



Property Owners Policy

Please read this document carefully and keep for future reference

MG Underwriting

Staley House
Hassall Street
Stalybridge
SK15 2LF

Tel: 0161 304 9933

Fax: 0161 304 9966

www.mgunderwriting.com

Introduction

Certification and Extent of Policy Coverage

This is to certify that in accordance with the authorisation granted under Contract Number B0799FC006480j to MG Underwriting (a trading style of MG Insurance Consultants Limited) by a panel of insurers led by Certain Underwriters at Lloyd's (whose identity is stated further under the "Customer Information" section of this policy), hereafter referred to as Insurers, and in consideration of the premium specified having been paid, Insurers agree to the extent and in the manner detailed, to indemnify the Insured against loss or Damage sustained or legal liability for accidents happening, which occur during the Period of Insurance stated in the Schedule, after such loss, damage or liability has been proved.

Provided always that:

- 1) Insurers liability shall not exceed the limits of liability expressed in the attaching Schedule or such other limits of liability as may be substituted by endorsement and agreed by or on their behalf;
- 2) This Policy insures only in respect of the sections specified in the Policy Schedule.
- 3) This Policy is subject to all the terms which are contained within the body of the wording or that may be endorsed or added thereto, all of which are to be considered as incorporated and shall be read together.

Fair Presentation

1. Before this insurance contract is entered into, you must make a fair presentation of the risk to us, in accordance with Section 3 of the Insurance Act 2015. In summary, you must:
 - a) Disclose to us every material circumstance which you know or ought to know. Failing that, you must give us sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium);
 - b) Make the disclosure in clause (1)(a) above in a reasonably clear and accessible way; and
 - c) Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
2. For the purposes of clause (1)(a) above, you are expected to know the following:
 - a) If you are an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
 - b) If you are not an individual, what is known to anybody who is part of your senior management; or anybody who is responsible for arranging your insurance.
 - c) Whether you are an individual or not, what should reasonably have been revealed by a reasonable search of information available to you. The information may be held within your organisation, or by any third party (including but not limited to subsidiaries, affiliates, the broker, or any other person who will be covered under the insurance). If you are insuring subsidiaries, affiliates or other parties, we expect that you will have included them in your enquiries, and that you will inform us if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.

Please read the whole document carefully. It is arranged in different sections. It is important that:

- You are clear which sections You have requested and want to be included;
- You understand what each section covers and does not cover;
- You understand Your own duties under each section and under the insurance as a whole.

Please contact Your broker immediately if this document is not correct or if You would like to ask any questions.

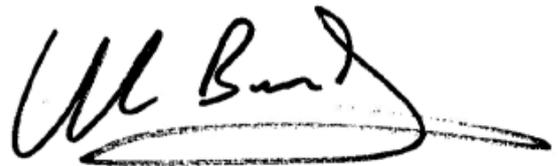
Important Notice

1. If, prior to entering into this insurance contract, you shall breach the duty of fair presentation, the remedies available to us are set out below.
 - a) If your breach of the duty of fair presentation is deliberate or reckless:
 - i). We may avoid the contract, and refuse to pay all claims; and,

- ii). We need not return any of the premiums paid.
 - b) If your breach of the duty of fair presentation is not deliberate or reckless, our remedy shall depend upon what we would have done if you had complied with the duty of fair presentation:
 - i). If we would not have entered into the contract at all, we may avoid the contract and refuse all claims, but must return the premiums paid.
 - ii). If we would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms from the outset, if we so require.
 - iii). In addition, if we would have entered into the contract, but would have charged a higher premium, we may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, we shall pay only X% of what we would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.
2. If, prior to entering into a variation to this insurance contract, you shall breach the duty of fair presentation, the remedies available to us are set out below.
- a) If your breach of the duty of fair presentation is deliberate or reckless:
 - i). We may by notice to you treat the contract as having been terminated from the time when the variation was concluded; and,
 - ii). We need not return any of the premiums paid.
 - b) If your breach of the duty of fair presentation is not deliberate or reckless, our remedy shall depend upon what we would have done if you had complied with the duty of fair presentation:
 - i). If we would not have agreed to the variation at all, we may treat the contract as if the variation was never made, but must in that event return any extra premium paid.
 - ii). If we would have agreed to the variation to the contract, but on different terms (other than terms relating to the premium), the variation is to be treated as if it had been entered into on those different terms, if we so require.
 - iii). If we would have increased the premium by more than it did or at all, then we may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, we shall pay only X% of what it would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.
 - iv). If we would not have reduced the premium as much as it did or at all, then we may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, we shall pay only X% of what we would otherwise have been required to pay, where $X = (\text{premium actually charged/reduced total premium}) \times 100$.

This Policy has been issued and signed on behalf of a panel of insurers led by Certain Underwriters at Lloyd's by

MG Underwriting
Staley House
Hassall Street
Stalybridge
Cheshire
SK15 2LF



Michael Bond
Managing Director

Customer Information

Who are the Insurers?

This policy is underwritten by:

Certain Underwriters at Lloyd's

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Financial Services Compensation Scheme (FSCS)

Lloyd's insurers are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the Scheme if a Lloyd's insurer is unable to meet its obligations to **you** under this insurance.

If **you** were entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this insurance. Further Information about the Scheme is available from the Financial Services Compensation Scheme (10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU) and on their website: www.fscs.org.uk.

What to do If You have a Complaint:

If you have a Complaint which relates to either Your Policy or to a claim which You have submitted under Your policy then please raise this in the first instance with Your broker who will aim to resolve Your concerns by close of the next business day.

If Your broker is unable to deal with Your concerns the matter will be forwarded onto Your Insurer via Your Insurance provider, who is:-

MG Underwriting
Staley House
Hassall Street
Stalybridge
SK15 2LF

If **you** remain dissatisfied you can refer your complaint to the Complaints Team at Lloyd's. The address for the Complaints Team at Lloyd's is;

Complaints Team
Lloyd's
Fidentia House
Walter Burke Way
Chatham Maritime
Kent
ME4 4RN

Telephone: 020 7327 5693
Fax: 020 7327 5225
Email: complaints@lloyds.com
Website: www.lloyds.com/complaints

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint – How We Can Help" available at www.lloyds.com/complaints and are also available from the above address.

If you remain dissatisfied after Lloyd's has considered your complaint, or, in any event, after a period of eight weeks from making your complaint, you may refer your complaint to the Financial Ombudsman Service (FOS). The contact details for the FOS are:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR

Telephone: 0800 023 4567 (calls to this number are free from "fixed lines" in the UK)
0300 123 9123 (for mobile users)

Email: complaint.info@financial-ombudsman.org.uk.

Website: www.financial-ombudsman.org.uk

Making a complaint does not affect your right to take legal action.

Sanctions

We will not provide any benefit under this insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

Your Right to Cancel and Our Right to Cancel

You have the right to cancel the insurance Policy within 14 days of receiving the Policy documentation and receive a full refund of any premium paid, provided that there have been no claims either paid, reported or outstanding. For the purposes of this cancellation clause, it will be deemed that You will have received the Policy document upon the day following the date it was posted to the Insured by first class post.

If You do cancel this insurance within the initial 14 day period, then no cover will have been in place from the date of inception, as specified in the Schedule, and no liability whatsoever shall attach to the Insurers in respect of the Policy.

If You do not exercise Your right of cancellation within the initial 14 day period, this insurance Policy will automatically come into force from the inception date specified in the Schedule. You will remain liable to pay the full annual premium. Following the expiry of the initial 14 day period, this insurance Policy may be cancelled at any time at Your written request and providing there has not been a claim Insurers will refund a proportionate part of Your premium.

To exercise Your right to cancel, contact the broker who arranged this cover for You.

We can cancel this insurance by giving you thirty (30) days' notice in writing. We will only do this for a valid reason (examples of valid reasons are as follows):

- a. non-payment of premium;
- b. a change in risk occurring which means that the Insurer can no longer provide you with insurance cover;
- c. non-cooperation or failure to supply any information or documentation we request; or
- d. threatening or abusive behavior or the use of threatening or abusive language.

