

Policy Information

This Policy has been prepared in accordance with your instructions. Please read it carefully and make sure that it meets your requirements and that you understand its terms conditions provisions and exclusions.

This Policy of Insurance comprises of:

- The Schedule setting out the details of this Insurance
- The Terms Conditions and Warranties Specific to this Insurance
- The General Definitions Conditions and Exclusions which apply to all Sections of the Policy
- The Sections of the Policy which give precise details of the cover being provided
- Any Endorsement(s) which might apply to the Policy or individual Sections and which incorporate cover amendments extensions limitations and such like

The Policy Schedule and all Endorsements are to be read as one document.

Any word or expression given a specific meaning in

- the General Definitions shall have the same meaning wherever it appears unless specified otherwise.
- each Section of the Policy shall have the same meaning where it appears in that Section.

Alterations in the cover required after issue of the Policy will be confirmed by separate Endorsement(s) which you should file with the Policy. You should refer to these Endorsement(s) and the Policy to ascertain precise details of cover currently in force.

Claims Notification

In the event of any occurrence which could result in a claim under this Policy immediate notice must be given to your insurance broker. In all communications the Policy Number appearing in the Schedule should be quoted.

Enquiry or Complaints Procedure

Any enquiry should be addressed in the first instance to your insurance broker for reference to the Underwriters.

It will greatly assist us if you quote your Policy number in any communication.

If you are not satisfied with the way in which your complaint has been dealt with you may ask the Complaints Department at Lloyd's to review your case without prejudice to your rights in law.

The address is:

Complaints Department at Lloyd's

One Lime Street

London

EC3M 7HA

Telephone 020 7327 5693

Fax 020 7327 5225

E-mail: complaints@lloyds.com

In the event that the Complaints Department is unable to resolve your complaint, it may be possible for you to refer it to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaints process.

SCHEDULE

Policy Number: {Missing}

Insurance Broker:

{Missing}

Address:

{Missing}

Insured :

{Missing}

Address:

{Missing}

Insured Premises:

{Missing}

Business Description:

{Missing}

Period of Insurance:

From: {Missing}

To: {Missing}

both days inclusive at local standard time

Territorial Limits:

Great Britain and Northern Ireland the Channel Islands and the Isle of Man unless otherwise specified in this Schedule

This Insurance, being signed for {Missing}% of {Missing}% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed in the Table are percentages of {Missing}% of the amount(s) of Insurance stated herein.

Premium (100%):

{Missing}

Insurance Premium Tax:

{Missing}

Total:

{Missing}

Premium Hereon:

{Missing}

Insurance Premium Tax:

{Missing}

Total:

{Missing}

Sections Insured:

Section A: Property Damage	{Missing}
Section B: Glass	{Missing}
Section C: Business Equipment	{Missing}
Section D: Deterioration of Stock	{Missing}
Section E: Business Interruption	{Missing}
Section F: Money & Assault	{Missing}
Section G: Goods in Transit	{Missing}
Section H: Book Debts	{Missing}
Section J: Loss of Licence	{Missing}

Dated in London: {Missing}

SECTION A: PROPERTY DAMAGE

Property Insured	Declared Value	Sum Insured
1. Buildings including landlord's fixtures and fittings therein and thereon and the walls gates and fences around and pertaining thereto	{Missing}	{Missing}
2. Machinery plant and all other contents therein and thereon the property of the Insured or held by them in trust for which they are responsible	{Missing}	{Missing}
3. Stock and materials in trade the property of the Insured or held by them in trust or on commission for which they are responsible	-	{Missing}
4. Tenants Improvements alterations and decorations the property of the Insured or for which they are responsible	{Missing}	{Missing}
5. {Missing} months Rent of the Buildings described herein	{Missing}	{Missing}
6. Miscellaneous as described below	{Missing}	{Missing}
7. Miscellaneous as described below	{Missing}	{Missing}
	Total Sum Insured	{Missing}

Each item excludes property which is more specifically described in any other item or Section and each item excludes property specifically insured elsewhere

