satisfy the **Insurer's Representative** in respect of a) or b) above indemnity will be withdrawn in respect of **Legal Expenses** or **Professional Expenses**

The decision to grant consent or to withhold it will be taken on receipt of

- A) a fully completed claim form
- B) the information and documentation the **Insurer's Representative** reasonably requests
- C) a legal opinion from the **Appointed Representative** as to a) and b) above
- D) any advice the **Insurer's Representative** may deem it necessary to take

With the agreement of the **Insured** the **Insurer's Representative** may provide assistance in settling disputes the costs of which will be covered under the Policy subject to the payment of the **Excess** within the Limits of Indemnity

The **Insurer's Representative** at its discretion may require the **Insured** to obtain an opinion from Counsel at the **Insured's** expense as to the merits of the subject matter of the **Claim** such opinion to have regard to the same issues that the **Insurer's Representative** has in assessing the merits of any legal action.

If based upon such opinion the **Insurer's Representative** is satisfied in respect of a) and b) above the **Legal Expenses** and **Professional Expenses** incurred in obtaining that opinion will be paid by the **Insurer** within the Limits of Indemnity

In granting its consent the **Insurer** undertakes to provide indemnity to the **Insured** subject to the terms and conditions of the Policy and Schedule but such consent does not imply that all **Legal Expenses** or **Professional Expenses** will be paid. In particular **Legal Expenses** or **Professional Expenses** for matters that go beyond the immediate scope of the **Claim** shall be deemed by the **Insurer** to fall outside the indemnity provided by the Policy

The **Insurer's Representative** reserves the right to limit its consent by time and/or financial amount of **Legal Expenses** or **Professional Expenses** and/or stage of proceedings to allow for a review of their continued consent

If after consent has been granted it is shown that the **Claim** has not been brought within the terms and conditions of the Policy and Schedule the **Insurer's Representative's** consent will be withdrawn and no indemnity shall be provided. The **Insurer** shall be entitled to recover any **Legal Expenses** or **Professional Expenses** previously paid

If the **Insured** elects to proceed with the pursuit or defence of a dispute or legal proceedings to which the **Insurer's Representative's** consent has been refused through lack of reasonable prospects as required in b) i. and ii. above and if the **Insured** is successful in such pursuit or defence the **Insurer** will pay **Legal Expenses** or **Professional Expenses** incurred after such consent had been refused subject to the terms and conditions of the Policy

3) Instruction and Choice of Appointed Representative and Counsel

The **Insurer's Representative** will choose an **Appointed Representative** to act on behalf of the **Insured** in any **Claim** under certain Sub-sections as specified in the Schedule

In all other Sub-Sections where recourse is necessary to a lawyer and there are enquiries or legal proceedings the **Insured** is free to choose an **Appointed Representative** to act in the name of and on behalf of the **Insured** in any enquiry or legal proceedings. The name and address of the **Appointed Representative** the **Insured** proposes to instruct must be notified to the **Insurer's Representative** in writing. The proposed **Appointed Representative** will enable the **Insured** to comply with the terms and conditions of this Section and will be appointed to act for the **Insured** in line with the **Insurer's Representative's** standard conditions of appointment. Any **Professional Expenses** or **Legal Expenses** charged by the **Insured's** proposed **Appointed Representative** in excess of those that would normally be incurred using the **Insurer's Representative's** standard scale of charges (available on request) will be the responsibility of the **Insured**. In all other **Claims** the **Insurer's Representative** will choose the **Appointed Representative** subject to the **Excess** unless there is a conflict of interest between the **Insured** and the **Insurer's Representative** when the **Insured** is free to choose an **Appointed Representative** to act in the name and on behalf of the **Insured** in any **Claim** to which the **Insurer's Representative** has consented

The **Insured** must not without the written consent of the **Insurer's Representative** enter into any agreement with the **Appointed Representative** as to the basis of calculation of **Legal Expenses** or **Professional Expenses**

In selecting the **Appointed Representative** the **Insured** shall have regard to its duty to minimise the cost of any **Claim** or legal proceedings. In all cases the **Appointed Representative** shall be appointed in the name of and on behalf of the **Insured**

SECTION 6 – LEGAL EXPENSES CONTINUED

If in the course of any **Claim** or legal proceedings the **Appointed Representative** wishes to instruct Counsel or an expert Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the **Insurer's Representative** for consent to the proposed instruction which will not be unreasonably withheld

A dispute arising from the **Insured's** choice of **Appointed Representative** may be referred to arbitration

4) Disclosure

In order for the **Insurer** to indemnify the **Insured** under this Section the **Insured** must

- a) give the **Appointed Representative** and the **Insurer's Representative** all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the **Insured's** possession. The **Insured** must provide obtain or execute all documents as necessary and attend meetings or conferences as requested
- b) instruct the **Appointed Representative** to provide the **Insurer's Representative** any information document or advice in connection with any **Claim** and the subject matter of any **Claim** even if privileged. In addition the **Insured** must instruct the **Appointed Representative** to provide the **Insurer's Representative** with regular updates on the progress of the subject matter of any **Claim** and inform the **Insurer's Representative** immediately if and when any circumstance adversely impacts the factors taken into account in granting the **Insurer's Representative's** consent.