The Law that Governs this Policy and Jurisdiction

The parties to this contract are free to choose the law applicable to the contract. Unless specifically agreed to the contrary this insurance Policy shall be subject to English Law.

The indemnity provided by this Policy shall apply only to judgements against the Insured in the Courts of Law of England and Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and not to judgements obtained elsewhere nor to Judgements or orders obtained in the said courts for enforcement of foreign judgements whether by way of reciprocal agreements or otherwise.

The premium for this Policy has been calculated accordingly and no consideration has been paid in respect of sums payable under any other law or the jurisdiction of any other courts.

The Law that Governs the Interpretation of this Policy

All disputes concerning the interpretation of this Policy are understood and agreed by both the Insured and the Insurers to be subject to English Law. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within England and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.

This Policy should be read carefully. If it is incorrect, return it immediately to Your insurance adviser for alteration.

This Policy should be kept in a safe place – You may need to refer to it if You have to make a claim. It is recommended that You retain details of your Employers Liability policy/certificates for at least 40 years.

Policy Definitions

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

Act of Terrorism

means an act, including but not limited to the use of force or violence and/or the threat of thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Bodily Injury

sickness, disability or disease. **Bodily injury** shall also mean mental injury, mental anguish, shock or death if directly resulting from **bodily injury**, sickness, disability or disease.

Business

business stated in the Policy Schedule

Contract Works

Temporary or permanent works executed or in the course of execution at the Premises by you or on your behalf for the purposes of alterations or improvements to the Premises including unfixed site materials for use in connection therewith

Costs and Expenses

- 1) all costs and expenses recoverable by any claimant from you
- 2) the costs and expenses incurred with the written consent of the Insurers for
 - a) representation at any Coroner's Inquest or Inquiry in respect of any death
 - b) the defence of proceedings in any Court brought against you in respect of breach or alleged breach of statutory duty resulting in Bodily Injury
- 3) all other costs and expenses of litigation incurred with the written consent of the insurers relating to an occurrence which may give rise to indemnity

Damage

physical loss destruction or damage

Excess

amount of each and every claim which is not covered and for which the Insured shall be their own insurer

Employee

- 1) any person under a contract of service or apprenticeship with the Insured
- 2) any labour master or labour only subcontractor or person supplied by any of them
- 3) any self employed person
- 4) any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the Insured
- 5) any person participating in any government or otherwise authorised work experience training study exchange or similar scheme

whilst engaged in working for the Insured in connection with the Business

Geographical Limits

United Kingdom the Channel Islands and the Isle of Man

Insured/you/your

person(s) or company(ies) named in the Policy Schedule

the Insurers

means in respect of each Section insured by this Policy the insurer(s) stated in the Schedule applicable to said Section

Period of Insurance

period of insurance stated in the Policy Schedule or any subsequent period for which the Insured pays and the Insurers accept the premium

Policy

policy and Schedules specifications memoranda endorsements or notices attached or issued by the Insurers

Pollution

any substance, solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste materials. Waste materials include, but are not limited to, recycled, reconditioned or reclaimed materials. However, **pollution** shall not include asbestos or radiation or contamination as described.

Premises

premises at the address(es) shown in the Schedule to each Section insured by this Policy but where no premises are so stated the address of premises shall be as stated in the Policy Schedule

Schedule

most current schedule issued to the Insured by the Insurers

Unoccupied

any building or part of any building that has not been lived in or open for business continuously by you or a person authorised by you for 30 days or more

General Exclusions to This Policy

1. General

The following Exclusions apply to all Sections of your Policy except Section 4 - Employers' Liability

This Policy does not cover any loss destruction damage consequential loss Bodily Injury liability claim cost or expense directly or indirectly caused by or contributed to by or arising from or relating to

a) **Radioactive Contamination**

- (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- (iii) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

b) **Pressure Waves**

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

c) **Pollution**

as defined in the Policy Definitions other than Pollution resulting in Damage to property insured by this Policy or interruption of or interference with the Business not otherwise excluded caused by fire or explosion

2. War and Act of Terrorism

This Policy does not cover any claim hereunder of whatsoever nature directly or indirectly occasioned by or happening through or in consequence of

- a) war invasion acts of foreign enemies hostilities or warlike operations (whether war be declared or not) civil war mutiny civil commotion assuming the proportions of or amounting to popular rising military rising insurrection rebellion revolution military or usurped power martial law confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or public or local authority Act of Terrorism or any action taken in controlling preventing suppressing or in any way relating to any of the above
- b) riot civil commotion and (except in respect of Damage by fire or explosion) strikers locked out workers or persons taking part in labour disturbances or malicious persons in Northern Ireland other than in respect of the insurance provided by Section 3 - Property Owners Liability and Section 4 - Employers' Liability

In any action suit or other proceedings where the Insurers allege that by reason of Policy Definition Act of Terrorism any claim hereunder is not covered by this Policy the burden of proving that such claim hereunder is covered shall be upon you

This Exclusion shall apply to all Sections of this Policy other than Section 4 - Employers' Liability to the extent that it is necessary to comply with the minimum requirements of the law in the United Kingdom of Great Britain and Northern Ireland including the Channel Islands and the Isle of Man relating to compulsory insurance of liability to employees and provided that the maximum Limit of Indemnity for any one claim or series of claims arising from one source or original cause shall not exceed £5,000,000

3. Date Recognition Failure

This Policy does not cover

- 1) Damage
- 2) loss of Gross Rentals and additional expenditure
- 3) legal liability other than Employers' Liability
- 4) Costs and Expenses other than in connection with Employers' Liability

directly or indirectly caused by or consisting of or arising from the failure of any computer data processing equipment or media microchip integrated circuit or similar device or any computer software whether the property of the Insured or not

- a) correctly to recognise any date as its true calendar date
- b) correctly to capture save 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
- c) correctly to capture save retain or process any data as a result of the operation of any command which causes the loss of data or the inability correctly to capture save retain or process such data

Provided that (1) and (2) shall not apply to

- (i) subsequent Damage or
- (ii) subsequent interruption of or interference with the Business

not otherwise excluded which results from any of Defined Perils (1) - (8) and (10) of Section 1 -Buildings and Contents

4. Electronic Data

This Exclusion applies to all Sections of this Policy other than Section 4 - Employers' Liability

This Policy does not cover loss destruction damage or consequential loss directly or indirectly occasioned by or happening through or in consequence of Computer Virus(es) Denial of Service Attack or from erasure or corruption or alteration of Electronic Data

Computer Virus means a corrupting instruction that propagates itself via a computer system or network

Electronic Data means facts concepts and information converted to a form useable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment

Denial of Service Attack means any actions or instructions with the ability to damage, interfere with, or otherwise affect the availability of computer and electronic equipment or data, 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 within, between or amongst networks.

Provided that this Exclusion shall not apply to Damage which results from any of Defined Perils (1) - (2) and (7) of Section 1 - Buildings and Contents

5. Biological and Chemical

The Insurers shall not provide indemnity under this insurance in respect of loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

6. Asbestos

The Insurers shall not provide indemnity for any liability of whatsoever nature arising from or caused by any work involving the manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection or testing of or exposure to asbestos, asbestos fibres, asbestos dust or asbestos-containing materials.

7. Indirect Loss

The Insurers shall not indemnify you for any loss or damage that is not directly associated with the incident that caused you to claim.

8. Existing Damage

The Insurers shall not indemnify you for any loss or damage occurring before or arising from an event before the beginning of the Period of Insurance.

9. Loss of Value

The Insurers shall not indemnify you for any reduction in value of the property insured following repair or replacement paid for under this Policy.

10. Mould

The Insurers shall not indemnify you for loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health

General Conditions to this Policy

The following Conditions apply to all Sections of Your Policy and You must comply with them or Your Policy may not be in force.