Perils	Status	Excess Applicable
(as more fully described within Section A of the Policy)		to each and every loss
A: Fire	{Missing}	{Missing}
B: Lightning	{Missing}	{Missing}

C: Explosion	{Missing}	{Missing}
D: Aircraft	{Missing}	{Missing}
E: Riot Civil Commotion	{Missing}	{Missing}
F: Earthquake	{Missing}	{Missing}
G: Storm or Flood	{Missing}	{Missing}
H: Escape of Water	{Missing}	{Missing}
J: Impact	{Missing}	{Missing}
K: Theft	{Missing}	{Missing}
L: Accidental Physical Damage	{Missing}	{Missing}
M: Sprinkler Leakage	{Missing}	{Missing}
N: Subsidence	{Missing}	{Missing}

Special Clauses Applicable: {Missing}

As detailed within Section A of the Policy

SECTION B: GLASS

Property Insured	Limit of Liability
Glass as defined within Section B of the Policy	{Missing}

Excess Applicable: £100 each and every loss

SECTION C: BUSINESS EQUIPMENT

Property Insured	Situation	Sum Insured
{Missing}	{Missing}	{Missing}
{Missing}	{Missing}	{Missing}
{Missing}	{Missing}	{Missing}
	Total Sum Insured	{Response}

Excess Applicable: £100 each and every loss

SECTION D: DETERIORATION OF STOCK

Limits	
Any one Unit	{Missing}
Any one Loss	{Missing}

Excess Applicable: £100 each and every loss

SECTION E: BUSINESS INTERRUPTION

Description	Indemnity Period	Estimated Gross Profit	Sum Insured
Gross Profit Declaration Linked Basis	{Missing}	{Missing}	{Missing}
Gross Profit Sum Insured Basis	{Missing}	{Missing}	{Missing}
Gross Rentals Sum Insured Basis	{Missing}	{Missing}	{Missing}
Increased Cost of Working	{Missing}	{Missing}	{Missing}
Additional Increased Cost of Working	{Missing}	{Missing}	{Missing}
		Total Sum Insured	{Missing}

Special Clauses Applicable: NOT APPLICABLE

As detailed within Section E

Extensions Applicable: NOT APPLICABLE

Limit: £250,000 or 10% of the Total Sum Insured under Section E whichever is less

Extensions **N** and **Q** are limited to

Name / Situation	Perils	% or limit
{Missing}	{Missing}	{Missing}

SECTION F: MONEY AND ASSAULT

Part I: Description	Limit of Liability
1. Crossed cheques, crossed giro cheques, crossed postal or money orders, crossed bankers' drafts, unused units in postage stamp franking machines, stamped National Insurance cards, National Savings stamps or certificates, Premium Savings Bonds, credit company sales vouchers and VAT purchase invoices	£250,000
2. Money (other than as described in item 1 above)	
(a) in the premises during business hours	{Missing}
(b) in the premises outside business hours or when the premises are left unattended contained in securely locked safes or strongroom declared to Underwriters or contained within a bank night safe	{Missing}
(c) in the premises outside business hours or when the premises are left unattended not contained in a securely locked safe or strong room	£250
(d) in the private residence of the Insured or authorised persons employed	£250
(e) in transit	{Missing}
3. Safes and strongrooms (as described above) stamp franking machines, approved security cases, bags or waistcoats used for the carriage of Money	
Basis of settlement - cost of repair or replacement but not exceeding	£10,000
ESTIMATED ANNUAL AMOUNT OF MONEY IN TRANSIT	{Missing}

Excess Applicable: £100 each and every loss

SECTION G: GOODS IN TRANSIT

	Limit Any One Loss	Limit Any One Occurrence
Part I: By vehicles owned and/or operated by the Insured	{Missing}	{Missing}
Part II: By any independent carrier	{Missing}	{Missing}

Excess Applicable: £250 each and every loss

SECTION H: BOOK DEBTS

Sum Insured
{Missing}

SECTION J: LOSS OF LICENCE

Limit of Liability
{Missing}

CONDITIONS SPECIFIC TO THIS POLICY

{Missing}

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GENERAL PROVISIONS

Definitions

Policy

The Policy the Schedule the schedule of each operative section and any endorsements or memoranda appended or attached