Indemnity may be withdrawn if the **Insured** fails to co-operate at all or within a reasonable time with the **Insurer's Representative's** or the **Appointed Representative's** requests or if the **Insured** or **Appointed Representative** fails to provide the **Insurer's Representative** with any information in connection with any **Claim** or the subject matter of any **Claim**

5) Payment of Legal Expenses and Professional Expenses

All bills for **Legal Expenses** or **Professional Expenses** which the **Insured** receives from the **Appointed Representative** should be forwarded to the **Insurer's Representative** without delay. If the **Insurer's Representative** so requires the **Insured** must ask the **Appointed Representative** to submit the bill of costs for assessment or certification by the appropriate Law Society court or tribunal

The **Insured** is responsible for payment of all **Legal Expenses** or **Professional Expenses**. The **Insurer** may settle these direct if requested by the **Insured** to do so

The payment of some **Legal Expenses** or **Professional Expenses** does not imply that all **Legal Expenses** or **Professional Expenses** will be paid

6) Offer of Settlement

In order for the **Insurer** to indemnify the **Insured** under this Section the **Insured** must inform the **Insurer's Representative** in writing as soon as an offer to settle a **Claim** or legal proceedings is received and/or the **Insured** proposes to make an offer of settlement. In any settlement the **Insured** must have regard to **Legal Expenses** or **Professional Expenses** incurred or likely to be incurred by the **Insurer** and the recovery thereof

No indemnity will be provided if the **Insured** enters into any agreement to settle without the prior written consent of the **Insurer's Representative** (such consent not to be unreasonably withheld) and the **Insurer** shall be entitled to recover any **Legal Expenses** or **Professional Expenses** previously paid. If the **Insured** unreasonably rejects an offer of settlement which the **Insurer's Representative** recommends acceptance of or makes an offer which the **Insurer's Representative** does not agree no further indemnity shall be provided

The **Insurer** may at its absolute discretion decide to pay the **Insured** the amount of damages that the **Insured** is claiming or is being claimed against the **Insured** instead of indemnifying the **Insured** for **Legal Expenses** or **Professional Expenses**. Where the **Insurer** exercises this discretion the **Insurer** will cease to be liable for any further **Legal Expenses** or **Professional Expenses**

SECTION 6 – LEGAL EXPENSES CONTINUED

7) Recovery of Costs

Whenever the **Insured** is awarded costs or under the terms of any settlement where costs are included those costs are to be repaid to the **Insurer**

The **Insured** and their **Appointed Representative** must make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered the **Insured** agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the **Insurer**

Where such a settlement is paid in instalments all costs to the **Insurer** shall be paid first

8) Appeal Procedure

If following legal proceedings to which the **Insurer's Representative** has consented the **Insured** wishes to appeal against the judgment or decision of a court or tribunal the grounds for such appeal must be submitted to the **Insurer's Representative** through the **Appointed Representative** immediately or as soon as practicable so that the **Insurer's Representative** may consider whether to consent to such further action. If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the **Insured** following legal proceedings to which the **Insurer's Representative** has consented the **Insured** must notify the **Insurer's Representative** immediately in order that cover shall continue. The **Insurer's Representative** will inform the **Appointed Representative** of its decision. If the **Insurer's Representative** so requires it the **Insured** must co-operate in an appeal against the judgment or decision of a court or tribunal

9) Duty to Minimise

The **Insured** must take all reasonable precautions to avoid and prevent **Claims Inland Revenue Investigations** legal proceedings and disputes. The **Insured** must use every endeavour and take all reasonable measures to minimise the cost and effect of any **Claim**

10) Insolvency or Liquidation of the Insured

If the **Insured** becomes insolvent or is placed in liquidation receivership administration or bankruptcy or enters into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose the **Insurer** has the right to immediately cease to provide indemnity for **Legal Expenses** or **Professional Expenses** notwithstanding any previous consent the **Insurer's Representative** may have granted

11) Value Added Tax

If the **Insured** is registered for VAT the **Insurer** will not pay the VAT element of any **Legal Expenses** or **Professional Expenses**

12) Arbitration

Any dispute between the parties as to the amounts to be paid under this Section may where both parties agree be referred to an arbitrator who will be either a solicitor or a barrister. If the parties cannot agree on their choice of arbitrator the Law Society may be asked to make a nomination. The arbitration will be binding and carried out under the Arbitration Act. The costs of the arbitration will be at the discretion of the arbitrator

GENERAL CLAIMS CONDITIONS

1) Action by the **Insured** (not applicable to Section 6 – Legal Expenses)

On the happening of any event or circumstance which could give rise to a claim by the **Insured** under the Policy or on receiving verbal or written notice of any claim the **Insured** shall