1. Procedure for Notifying Claims

If You need to notify Insurers of a claim or of any circumstances or incident which may cause a claim under any section of this Policy You should contact Your professional intermediary or alternatively Your appropriate Insurer through:

MG Underwriting
Staley House
Hassall Street
Stalybridge
SK15 2LF

If any event happens which may give rise to a claim being made under this Policy you must

- a) notify the Insurers as soon as possible and give full details of the occurrence in writing
- b) inform the police immediately of any malicious damage or of the theft or loss of any property or Money
- c) forward to the Insurers immediately on receipt and without answering it any letter claim writ summons or process
- d) send to the Insurers at your own expense the written claim together with such detailed particulars and proofs certificates or other documents as may reasonably be required by the Insurers and send also details of any other insurance covering the loss destruction damage Bodily Injury or liability for which you are claiming under this Policy within
 - (i) seven days of Damage caused by riot civil commotion strikes labour disturbances or malicious persons
 - (ii) 30 days of the expiry of the Indemnity Period in the event of a claim under the Business Interruption Section of this Policy
 - (iii) 30 days of Damage by any other cause or Bodily Injury insured by this Policy
- e) take all reasonable steps to diminish or avoid the Damage and to minimise any interruption of or interference with the Business
- f) not negotiate with nor make any admission of liability nor offer payment or promise to any party without the Insurers' written consent
- g) all medical records, notes and correspondence referring to a claim or related pre-existing condition relating to any Accident shall be made available on request to any medical advisor appointed by or on behalf of the Insurers and such medical advisor shall, for the purpose of reviewing the claim, be allowed so often as may be deemed necessary to make an examination of the Insured.
- h) seek the attention of duly qualified medical practitioner in the event of any Accident resulting in Bodily Injury or death

2. Fraud

1. If you make a fraudulent claim under this insurance contract, Insurers:
 - a) Are not liable to pay the claim; and
 - b) May recover from you any sums paid by Insurers to you in respect of the claim; and

- c) May by notice to you treat the contract as having been terminated with effect from the time of the fraudulent act.

2. If Insurers exercise their right under clause (1)(c) above:

- a) Insurers shall not be liable to you in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the Insurers liability under the insurance contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and,
- b) Insurers need not return any of the premiums paid.

3. Subrogation

In the event of any claim under this Policy you shall at the Insurers' request and expense take and permit to be taken all necessary steps for enforcing rights against any other party in your name before or after any payment is made by the Insurers

4. The Insurers' Rights

If any event happens which may give rise to a claim under this Policy the Insurers will be entitled to

- a) enter the building where Damage has occurred and to take and keep possession of damaged property insured herein and to deal with the salvage in a reasonable manner and this Condition shall be proof of your consent for such purpose - no property may be abandoned to the Insurers
- b) exercise sole conduct and control over the defence or settlement of any claim made upon you or any other person covered by this Policy by any other party
- c) prosecute in your name or the name of any other person covered by this Policy but for the Insurers' benefit any claim for damages or indemnity

5. Other Insurance

If at the time of a Bodily Injury or Damage there be any other insurance

- a) covering the whole or part of such Bodily Injury or Damage whether effected by the Insured or not then the Insurers shall not be liable to pay or contribute more than their rateable proportion of the total payment made for such Bodily Injury or Damage
- b) on any of the property insured herein either alone or together with any other property which shall be subject to any condition of average or is limited in respect of the value of any article or the total amount is divided in respect of said property then this Policy may at the option of the Insurers be held to contain the same condition of average limit of value or division of amount pro rata
- c) which more specifically insures property insured herein this Policy will not apply except in respect of any amount over and above that recoverable under such more specific insurance

This Condition does not apply to any personal accident benefit provided under this Policy in respect of death or injury to any insured person

6. Effect of Claims on Sums Insured

Except where otherwise provided for under any Section of this Policy

- a) the Sums Insured in this Policy will be reduced until expiry of the Period of Insurance by the amount of any loss destruction damage interruption or interference with your Business
- b) if any Sum Insured is subject to an Underinsurance Condition and further claims arise before expiry of the Period of Insurance the application of such Underinsurance Condition may have the effect of increasing the proportion of the loss which you will have to bear
- c) on request and if not otherwise provided for under any Section of this Policy following a claim the Insurers will consider reinstating the original Sums Insured subject to any additional premium revised terms and further precautions that may be necessary

7. Recovery of Lost or Stolen Property

If any lost or stolen property which is the subject of a claim under this Policy is recovered you must inform the Insurers as soon as reasonably possible by recorded delivery letter

If the property is recovered before the payment of the claim for loss of that property you must reclaim such property and the Insurers will then indemnify you under the terms of this Policy for any damage sustained to such property

If the property is recovered after payment of the claim for loss of that property the property will then belong to the Insurers but you will have the option of retaining the property and refunding to the Insurers any claim payment the Insurers have made for the property subject to any appropriate adjustment for damage to the property

8. Arbitration

If the Insurers accept liability for a claim under this Policy but there is a dispute in respect of the amount to be paid the dispute will be referred to an arbitrator appointed in accordance with the relevant law in force at the time

In these circumstances the arbitrator's award must be made before there is any right of action against the Insurers

9. Precautions

You must

- a) take all reasonable precautions to safeguard any property insured by this Policy against Damage and to prevent Bodily Injury or loss or destruction of or damage to other property
- b) exercise reasonable care in the selection and supervision of your Employees
- c) take all reasonable steps to comply with all statutory and other obligations and regulations imposed by any authority
- d) maintain the Premises and all other property insured in a sound condition
- e) take all reasonable steps to minimise Bodily Injury

10. Workmen and Alteration to the Premises or Business

Workmen and tradesmen are allowed in or about the Premises for maintenance purposes and for undertaking minor repairs and alterations without affecting this insurance but the Insurers have insured you on the basis of information supplied and cover under this Policy may cease if

- a) there are changes to the Premises or the building in which it is located or to your Business which may increase the risk of loss destruction damage liability accident or Bodily Injury
- b) there are changes in the occupancy or use of the Premises
- c) your interest in the Premises or your Business ceases
- d) your Business is wound up or carried on by a liquidator or receiver or permanently discontinued

unless you have notified the Insurers within a reasonable time and the Insurers have agreed to such changes in writing

11. Premium Adjustment

If any part of the premium is calculated on estimates you shall keep an accurate record containing all relevant particulars and shall at any time allow the Insurers to inspect such record

You shall within one month after the expiry of each Period of Insurance supply particulars and information as the

Insurers may require and the premium for such period shall be adjusted subject to any minimum premium

12. Instalments

If the premium for this Policy is payable by instalments it is a condition precedent to the Insurers' liability that each instalment shall be paid when due otherwise all benefit under this Policy shall be forfeited from the date when such instalment was due

13. Tax

In addition to the premium you will pay to the Insurers any tax due on the premium which the Insurers are required to collect in accordance with current legislation

14. Data Protection Act 1998

It is agreed by the Insured that any information provided to the Insurer regarding the Insured for the purpose of accepting insurance and handling any claims may if necessary be divulged to third parties provided that it will be processed by the Insurer in compliance with the provisions of the Data Protection Act 1998

15. Contracts (Rights of Third Parties) Act 1999

A person or company who was not party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this Condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act

16. Several Liability

The liability of the Insurers is several and not joint and is limited solely to the extent of their individual proportions as shown in the Endorsement entitled Identity of Insurers. The Insurers are not responsible for the subscription of any co-subscribing insurers or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations.