Proposal

Any signed proposal or declaration and any information in addition thereto or in substitution thereof supplied to Insurers by or on behalf of the Insured

Insurers

Wherever the word Underwriters appears it shall have the same meaning as Insurers

The Insured

The Firm Company or individual named in the Schedule

Business

The Business of the Insured as specified in the Schedule

The Premises

The building(s) occupied by the insured in connection with the Business excluding any building(s) or part of any building(s) incapable of being locked any open space yard or garden unless specified in the Schedule

Excess

The first part of each and every claim which the Insured must bear after the application of any Condition of Average as defined herein

Period of Insurance

The period of insurance specified in the Policy Schedule or endorsed hereon for which Insurers accept payment of a premium in respect of this Policy

Damage

Loss or destruction of or damage to the Property Insured

Consequential Loss

Loss resulting from interruption of or interference with the business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to the property used by the Insured at the Premises for the Business

Occurrence

Any one loss or series of losses arising from one event

GENERAL PROVISIONS

Conditions

Proposal

The proposal including the declaration forms the basis of this contract between the Insured and the Insurers and is deemed to be incorporated herein

Policy Voidable

This Policy shall be voidable in the event of misdescription misrepresentation or non-disclosure in any material particular

Alteration

The Policy shall be voidable if

- (a) The Insured fails to give Insurers immediate notice in writing of any alterations to the risk insured
- (b) the risk be materially increased without the assent of Insurers being signified in writing
- (c) the interest of the Insured ceases except by death or operation of law

Cancellation

Insurers may cancel this Policy at any time by sending 14 days written notice to the Insured at the Insured's last known address whereupon the Insured shall be entitled to a refund of a proportionate part of the premium for the unexpired period of insurance

The Insured may cancel this Policy by sending 14 days written notice to Insurers via the insurance broker or insurance adviser specified in the Schedule whereupon the Insured shall become entitled to a refund of 75% of the proportionate part of the premium for the unexpired period of insurance provided there are no known or reported losses during the Period of Insurance

Reasonable Precautions

The Insured shall:

- (a) maintain the premises machinery plant and equipment in a satisfactory state of repair

- (b) take all reasonable precautions for the safety of the property insured
- (c) take all reasonable precautions to prevent loss destruction damage accident or injury
- (d) comply with all statutory requirements and other safety regulations imposed by any authority
- (e) keep books with a complete record of purchase and sales
- (f) take all precautions to minimise the costs of claims or legal proceedings
- (g) take all reasonable precautions in the selection of employees and sub contractors
- (h) take all reasonable precautions to prevent accidents injury disease or illness
- (j) comply with all statutory obligations and regulations imposed by an authority

Warranties

Every warranty shall from the time that the warranty attaches apply and continue to be in force during the whole currency of this Policy and non-compliance with any such warranty whether it increases the risk or not shall be a bar to any claim provided that whenever this Policy is renewed a claim occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period

Fraud

If any claim made by the Insured or anyone acting on behalf of the Insured to obtain any Policy benefit shall be fraudulent or intentionally exaggerated or if any false declaration or statement shall be made in support thereof no compensation shall be payable hereunder

Arbitration

If any difference should arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against Insurers

Choice of Law and Jurisdiction

This Policy of insurance shall be governed by and construed in accordance with the laws of England and Wales and the Commercial Court of the Queen's Bench Division High Court of Justice Strand London WC2A 2LL shall have jurisdiction in respect of any dispute under this Policy. In respect of any Insured domiciled in Scotland the laws of Scotland shall apply and shall be subject to the jurisdiction of the Scottish Courts.