- a) as soon as reasonably possible give notice to the **Insurer**
- b) immediately notify the Police in respect of any **Damage** caused by thieves or malicious persons and obtain a Crime Reference Number which must be advised to the **Insurer** as soon as reasonably possible
- c) immediately forward to the **Insurer** any writ or summons issued against the **Insured** by a third party
- d) take action to minimise the loss destruction or damage and to avoid interruption or interference with the **Business** and to prevent further loss destruction damage or injury
- e) at their own expense supply full details of the claim in writing to the **Insurer** together with any evidence and information that may be reasonably required by the **Insurer** for the purpose of investigating or verifying the claim and if demanded a statutory declaration of the truth of the claim and any matter connected with it within
 - i. 7 days of **Damage** caused by riot civil commotion strikers locked out workers or persons taking part in labour disturbances or malicious persons
 - ii. 30 days of expiry of the **Indemnity Period** in respect of Rent Receivable claims
 - iii. 30 days of the event or circumstance in the case of any other claim or of a request from the **Insurer**

No theft or attempted theft claim under this Policy shall be considered unless notified to the Police in accordance with 1b) above and a Crime Reference Number obtained

No settlement admission of liability payment or promise of payment shall be made to a third party without the prior written consent of the **Insurer**

No claim under the Policy shall be payable unless the terms of this Condition have been complied with

2) Rights of the Insurer

The **Insurer** shall

- a) be entitled at any stage to take over the defence or settlement of any claim made upon the **Insured** by any other party and to prosecute for its own benefit any claim for indemnity or compensation against any other persons in respect of any event insured by the Policy and at no cost to the **Insurer** the **Insured** shall give all assistance as may be reasonably required by the **Insurer**
- b) have the right to enter the **Premises** where the **Damage** has occurred and to keep possession of any **Property** insured without thereby incurring any liability or diminishing any of the **Insurer's** rights under the Policy and to deal with the salvage in a reasonable manner but the **Insured** shall not be entitled to abandon any **Property** to the **Insurer**
- c) at its option indemnify the **Insured** by payment reinstatement replacement or repair in respect of any **Property** lost or damaged or part thereof. If the **Insurer** elects to reinstate or replace any **Property** they shall not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon

3) Conditions

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

GENERAL CLAIMS CONDITIONS CONTINUED

4) Contribution in respect of Sections 1 and 2

If in the event of **Damage** or liability under the Policy there shall be in force any other insurance effected by or on behalf of the **Insured** providing cover against such a claim

- a) the liability of the **Insurer** shall be limited to its rateable proportion of such a claim
- b) but which is subject to any provision excluding it from ranking concurrently with the Policy either in whole or in part or from contributing rateably to the claim then the liability of the **Insurer** shall be limited to such proportion of the claim as the Sum Insured bears to the value of the **Property**

5) Arbitration (not applicable to Section 6 – Legal Expenses)

If any difference shall arise as to the amounts to be paid under the Policy such difference may at the **Insurer's** option be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the **Insurer**

Any other difference shall be subject to the exclusive jurisdiction of the courts of England and Wales

6) Claims Co-operation

The **Insured** will provide all help and assistance and co-operation required by the **Insurer** and/or their appointed representatives in connection with any claim

USEFUL INFORMATION

How to make a claim

Please contact in the first instance the Broker Intermediary or Agent who arranged the Policy. Alternatively telephone the Claims Helpline on **0800 032 1170**. Please quote your Policy Number

If you need to notify a possible Claim under Section 6 – Legal Expenses please immediately contact the **Legal Expenses Helpline**

Telephone **0800 032 1145**

How to complain

If you have a complaint about your Policy or the service you have received please contact the Broker Intermediary or Agent that arranged it

If they are unable to resolve your complaint you may refer your complaint to the Financial Ombudsman Service within six months of receiving their final response letter

Should you be unhappy with the service provided by LV= please contact us by phone on **0800 678 3161** or write to us at LV=, County Gates, Bournemouth, BH1 2NF E-mail: feedback@LV.com

Please quote the Policy Number in all correspondence

A copy of our complaint handling procedure is available on request

If we cannot resolve your complaint you may refer your complaint to the Financial Ombudsman Service within six months of receiving our final response letter

The address is: Financial Ombudsman Service, Exchange Tower, London E14 9SR

Telephone: **0800 023 4567** or **0300 123 9 123** (from mobile or non BT lines)

E-mail: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal action

Details about our Regulator

Liverpool Victoria Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Compensation

If we are unable to meet our liabilities to policyholders, you may be able to claim compensation from the Financial Services Compensation Scheme. The level of compensation differs depending on the type of cover:

Compulsory Insurance	Non-compulsory Insurance
100% of the claim	90% of the claim

Further information can be obtained from:
Financial Services Compensation Scheme,
10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU

Telephone **0800 678 1100** or **020 7741 4100**

enquiries@fscs.org.uk

www.fscs.org.uk



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