Section 1 - Buildings and Contents

Insuring Clause

If any Property suffers Damage

- 1) by any peril defined herein and stated in the Schedule applicable to this Section
- 2) during the Period of Insurance

the Insurers will pay or at their option will reinstate or replace your Property or any part of it which is lost destroyed or damaged up to the Limit of Liability

Definitions to the Buildings and Contents Section

For the purpose of determining where necessary the definition within which any property is insured the Insurers agree to accept the designation under which such property has been entered in your books

Property

Item(s) of property described in the Schedule applicable to this Section including those defined below

Specific Perils

perils defined below and stated in the Schedule applicable to this Section except accidental loss destruction or damage

Property Definitions

Buildings

buildings at the Premises stated in the Schedule applicable to this Section and includes at the same address

- 1) landlords' fixtures and fittings
- 2) glass
- 3) outside buildings and extensions annexes and gangways communicating with the Buildings
- 4) walls gates fences yards driveways car-parks forecourts roads and footpaths
- 5) conveyors trunks lines wires service pipes and other associated equipment on the premises security lighting security cameras and other security or fire protection devices affixed signs television radio satellite receiving aerials communication aerials masts affixed to the building fixed poles fixed pylons and fitting

Contents

contents in common areas of the Buildings consisting of furniture and furnishings the property of the Insured or for which they are responsible excluding

- 1) money and personal effects
- 2) computers and computer systems records
- 3) audio visual equipment
- 4) business books and documents
- 5) curiosities rare books works of art or articles of antique furniture exceeding £500 in value unless specified in the Schedule applicable to this Section
- 6) china or other fragile or brittle objects exceeding £500 in value unless specified in the Schedule applicable to this Section
- 7) any other property exceeding £1,000 in value unless specified in the Schedule applicable to this Section

Defined Perils

- 1) Fire lightning earthquake or explosion
- 2) Aircraft or other aerial devices or articles dropped from them
- 3) Riot civil commotion strikers locked-out workers labour and political disturbances
- 4) Malicious persons excluding Damage
 - a) by theft or attempted theft
 - b) caused by the occupiers of the buildings
 - c) in respect of empty disused or Unoccupied Buildings
- 5) Storm or flood
- 6) Escape of water from any tank apparatus or pipe or oil from any fixed heating installation excluding Damage to empty disused or Unoccupied Buildings.
- 7) Impact by any road vehicle train or animal
- 8) Theft or attempted theft of Property from any building at the Premises excluding Damage
 - a) which does not involve
 - (i) entry to or exit from such building or attempt thereof by forcible and violent means
 - (ii) hold-up accompanied by violence or threat of violence at the Premises
 - b) caused by any occupier of the Buildings either as principal or accessory
- 9) Accidental loss destruction or damage excluding Damage
 - a) by any of the Defined Perils (1) – (8) and (10)
 - b) which would not be insured in consequence of any of the exclusions to a Defined Peril
- 10) Subsidence ground heave or landslip excluding
 - a) Damage to property other than the main buildings at the Premises unless the main buildings are damaged at the time by the same cause
 - b) Damage caused by
 - (i) settlement or movement of made-up ground
 - (ii) coastal or river erosion
 - (iii) defective design or workmanship or the use of defective materials
 - c) Damage which originated prior to the inception of the Period of Insurance
 - d) the first £1,500 of each and every claim

Limit of Liability

The Insurers liability under this Section will not exceed

- 1) the Sum Insured for each Item
- 2) in total the Total Sum Insured

stated in the Schedule applicable to this Section

Provided that if at the time of Damage the value of the Property or the total value of all Property for which one Sum Insured is stated in the Schedule applicable to this Section exceeds that Sum Insured the amount payable for such Property shall be proportionately reduced

Exclusions to this Section

This Section does not cover

1. Excess

the first £250 of each and every claim other than where a more specific Excess is referred to elsewhere in this Section or on the Schedule

2. Inbuilt Defect Wear Tear and Defective Workmanship

Damage to property caused by or consisting of

- a) inbuilt or latent defect gradual deterioration wear and tear its own faulty or defective design or materials
- b) faulty or defective workmanship operational error or omission

but subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy is covered under this Section

3. Frost

Damage caused by or consisting of frost

but subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy is covered under this Section

4. Corrosion or Change in Temperature

Damage caused by or consisting of

- a) corrosion rust wet or dry rot shrinkage evaporation contamination loss of weight dampness dryness marring scratching denting vermin or insects
- b) change in temperature colour flavour texture or finish

but the following is covered under this Section

- (i) subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy

5. Joint Leakage or Breakdown

Damage consisting of

- a) joint leakage or failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam or feed piping connected to them
- b) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which breakdown or derangement originates

but the following is covered under this Section

- (i) subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy

6. Subsidence Ground Heave or Landslip

Damage caused by or consisting of subsidence ground heave or landslip unless resulting from fire explosion earthquake or escape of water except in so far as subsidence ground heave or landslip may be insured by this Section

7. Change in the Water Table Level

Damage attributable to change in the water table level

8. Settlement of New Structures

Damage caused by or consisting of normal settlement or bedding down of new structures

9. Theft Fraud or Dishonesty

Damage caused by or consisting of theft or attempted theft where any person in your employment or service or any members of your family are concerned as principal or accessory

10. Collapse of Buildings

Damage to a building or structure caused by its own collapse or cracking unless resulting from a Specific Peril

11. Property in the Open

Damage to moveable property in the open fences or gates caused by theft wind rain hail sleet snow flood or dust

12. Riot or Civil Commotion

Damage caused by riot or civil commotion except in so far as riot or civil commotion are insured by this Section

13. Machinery Requiring Statutory Inspection

Damage caused by explosion of and originating in any vessel machinery or apparatus or its contents belonging to you or under your control which is required to be inspected to comply with any regulations or statutory provisions unless such vessel machinery or apparatus is the subject of a policy or other contract providing the required inspection service

14. Steam Pressure Apparatus

Damage caused by or consisting of the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to you or under your control

but subsequent Damage which itself results from a cause not excluded elsewhere in this Section or Policy is covered under this Section

15. Self-Ignition of Electrical Apparatus

to any electrical apparatus or wiring caused by its own self-ignition

but this Exclusion shall only apply to that part of the electrical apparatus or wiring in which the self-ignition occurs

16. Property Insured by Other Insurance

any property which at the time of Damage is insured by a more specific insurance

17. Consequential loss or damage

of any kind or description

Special Conditions to this Section

1. Reinstatement Basis of Payment

Subject to the undernoted provisions the basis upon which the amount payable in respect of any Item to which this Condition applies is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose reinstatement means

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

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

Provided that

- i) The liability of the Insurers for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
- ii) If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property insured by any Item subject to this Condition exceeds its Sum Insured at the commencement of any Damage the liability of the Insurers shall not exceed that proportion of the amount of the Damage which the said Sum Insured shall bear to the sum representing the whole of such property at that time
- iii) No payment beyond the amount which would have been payable in the absence of this Condition shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the property insured by any Item at the time of its Damage shall be insured by any other insurance effected by or on your behalf which is not upon the same basis of reinstatement

2. Day One Value Basis

This Condition only applies when Day One Value Basis (DOVB) is stated against any Item in the Schedule applicable to this Section

- a) The Insured having stated in writing the Declared Value incorporated in each Item to which this Condition applies the premium has been calculated accordingly Declared Value means your assessment of the cost of reinstatement of the property insured by any Item arrived at in accordance with paragraph (a) of Special Condition (1) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the Item provides due allowance for
 - (i) the additional cost of reinstatement to comply with Public Authority requirements
 - (ii) professional fees
 - (iii) debris removal costs
- b) At the inception of each Period of Insurance you shall notify the Insurers of the Declared Value of the property insured by each of the said Item(s)

In the absence of such declaration the Declared Value for the previous Period of Insurance shall be increased by a percentage determined by the Insurers and the resultant figure shall be taken as the

Declared Value for the ensuing Period of Insurance

- c) Proviso (ii) of Special Condition (1) is amended to read

If at the time of Damage the Declared Value of the property insured by such Item be less than the cost of reinstatement (as defined above) at the inception of the Period of Insurance then the Insurers liability for any Damage shall not exceed that proportion thereof which the Declared Value bears to the cost of reinstatement

3. Index Linking

This Condition only applies when Index Linking (IL) is stated against any Item in the Schedule applicable to this Section

The Sum Insured (and the Declared Value where appropriate) on any Item will be increased by a percentage determined by the Insurers and such revised Sum Insured (and Declared Value) in the absence of advice from you to the contrary will be deemed to apply for the ensuing Period of Insurance