Identification

Unless otherwise stated any word or expression to which a specific meaning has been attached in any part of the Policy shall bear the same meaning wherever it may appear

Reinstatement

If Insurers elect or become bound to reinstate or replace any property the Insured shall at the expense of the Insured produce and give to the Insurers all such plans documents books and information as the Insurers may reasonably require. The Insurers shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one item of the items insured more than the sum insured thereon

Claims Conditions

Action by the Insured

- (a) On the happening of any loss destruction damage incident accident or injury which may give rise to a claim the Insured shall give immediate notice thereof in writing to the Insurers
- (b) In respect of loss destruction or damage caused by malicious persons or by theft it is a condition precedent to any claim that immediate notice of the loss destruction or damage shall have been given by the Insured to the Police Authority
- (c) The Insured shall within 30 days after such loss destruction damage incident accident or injury (7 days in the case of loss destruction or damage caused by riot civil commotion strikers locked out workers or persons taking part in labour disturbances of malicious persons) or such further time as the Insurers may in writing allow at the expense of the Insured deliver to the Insurers a claim in writing containing as particular an account as may be reasonably practicable of the accident injury or any articles or portions of property lost destroyed or damaged and of the amount of damage thereto together with details of any other insurances on the property hereby insured. The Insured shall also give to the Insurers all such proofs and information with respect to the claim as may reasonably be required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Policy shall be payable unless the terms of this condition have been complied with
- (d) The Insured shall send to the Insurers immediately on receipt any writ summons or other legal process issued or commenced against the Insured
- (e) The Insured shall not negotiate pay settle admit or repudiate any claim without the written consent of the Insurers

Contribution

If at the time of the happening of any loss destruction damage or incident covered by this Policy there shall be in existence any other insurance of any nature providing indemnity to the Insured for such loss destruction damage or incident whether effected by the Insured or not then the liability of the Insurers shall be limited to its rateable proportion thereof

If any such other insurance shall be subject to any condition of average the applicable item/section of this Policy if not already subject to any condition of average shall be subject to average in like manner. If any other insurance effected by or on behalf of the Insured is expressed to cover any of the property hereby insured but is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or part or from contributing rateably to the loss or destruction or damage the liability of the Insurers hereunder shall be limited to such proportion of the loss or destruction or damage as the sum hereby insured bears to the value of the property

Subrogation

Any claimant under this Policy shall at the request and at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights and remedies of or of obtaining relief or indemnity from other parties to which the Insurers shall be or would become entitled or subrogated upon its paying for or making good any loss destruction damage incident accident or injury under this Policy whether such acts and things shall be or become necessary or required before or after indemnification by the Insurers

Rights of the Insurers

On the happening of any loss destruction or damage in respect of which a claim is or may be made under this Policy the Insurers and every person authorised by the Insurers may without thereby incurring any liability and without diminishing the right of the Insurers to rely upon any conditions of this Policy enter take or keep possession of the building of premises where the loss destruction or damage has happened and may take possession of or require to be delivered to them any of the property hereto insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and licence of the Insured so to do. If the Insured or anyone acting on behalf of the Insured shall not comply with the requirements of the Insurers or shall hinder or obstruct the Insurers in doing any of the above-mentioned acts then all benefit under this Policy shall be forfeited. The Insured shall not in any case be entitled to abandon any property to the Insurers whether taken possession of by the Insurers or not

Discharge of Liability

The Insurers may at any time pay the Limit of Indemnity or the sum insured (after the deduction of any sum already paid) or any less amount for which a claim can be settled and shall be under no further liability except for the payment of costs and expenses incurred prior to the date of payment

Premium Adjustment

Notwithstanding any clause in this Policy relating to the submission of declaration if any part of the premium for any item/section of this Policy is calculated on estimates the Insured shall within one

month from the expiry of each Period of Insurance furnish such details as the Insurers may require and the premium for such period shall be adjusted subject to any minimum premium

Contract Rights (Third Parties)

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

GENERAL PROVISIONS

Exclusions

Radioactive Contamination and Explosive Nuclear Assemblies

This Policy does not cover loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

In respect of bodily injury caused to an employee this exclusion shall apply only when the Insured under a contract or agreement has undertaken to indemnify a principal or has assumed liability under a contract for such bodily injury and which liability would not have attached in the absence of such contract or agreement

War and Civil War

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by happening through or in consequence of war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or 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

Terrorism

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This Exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

Northern Ireland Overriding Exclusion

Notwithstanding anything in the this Policy or in any extensions thereof it is hereby declared and agreed that as an exclusion overriding all other terms (including the nature and terms of perils insured against) this Policy does not cover loss or destruction of or damage to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of

- (i) civil commotion
- (ii) any unlawful wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

For the purpose of this exclusion unlawful association means any organisation which is engaged in terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973

For the purpose of this exclusion terrorism shall mean the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

In any action suit or other proceedings where Insurers alleges that by reason of the provisions of this exclusion any loss destruction or damage or consequential loss is not covered by this Policy the burden of proving that such loss is covered shall be upon the Insured

Sonic Boom

This Policy does not cover loss or destruction of or damage to any property caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

Electronic Data Exclusion

1. Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses' 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above this Policy subject to all its terms conditions and exclusions will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed perils.

Listed Perils

Fire

Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering or any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated gathered or assembled.

Electronic Date Recognition Exclusion

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative remedial or otherwise directly or indirectly arising out of or relating to:

- (a) the calculation comparison differentiation sequencing or processing of data involving the date change to the year 2000, or any other date change including leap year calculations by any computer system hardware programme or software and/or any microchip integrated circuit or similar device in computer equipment or non-computer equipment whether the property of the Insured or not; or
- (b) any change, alteration, or modification involving the date change to the year 2000, or any other date change including leap year calculations to any such computer system hardware programme or software and/or any microchip integrated circuit or similar device in computer equipment or non-computer equipment whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss damage cost claim or expense.

Micro-Organism Exclusion

This Policy does not insure any 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.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property (ii) any insured peril or cause whether or not contributing concurrently or in any sequence (iii) any loss of use occupancy or functionality or (iv) any action required including but not limited to repair replacement removal cleanup abatement disposal relocation or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance in whole or in part for these matters.

Biological or Chemical Materials Exclusion

This Policy excludes 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.

Asbestos Endorsement

- A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only provides indemnity in respect of that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

Fire, Lightning, Explosion, Aircraft, Riot or Civil Commotion, Earthquake, Subterranean Fire, Storm or Flood, Escape of Water, Impact, Sprinkler Leakage, Subsidence.

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed the following specific limitations also apply:

1. The said building or structure must be insured under this Insurance for damage by a Listed Peril.
2. The Listed Peril must be the immediate sole cause of the damage to the asbestos.
3. The Assured must report to the Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
4. This Policy shall provide no cover (whether for physical damage, business interruption, delay of repair or other consequential loss) in respect of:
 - (i) wear and tear or inherent defect, quality or vice in or of any asbestos;
 - (ii) any compliance with or breach of any legal or other duty or obligation (including without limitation any duty arising from any contract or statute, or any instruction, request or order of any court or governmental or regulatory authority) of any person in connection with the design, manufacture, installation, use, retention, treatment, management, repair, replacement or removal of any asbestos (damaged or otherwise);
or
 - (iii) any asbestos which the Listed Peril has not physically damaged.

- B. Except as set forth in the foregoing Part A of this endorsement, this Policy does not insure asbestos or any interest relating thereto.

Pollution or Contamination Exclusion

Notwithstanding anything to the contrary contained herein this Policy does not cover loss or destruction or damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by

- (a) pollution or contamination which itself results from Fire Lightning Explosion Aircraft Riot or civil commotion Earthquake Subterranean Fire Storm or Flood Escape of Water Impact Sprinkler Leakage Subsidence.