4. Subrogation Waiver

In the event of a claim arising under this Section the Insurers agree to waive any rights remedies or relief to which they may become entitled by subrogation against

- a) any company

- (i) in the relation of holding company or subsidiary to you
- (ii) which is a subsidiary of a parent company of which you are yourself a subsidiary

in each case within the meaning of the relevant companies' legislation current at the time of the Damage

- b) the tenant of any Building insured by this Section provided that

- (i) the Damage did not result from a breach of the terms of the lease by the tenant
- (ii) the Damage did not result from a criminal fraudulent or malicious act of the tenant
- (iii) the tenant contributes to the cost of insuring the Buildings against the event which caused the Damage

5. Non-Invalidation

The insurance by this Section will not be made invalid by any inadvertent act omission or alteration which unknown to you or beyond your control increases the risk of Damage provided that you

- a) notify the Insurers immediately you become aware of such act omission or alteration
- b) pay any additional premium that Insurers may require

6. Automatic Reinstatement of Sum Insured

In the event of Damage the Sums Insured by this Section will be automatically reinstated from the date of the Damage unless written notice is given to the contrary either by the Insurers or by you provided always that in the event of reinstatement you will

- a) pay any such additional premium as may be requested for such reinstatement from that date
- b) give effect to any additional protective devices at the Premises which the Insurers may reasonably require

7. General Interests Clause

The interests of the Lessee of each individual property and their Mortgagees (if any) are noted in the Insurance provided by Section 1 with such interest to be disclosed in the event of a claim for Damage arising hereunder

8. Seventy-two Hours

Damage occurring within seventy two (72) consecutive hours of and arising from insured perils storm, or flood is deemed to be one claim. You have the right to select the moment from which the seventy two (72) hour period shall be deemed to have commenced within the terms of this Section, provided that such Damage occurred prior to expiry of the Period of Insurance.

IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THIS SECTION FOR THE FOLLOWING

Professional Fees

Necessary and reasonable architects' surveyors' consulting engineers' legal and other fees you incur in reinstating your Property following its Damage as insured by this Section but not for preparing any claim

Provided that the Insurers' liability for Damage and professional fees will not exceed in total the Sum Insured for each Item in the Schedule applicable to this Section during any one Period of Insurance

Debris Removal Costs

Necessary and reasonable costs and expenses you incur with the Insurers' consent in

- 1) removing debris from
- 2) dismantling and/or demolishing
- 3) shoring up or propping

Provided that the Insurers' liability for Damage and debris removal costs will not exceed in total during any one Period of Insurance the Sum Insured stated for each Item in the Schedule applicable to this Section

Public Authorities

Additional costs of rebuilding or reinstatement of lost destroyed or damaged Property which you incur solely to comply with Building or other Regulations under or framed in pursuance of any European Union Legislation Act of Parliament or with Bye-Laws of any Public Authority

excluding

- 1) any such costs where the Item is not subject to the Reinstatement Basis of Payment (Special Condition (1))
- 2) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws
 - a) in respect of Damage occurring before this cover was granted
 - b) in respect of Damage not insured by this Section
 - c) under which notice was served upon you before the date of Damage
 - d) in respect of undamaged Property or undamaged portions of Property forming any part of the Property sustaining Damage except for undamaged foundations (unless foundations are specifically excluded from cover by endorsement to this Policy)
- 3) the additional cost exceeding that which would have been required to make good property which sustained Damage to a condition equal to its condition when new had it not been necessary to comply with any one of the above Regulations or Bye-Laws
- 4) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property or by its owner in order to comply with any of the above Regulations or Bye-Laws

Provided that

- a) the work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the date of the Damage or within such further time as the Insurers may allow (during the said 12 months) and may be carried out upon another site (if Regulations or Bye-Laws require) subject to the Insurers' liability not being increased by this additional cover
- b) if apart from this additional cover the Insurers' liability for Property is reduced by the application of any terms and conditions of this Policy then the Insurers liability in respect of any such costs will be reduced in like proportion
- c) the total amount payable for Property will not exceed the Sum Insured for it stated in the Schedule applicable to this Section

Temporary Removal

Contents whilst temporarily removed for cleaning renovation repair or similar purposes to any premises you do not occupy and whilst in transit to and from such premises

excluding

- a) property lost destroyed or damaged by theft whilst in transit
- b) losses occurring outside the Geographical Limits

The amount payable for Contents will not exceed the lesser of

- 1) the amount which would have been payable had the loss occurred in that part of the Premises from which the Contents are temporarily removed or
- 2) 10% of the Sum Insured for Contents

Contracting Purchasers

If at the time of loss or destruction of or damage to Property you have contracted to sell your interest in any Buildings covered by this Section and the purchase is not completed but will be completed at a later date the purchaser will on completion of the purchase (in so far as the Property is not insured elsewhere against such Damage by or on his behalf) be entitled to benefit under this Policy until completion of the purchase without affecting your rights and liabilities under this Policy or those of the Insurers

Replacement of Locks

The cost of replacement of locks following theft of keys to the Premises

- a) following a hold-up accompanied by violence or threat of violence whilst such keys are in your personal custody or that of any of your directors partners or authorised Employees
- b) involving entry to or exit from your business premises by forcible and violent means
- c) involving entry to or exit from your residence or that of any of your directors partners or authorised Employees by forcible and violent means

Provided that the Insurers' liability for this cover will not exceed £1000 in any one Period of Insurance

Cost of Metered Water or Oil

The cost or value of metered water or domestic heating oil lost following accidental damage to fixed water or heating installations in the Premises subject to a limit of £10,000 in any one Period of Insurance

Provided that the Insurers shall not be liable for any claim in respect of a building which is empty or not in use or is Unoccupied

Damage to Landscaped Gardens

The cost of restoring any damage done to landscaped gardens by the Emergency Services in attending the Premises as a result of the operation of a Specific Peril insured by this Section subject to a limit of £2,500 in any one Period of Insurance

Trace and Access

The reasonable costs incurred in locating the source of Damage at the Premises caused by escape of water or oil as insured by this Section subject to a limit of £10,000 in any one Period of Insurance

Glass Sanitary Ware and Underground Services

Unless insured elsewhere in this Section the indemnity provided herein extends to include subject to the Exclusions of this Section accidental Damage to

- a) fixed glass baths bath panels washbasins pedestals sinks splash backs shower trays bidets toilet pans toilet seats and toilet cisterns within the Buildings
- b) underground service pipes and cables the property you for which you are responsible at the Premises

Provided that the Insurers' liability for this cover will not exceed £5,000 each and every claim.

Clearance of Drains

The indemnity provided by this Section extends to include costs and expenses incurred in clearing and cleaning drains gutters sewers drain inspection covers and similar underground service areas for which you are responsible in consequence of a Specific Peril insured by this Section subject to a limit of £2,500 each and every claim

Contract Works

The insurance by each item on Buildings extends to include Contract Works to the extent to which you have contracted to arrange cover subject to a limit of £25,000 each and every claim at any Premises

This insurance shall only apply in so far as the Contract Works are not otherwise insured and shall not cover any appreciation in value.

Further Investigation Expenses

Where a Building has suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same Building which is not immediately apparent the Insurers will pay the reasonable costs incurred by you with the Insurers' prior consent in establishing whether or not such Damage has occurred

The Insurers will also pay the reasonable costs incurred by you in establishing whether or not other Buildings in the vicinity have suffered Damage in the same incident but only if such Buildings are subsequently found to have suffered such Damage for which the Insurers are liable.

Provided that the Insurers' liability for this cover will not exceed £1,000 each and every claim.