(b) any of the perils listed in (a) above which itself results from pollution or contamination

SECTION A: PROPERTY DAMAGE

Specified Perils

Cover

This Section covers loss destruction or damage (hereinafter termed Damage) to the Property Insured described in the Schedule at the Insured Premises by any of the following perils which occur during the Period of Insurance. Such perils are applicable only if shown as Insured on the Schedule and are subject otherwise to the sums insured limits terms conditions and exclusions of this Section

A. FIRE but excluding Damage caused by

- (a) explosion resulting from fire
- (b) earthquake or subterranean fire
- (c) (i) its own spontaneous fermentation or heating or

(ii) its undergoing any heating process or any process involving the application of heat

B. LIGHTNING

C. EXPLOSION

- (i) of boilers
- (ii) of gas

used for domestic purposes but excluding Damage caused by earthquake or subterranean fire

Excluding Damage

- (a) caused by or consisting of the bursting of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured
- (b) in respect of and originating in any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any Statutory Regulations unless such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service

D. AIRCRAFT or other aerial devices or articles dropped therefrom

E. RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or **MALICIOUS PERSONS** excluding

- (a) Damage arising from confiscation requisition or destruction by order of the government or any public authority
- (b) Damage arising from cessation of work
- (c) Damage directly caused by malicious persons not acting on behalf or in connection with any political organisation
 - (i) in respect of fire or explosion
 - (ii) in respect of any building which is empty or not in use
 - (iii) caused by theft or attempted theft

F. EARTHQUAKE OR SUBTERRANEAN FIRE

G. STORM OR FLOOD excluding

- (a) Damage attributable solely to change in the water table level
- (b) Damage by frost subsidence ground heave or landslip
- (c) Damage in respect of moveable property in the open fences and gates

H. ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding

- (a) Damage by water discharged or leaking from any automatic sprinkler installation
- (b) Damage in respect of any building which is empty or not in use

J. IMPACT by any road vehicle or animal

K. THEFT

- (i) involving entry to or exit from the Premises by forcible and violent means including Damage to the Premises for which the Insured is responsible arising from theft or attempt thereat
- (ii) following assault or violence or threat of assault or violence to the Insured or any partner director or employee of the insured or members of their families or any other person lawfully on the Premises

Excluding Damage

- (a) occasioned by fire or explosion
- (b) caused by or in collusion with the Insured or any partner director or employee of the Insured or any member of the Insured's family or any other person lawfully on the Premises

L. ACCIDENTAL PHYSICAL DAMAGE excluding

1. Damage caused by or consisting of

- (a) Any other Specified Peril listed herein and cause(s) excluded therefrom
- (b) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
- (c) faulty or defective workmanship operational error or omission on the part of the Insured or any of his employees
- (d) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
- (e) change in temperature colour flavour texture or finish
- (f) Theft or attempt thereat
- (g) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
- (h) mechanical or electrical breakdown or derangement or overloading in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates but this shall not exclude
 - (i) such Damage not otherwise excluded which itself results from a Specified Peril or from any other accidental loss destruction or damage
 - (ii) subsequent Damage which itself results from a cause not otherwise excluded
- (j) acts of fraud or dishonesty
- (k) disappearance unexplained or inventory shortage misfiling or misplacing of information

2. Damage to a building or structure caused by its own collapse or cracking unless resulting from a Specified Peril in so far as it is not otherwise excluded

3. Damage in respect of moveable property in the open fences and gates caused by wind rain hail sleet snow flood or dust

4. Damage (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair

5. Damage in respect of any building which is empty or not in use
 - (a) caused by freezing
 - (b) caused by escape of water from any tank apparatus or pipe
 - (c) caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation
6. Damage in respect of
 - (a) property in transit
 - (b) fixed glass
 - (c) glass (other than fixed glass) china earthenware marble or other fragile or brittle objects

other than such Damage caused by a Specified Peril in so far as it is not otherwise excluded
7. Damage caused by the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services but this shall not exclude
 - (a) such Damage which itself results from other Damage and is not otherwise excluded
 - (b) subsequent Damage which itself results from a cause not otherwise excluded

M. ACCIDENTAL ESCAPE OF WATER FROM AUTOMATIC SPRINKLER INSTALLATION excluding damage caused by

- (a) freezing whilst the Premises insofar as it is in the Insured's ownership or tenancy is unoccupied
- (b) explosion earthquake subterranean fire or heat caused by fire