Unauthorised Use of Electricity Gas or Water

The cost of metered electricity gas or water for which you are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the Premises without your authority subject to the Insurers' liability not exceeding £10,000 in any one Period of Insurance

Provided that such Premises have been inspected weekly by a responsible person on your behalf and that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered

Provided that the Insurers shall not be liable for any claim in respect of a building which is empty or not in use or is Unoccupied

Additional Sprinkler Costs

The costs incurred in upgrading an automatic sprinkler installation to the current LPC Rules solely as imposed upon you by the Insurers following Damage to the Buildings provided that at the time of Damage the installation conformed to the LPC Rules current at the time of installation but did not conform to subsequent amendments to those Rules

Provided that the Insurers' liability for this cover will not exceed £1000 in any one Period of Insurance

Value Added Tax

The insurance by each Item on Buildings extends to include Value Added Tax paid by the Insured which is not subsequently recoverable

Provided that

- a) i) the Insured's liability for tax arises solely as a result of the reinstatement or repair of the

Buildings to which such Item relates following Damage

- i) the Insurers have paid or agreed to pay for such Damage
 - ii) if payment made by the Insurers in respect of reinstatement or repair of such damage shall be less than the actual cost of reinstatement or repair any payment under this Clause resulting from the Damage shall be reduced in like proportion
- b) Your liability for such tax does not arise from the replacement Buildings having greater floor area than or being better or more extensive than the destroyed or damaged Buildings
- c) where rebuilding takes place upon another site the Insurers liability under this provision shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site
- d) the Insurers liability under this Clause shall not include amounts payable by the you as penalties or interest for non-payment or late payment of tax Provisions to the contrary elsewhere in this Policy are over-ridden as follows in respect of those Items to which this Clause applies
- i) for the purpose of the Limit of Liability Clause or Day One Value Basis Clause (whichever is applicable) rebuilding costs shall be exclusive of Value Added Tax
 - ii) the liability of Insurers may exceed the Sum Insured by an Item or in the whole the total Sum Insured where such excess is solely in respect of Value Added Tax

Conditions to This Section

If you breach a warranty or condition in this Policy, the Insurer's liability under the Policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). Insurers will have no liability to you for any loss which occurs, or which is attributable to something happening, during the period when our liability is suspended.

Where: (i) there has been a failure to comply with a term (express or implied) of this insurance Policy, other than a term that defines the risk as a whole; and (ii) compliance with such term would tend to reduce the risk of loss of a particular kind and/or loss at a particular location and/or loss at a particular time, Insurer's cannot rely on the breach of such term to exclude, limit or discharge its liability if you show that the failure to comply with such term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Minimum Security Requirements

- a) It is a condition under this Policy that all protections provided for the safety of the Premises shall be maintained in good order and shall not be withdrawn altered or varied without the prior consent of Insurers and shall be in full and effective operation when the Premises are closed for Business or left unattended, and at all other appropriate times
- b) It is a condition under this Policy that any alarm and/or system forming part of the protections shall be maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company or in accordance with the manufacturer's recommendations
- c) In the event you receive any notification;
 - i) that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed or
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system or
 - iii) that any alarm system cannot be returned to or maintained in full working orderthen with immediate effect:
 - 1) it shall be a condition under this Policy that you shall notify Insurers as soon as possible, at which time Insurers shall reserve the right to vary terms or cancel cover provided under this Policy
 - 2) you shall be responsible for the first 20% of any loss destruction or Damage by theft or attempted theft subject to a minimum contribution of GBP2,500
 - 3) it shall be a condition under this Policy that you shall comply with any requirements that Insurers impose in response to such notice

Unoccupancy Condition

It is a condition precedent to liability that the following precautions be taken at any empty disused or Unoccupied Building

- 1) Gas supply to be turned off at the main
- 2) Water supply to be turned off at the stopcock where it enters the premises and the water installation fully drained down
- 3) Electricity supply to be turned off at the main

If it is necessary for essential circuits to be left on such as for intruder/fire alarm systems or lighting such as for periodic security visits it must be ensured that the wiring to those parts is in a safe and satisfactory condition. Non-essential circuits should be isolated either by turning off at the main switch or by removal of fuses

All letterboxes should be sealed to prevent insertion of flammable material

All combustible contents especially waste should be removed from the premises. The premises must be made secure with

- mortice deadlocks conforming to BS3621 or close shackle padlocks with matching locking bar on all external doors or shutters
- all ground and lower floor glazed areas and upper floor windows if accessible from flat roofs or other forms of access and glass in doors should be boarded over using 19mm thickness shuttering grade plywood

Existing intruder alarms should continue to be used

If there is any form of perimeter site security such as fencing and gates these should be maintained in good condition

The premises should be visited at least once a week and a thorough inspection carried out internally and externally. A log detailing times and dates of visits must be maintained

Section 2 - Rental Income

This Section applies only if stated as INSURED in the Policy Schedule

Insuring Clause

In the event of Damage to Property for which the Insurers are liable under Section 1 of this Policy during the Period of Insurance the Insurers will indemnify you against loss of Gross Rentals and additional expenditure to the extent described in the Basis of Payment hereunder up to the Limit of Liability

Definitions to This Section

Note (1) To the extent that you are accountable to the tax authorities for value added tax all terms in this Section shall be exclusive of such tax

Note (2) For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded

Estimated Gross Rentals

amount declared by you to the Insurers as representing not less than the Gross Rentals which it is anticipated will be earned by your Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period stated in the Schedule applicable to this Section exceeds 12 months)

Gross Rentals

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

Indemnity Period

period beginning with the occurrence of Damage and ending not later than the Maximum Indemnity Period stated in the Schedule applicable to this Section thereafter during which the results of the Business shall be affected in consequence thereof

Limit of Liability

The Insurers liability under this Section will not exceed 200% of the Sum Insured for each Item

in total 200% of the Total Sum Insured

stated in the Schedule applicable to this Section

Provided that if the Sum Insured for each Item is less than the annual Gross Rentals at the inception of the Period of Insurance the amount payable for such Item shall be proportionately reduced

Basis of Payment

The amount payable shall be

1) in respect of loss of Gross Rentals

the amount by which the Gross Rentals during the Indemnity Period shall in consequence of Damage fall short of the Gross Rentals which would have been received had the Damage not occurred

2) in respect of additional expenditure

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of Damage but not exceeding the amount of reduction in Gross Rentals thereby avoided

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

Special Condition to This Section

If during the Indemnity Period the Business shall be conducted elsewhere than at the Premises the money paid or payable to you for tenancies and other charges and for services rendered at such other premises shall be brought into account in arriving at your Gross Rentals during the Indemnity Period

IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THIS SECTION FOR THE FOLLOWING

Denial of Access

Loss of Gross Rentals and additional expenditure as a result of Damage by any of the Specified Perils as covered by Section 1 to property in the vicinity of the Premises which prevents the use of the Premises or access thereto whether the Premises or your property therein shall be damaged or not

Provided that the liability in the Insurers in respect of each and every claim shall not exceed 200% of the sum insured for each item stated in respect of this Section in the Schedule or £100,000 whichever is the lesser

Managing Agents Premises

The insurance by each item on Gross Rentals is extended to include loss as insured resulting solely from Damage by any of the Specified Perils stated as covered in Section 1 to Buildings or other property at any location in the United Kingdom owned by your managing agents for the purposes of their business in consequence of which rent receivable by you is reduced

Provided that the liability in the Insurers in respect of each and every claim shall not exceed 200% of the sum insured for each item stated in respect of this Section in the Schedule or £100,000 whichever is the lesser

Loss of Investment Income on Late Payment of Rent

If as a result of Damage by any of the Specified Perils as covered in Section 1 the Insurers are paying indemnity in respect of loss of Gross Rentals and the payment by the Insurers to you is made later than the date upon which you would normally have expected to receive the Rent from a lessee the Insurers will pay a further sum representing the investment interest lost to you during the delay period subject to you being responsible for the first £500 of each and every claim

Provided that the liability in the Insurers in respect of each and every claim shall not exceed 200% of the sum insured for each item stated in respect of this Section in the Schedule or £100,000 whichever is the lesser

Rent of Residential Buildings

In the event that Buildings occupied solely or at least 80% for residential purposes suffer Damage by any of the Specified Perils as covered in Section 1 and no Sum Insured on Gross Rentals for the residential portions has been allocated then this Policy extends to include such loss of Gross Rentals including Costs of Re-letting and Additional Expenditure incurred during the Indemnity Period

For the purposes of this cover

Costs of Reletting shall mean the costs necessarily and reasonably incurred in reletting the Buildings (including legal fees in connection with the re-letting)

Additional Expenditure shall mean the expenditure (other than recoverable as Costs of Re-letting) necessarily and reasonably incurred solely to avoid or diminish the loss of Gross Rentals

Any underinsurance condition applying to this Section is deleted

The Insurers will also indemnify you in respect of any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease

The Insurers liability shall not exceed 20% of the Sum Insured applicable to the residential Building or residential portion of the Building concerned

Unlawful Occupation

Loss of Gross Rentals in consequence of access to or use of the Premises being prevented due to the Premises or property in the vicinity of the Premises or any rights of way being

- 1) occupied by terrorists or persons thought to be terrorists
- 2) unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group or workers

thought to contain or actually containing a harmful device provided that the police are immediately informed.

It is understood that the Insurers shall not be liable for:

- a) loss arising from any cause within your control
- b) loss as a result of physical loss or destruction of or damage to property
- c) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear or tear
- d) any incident involving prevention of access to or use of the Premises for less than 12 hours duration

Provided that the liability of the Insurers shall not exceed £10,000 in any one Period of Insurance

Professional Charges

The reasonable charges payable by you to your professional accountants/auditors for producing any particulars or details or any other proofs information or evidence as may be required under General Condition (1) and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents Provided that the sum of the amount otherwise payable under this Section shall be included within the Limit of Liability herein

Automatic Reinstatement of Sum Insured

In the event of Damage the Sums Insured by this Section will be automatically reinstated from the date of the Damage unless written notice is given to the contrary either by the Insurers or by you provided always that in the event of reinstatement you will pay any such additional premium as may be requested for such reinstatement from that date

Cessation of Trading

No payment will be made under this Section 2 if the Business is wound up or carried on by a liquidator or receiver or permanently discontinued at any time after the commencement of the Period of Insurance unless the Insurer gives their written consent.

Section 1 - Buildings and Contents and Section 2 - Rental Income

IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THE ABOVE SECTIONS FOR THE FOLLOWING

Automatic Cover (Newly Acquired Properties)

Automatic cover for premises newly acquired by you in the United Kingdom to the extent that your interest is not protected by any other more specific insurance

Provided that

- a) as soon as reasonably practicable you shall notify the Insurers in writing of each premises acquired and arrange specific cover with the Insurer
- b) this cover shall operate for a maximum period of 30 days from the date you acquired their interest in the premises
- c) the Insurers' maximum liability any one claim for Buildings and Gross Rentals shall not exceed £750,000 in respect of any premises
- d) in respect of any premises purchased for renovation refurbishment or redevelopment the Basis of Payment shall be indemnity

Alterations and Additions to Premises

In the event that alterations and additions to the Premises are effected during the Period of Insurance and are not more specifically insured the under noted increases in cover shall apply from practical completion of the work until the renewal date immediately following such completion

In respect of Buildings – the Declared Value and/or Sum Insured (as appropriate) shall be increased by such percentage as represents the value of the alterations or additions not exceeding either 10% or £750,000 whichever is the less

In respect of Gross Rentals – if the Gross Rentals is to increase following completion of the alterations or additions the Sum Insured shall be increased by the anticipated amount of the additional Gross Rentals for the Indemnity Period not exceeding either 10% or £250,000 whichever is the less

Section 3 - Property Owners Liability

This Section applies only if stated as INSURED in the Policy Schedule

Insuring Clause

In the event of accidental

- 1) Bodily Injury to any person
- 2) loss of or accidental damage to material property
- 3) loss of amenities nuisance trespass or interference with any right of way air or water

occurring during the Period of Insurance and arising in connection with your ownership of or responsibility for the Property insured by Section 1 of this Policy the Insurers will indemnify you in respect of your legal liability to pay damages for compensation together with Costs and Expenses

Basis of Payment

The liability of the Insurers will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section for any one claim or series of claims arising from one source or original cause

In addition the Insurers will pay Costs and Expenses

Exclusions to this Section

This Section does not cover

Excess

- 1) the first £250 of each and every claim in respect of (2) of the Insuring Clause to this Section only

Fines liquidated damages or penalties

- 2) liability for fines liquidated damages or penalties of any kind or for punitive exemplary restitutionary or multiplied damages

Bodily Injury to Employees

- 3) liability to any Employee for Bodily Injury arising out of and in the course of their employment by you

Property in your Custody or Control

- 4) physical loss of or damage
 - a) property belonging to you or in your custody or under your control or that of any Employee (other than property belonging to your visitors directors partners or Employees)
 - b) that part of any property on which you or any of your Employees or agents are or have been working where the physical loss or damage results from such work

Deliberate Acts

- 5) liability caused by or arising from any deliberate act or omission by or on behalf of any person claiming indemnity under this Section and which could reasonably have been expected of such person having regard to the nature and circumstances of such act or omission

Contractual Liability

- 6) liability which attaches itself solely by virtue of a contract or agreement but any liability which would have attached in the absence of such contract or agreement is covered under this Section

Advice and Professional Services

- 7) liability caused by or arising from
- a) any advice design or specification given by you or on your behalf for a fee
 - b) professional services rendered by you or on your behalf

Aircraft Hovercraft and Watercraft

- 8) liability caused by or arising from the ownership possession or use by you or on your behalf of any aircraft hovercraft or watercraft (other than watercraft eight metres in length or less)

Mechanically propelled vehicles

- 9) liability caused by or arising from the ownership possession or use by or on behalf of you of any mechanically propelled vehicle (or trailer attached to it) if being used in circumstances for which compulsory insurance or security is required under any legislation governing the use of the vehicle

Cyber Liability

- 10) Liability arising directly or indirectly from, or in connection with, or consisting of any loss, destruction or damage, failure or loss of data resulting directly or indirectly from or in connection with:
- (i) **virus or similar mechanism,**
 - (ii) **denial of service attack,**
 - (iii) unauthorised access to or use of **computer and electronic equipment,**
 - (iv) the failure of any equipment to correctly recognise the date or change of date.

The following definitions are relevant to this exclusion;

Virus or similar mechanism means program code, programming instruction or any set of instructions with the ability to damage, interfere with, or otherwise adversely affect Computer and Electronic Equipment or Data, whether involving self-replication or not, including, but not limited to trojan horses, worms and logic bombs.

Denial of service attack means any actions or instructions with the ability to damage, interfere with, or otherwise affect the availability of Computer and Electronic Equipment or Data, 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 within, between or amongst networks.

Computer and electronic equipment means all computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and/or similar devices, whether physically or remotely connected thereto.

Asbestos

- 11) liability arising from the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos whether or not there is another cause to loss which may have contributed concurrently or in consequence of a loss.

Mildew Mould Spore(s) or Allergens

- 12) liability directly or indirectly occasioned by, happening through, arising out of, resulting from or in connection with any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or

any costs or expenses associated, in any way, with the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of fungus of any kind whatsoever, including but not limited to mildew, spore(s), or allergens; or

any obligations or duty to defend any actions directly or indirectly occasioned by, or happening through, arising out of, resulting from or in connection with any fungus of any kind whatsoever, including but not limited to mildew mould spore(s) or allergens

Irrespective of the cause of such fungus, mildew, mould, spore(s) or allergens, and whenever or wherever occurring.

Component Building Material

- 13) liability directly or indirectly caused by, resulting from or in connection with any component building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health.

IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THIS SECTION FOR THE FOLLOWING

Indemnity to Others

- 1) If you so request
 - a) any of your directors partners or Employees in respect of liability for which you would have been entitled to indemnity under this Section had the claim for which indemnity is being sought been made against you
 - b) any officer or member of your social sports and welfare organisations or fire first aid or ambulance services while acting in their respective capacities as such
- 2) The legal personal representatives of any deceased person who was entitled to claim indemnity under this Section in respect of liability incurred by that person
- 3) Any principal in like manner to you where any contract or agreement entered into by you for the performance of work so requires in respect of the principal's liability arising from the performance of work by you

Cross Liabilities

Each person to whom this Section applies in the same manner and to the same extent as if a separate policy had been issued to each provided that the total amount of compensation will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section

Compensation for Court Attendance

In the event of the following persons attending court at the request of the Insurers in connection with a claim under this Section the Insurers will compensate you at a rate of each person's wages or salary or at the following rates whichever is the less for each day on which attendance is required

- | | |
|--|--------------|
| 1) by you or any of your directors or partners | £250 per day |
| 2) by any of your Employees | £100 per day |

Health and Safety at Work etc Act Defence Costs

You and also at your request any of your directors partners or Employees for legal costs and expenses incurred

- 1) in defending any prosecution for breach of duty
- 2) with the Insurers' consent in an appeal against a conviction resulting from a prosecution

under the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed during the Period of Insurance where the circumstances may otherwise give rise to a claim under this Section

excluding any claim arising from a deliberate or premeditated act event or omission which any person seeking indemnity under this Section knows or should have known would be likely to constitute an offence under the above Act or Order

Defective Premises Act

Liability arising under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of the disposal of any premises which were occupied and/or owned by you in connection with your Business

excluding any liability for

- a) the cost of making good replacement or reinstatement of any defect or workmanship giving rise to such liability
- b) any physical loss of or damage to such premises

Sudden and Unintended Pollution

Pollution is excluded by General Exclusion 1(c) of this Policy but this Section provides Pollution cover subject to all other provisions of this Policy for liability in respect of Injury or loss of or damage to property caused solely by Pollution

- 1) which results from a sudden identifiable unintended and unexpected incident and
- 2) such incident occurs entirely at a specific and identified time and place while this Policy remains in force
- 3) the Pollution became known to you with 72 hours of its commencement and is notified in accordance with the policy's notification provisions,

provided that

- a) all Pollution which arises out of any one incident will be deemed to have happened at the time such incident takes place
- b) the Insurers will not indemnify you against liability in respect of Pollution happening anywhere in the United States of America or Canada
- c) the total liability of the Insurers for compensation will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section for this additional cover and for any claim otherwise payable under this Section arising from the same source or original cause

Section 4 - Employers' Liability

This Section applies only if stated as INSURED in the Policy Schedule

Insuring Clause

In the event of Bodily Injury to any Employee caused during the Period of Insurance and arising out of and in the course of their employment by you in connection with your Business within the Geographical Limits the Insurers will indemnify you against all sums that you shall become legally liable to pay as compensation in respect of such Bodily Injury together with Costs & Expenses

Definitions to This Section

Offshore

means from the time of embarkation by an Employee onto a conveyance at the point of final departure to either an offshore rig or offshore platform until disembarkation by an Employee from a conveyance onto land upon return from either an offshore rig or offshore platform

Basis of Payment

The liability of the Insurers for compensation and Costs and Expenses will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section for any one claim or series of claims arising from one source or original cause

The Insurers may at any time pay to you or anyone else entitled to indemnity under this Section

- 1) the amount stated as the Limit of Indemnity in the Schedule applicable to this Section after deducting any sum or sums already paid as compensation and any Costs and Expenses paid by the Insurers or
- 2) any lesser amount for which any claim or claims can be settled

and upon such payment the Insurers will relinquish conduct and control of and be under no further liability in connection with such claim or claims except for Costs and Expenses incurred or which can be recovered in respect of action taken before the date of the Insurers' payment under this Section

Any sum paid will be inclusive of all Costs and Expenses incurred and no further sums will be payable by the Insurers

Exclusions to This Section

There will be no indemnity under this Section for

Work Offshore

- 1) you or anyone claiming indemnity under this Section in respect of liability arising Offshore

Indemnity for Directors Partners and Employees

- 2) liability of any of your directors partners or Employees for which you would not have been entitled to indemnity if the claim had been made against you

Fines or Penalties

- 3) the payment of fines or penalties

Mechanically Propelled Vehicles

- 4) Bodily Injury to any Employee whilst
 - a) carried in or upon
 - b) entering or getting on to or alighting from

any mechanically propelled vehicle in circumstances where any road traffic legislation requires insurance or security

Asbestos

- 5) liability arising out of or related to the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos, except to the extent that an indemnity is deemed to be required in accordance with the provisions of any law relating to compulsory insurance of liability to employees, in which case a sub- Limit of Indemnity of £5,000,000 shall apply. The Insured will not manufacture mine process distribute test remediate remove store dispose sell or use asbestos or materials or products containing asbestos.

Jurisdiction

- 6) for compensation or Costs and Expenses arising from an action brought in a court of law outside the Geographical Limits

Special Condition to the Employers' Liability Section

The indemnity provided by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands or the Isle of Man but you shall repay to the Insurers all sums paid by the Insurers which the Insurers would not have been liable to pay but for the provisions of such law

IN ADDITION THE INSURERS WILL PROVIDE INDEMNITY UNDER THIS SECTION FOR THE FOLLOWING

Indemnity to Others

- 1) If you so request
 - a) any of your directors partners or Employees in respect of liability for which you would have been entitled to indemnity under this Section if the claim for which indemnity is being sought had been made against you
 - b) any officer or member of your social sports and welfare organisations or fire first aid or ambulance services while acting in their respective capacities as such
- 2) The legal personal representatives of any deceased person who was entitled to claim indemnity under this Section in respect of liability incurred by that person
- 3) Where any contract or agreement entered into by you so requires any principal in like manner to you in respect of the principal's liability arising from the contract or agreement but only so far as concerns liability to an Employee

Provided that they observe the terms of this Policy as far as they can apply

Contractual Liability

Subject to Exclusion (3) of this Section where any contract or agreement entered into by you so requires liability assumed by you by virtue of such contract or agreement but only in so far as concerns liability to an Employee

Cross Liabilities

Each person to whom this Section applies in the same manner and to the same extent as if separate policy had been issued to each provided that the total amount of compensation payable will not exceed the Limit of Indemnity stated in the Schedule applicable to this Section

Health and Safety at Work etc Act Defence Costs

You and also at your request any of your directors partners or Employees for legal costs and expenses incurred

- 1) in defending any prosecution for breach of duty
- 2) with the consent of the Insurers in an appeal against a conviction resulting from a prosecution

under the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed or alleged to have been committed during the Period of Insurance where the circumstances may otherwise give rise to a claim under Section

excluding legal costs and expenses in connection with any breach of duty arising from a deliberate or premeditated act event or omission which any person claiming indemnity under this Section knows or should have known would be likely to constitute an offence under the above Act or Order

Compensation for Court Attendance

In the event of the following persons attending court at the request of the Insurers in connection with a claim under this Section the Insurers will compensate you at the rate of each person's wages or salary or at the following rates whichever is the less for each day on which attendance is required

- 1) by you or any of your directors or partners £250 per day
- 2) by any of your Employees £100 per day

Unsatisfied Court Judgements

In the event of a judgement for damages being obtained against someone other than you

- 1) under the jurisdiction of a court in England Scotland Wales Northern Ireland the Channel Islands or the Isle of Man by any Employee or their representative
- 2) in respect of Bodily Injury arising out of and in the course of your Employee's employment or engagement by you

which remains unsatisfied in whole or in part six months after the date of such judgement the Insurers will at your request pay to your Employee or representative the amount of any damages or awarded costs to the extent that they remain unsatisfied

Provided that

- a) there is no appeal outstanding
- b) the judgement relates to Injury which would otherwise be covered under this Section
- c) any payment made by the Insurers will be only in respect of liability for which you would have been entitled to indemnity under this Section had judgement been made against you
- d) the Insurers are entitled to take over and prosecute for their own benefit any claim made against any other person and you and your Employee or their representative must provide all information and assistance required by the Insurers

MG Underwriting

Staley House
Hassall Street
Stalybridge
SK15 2LF

T: 0161 304 9933

F: 0161 304 9966

www.mgunderwriting.com

Authorised and regulated by the Financial Conduct Authority