N. SUBSIDENCE GROUNDHEAVE OR LANDSLIP excluding damage

- (a) arising from the settlement or movement of made-up ground or by coastal or river erosion
- (b) occurring as a result of the construction demolition alteration or structural repair of any property at the Premises
- (c) arising from the normal settlement or bedding down of new structures
- (d) commencing prior to the granting of cover under this insurance

SECTION A: PROPERTY DAMAGE

Standard Clauses

Insurers Liability

The liability of the Insurers in any one Period of Insurance in respect of any one item shall not exceed the Sum Insured or in the whole the Total Sum Insured or any other stated Limit of Liability at the time of the loss destruction or damage

Average

Any Sum Insured stated in the Schedule is subject to Average if at the time of any loss destruction or damage the Sum Insured for such item is less than its total value then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly

Notice of Occupancy

Notice is to be given to the Insurers immediately any of the buildings referred to in the Schedule become unoccupied or when any unoccupied portion of such buildings become occupied and a suitable additional premium is to be paid if required

Local Authorities

The insurance by each item of the Schedule on Buildings and Machinery extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with

- (a) European Community Legislation or
- (b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye Laws of any municipal or local authority provided that
 - 1. The amount recoverable under this clause shall not include
 - (a) the cost incurred in complying with any of the aforesaid Legislation Regulations or Bye Laws
 - (i) in respect of destruction or damage occurring prior to the granting of this clause
 - (ii) in respect of destruction or damage not insured by this Property Damage Section

- (iii) under which notice has been served upon the Insured prior to the happening of the destruction or damage
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Property Damage Section) of that portion of the Property destroyed or damaged
- (b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Legislation Regulations or Bye Laws not arisen
- (c) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye Laws
2. The work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the destruction or damage or within such further timescales as the Insurers may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Legislation Regulations or Bye Laws so necessitate) subject to the liability of the Insurers under this clause not being thereby increased
 3. If the liability of the Insurers under any item of the Schedule apart from this clause shall be reduced by the application of any of the terms and conditions of this Section and the Policy then the liability of the Insurers under this clause in respect of any such item shall be reduced in like proportion
 4. The total amount recoverable under any item of the Schedule shall not exceed the sum insured thereby
 5. All the conditions of this Section and the Policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein

Reinstatement

It is hereby agreed unless stated to the contrary in the Schedule that in the event of the property insured under each item of the Schedule on Buildings and/or Machinery being destroyed or damaged the basis upon which the amount payable under each of the said items or the Schedule is to be calculated shall be the reinstatement of the property destroyed or damaged subject to the following special provisions and subject also to the terms and conditions of this Section except insofar as the same may be varied hereby

For the purposes of the insurance under this clause "reinstatement" shall mean the carrying out of the after mentioned work namely

- (a) where property is destroyed the rebuilding of the property if a building or in the case of other property its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new

- (b) where property is damaged the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new

SPECIAL PROVISIONS

1. The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Insurers not being thereby increased), must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable under the Section if this clause had not been incorporated therein shall be made
2. When any property insured under this clause is damaged or destroyed in part only the liability of the Insurers shall not exceed the sum representing the cost which the Insurers could have been called upon to pay for reinstatement if such property had been wholly destroyed
3. No payment beyond the amount which would have been payable under the Section if this clause had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred
4. Each item insured under this clause is declared to be separately subject to the following Condition of Average namely

If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstatement if the whole of the property covered by such item had been destroyed exceeds the sum insured thereon at the commencement of any destruction of or damage to such property by any Peril hereby insured against then the Insured shall be considered as being his own insurer for the difference between the Sum Insured and the sum representing the cost of reinstatement of the whole of the property and shall bear a rateable proportion of the loss accordingly

5. No payment beyond the amount which would have been payable under this Section if this clause had not been incorporated therein shall be made if at the time of any destruction or damage to any property insured hereunder such property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement set forth herein
6. Where by reason of any of the above the special provisions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein the rights and liabilities of the Insurers and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of this Section including any Condition of average therein as if this clause had not been incorporated therein

N.B. The provisions of these Reinstatement Conditions do not apply to Employees' Directors' visitors' or customers' personal effects pedal cycles tools and instruments

All Other Contents

The term "All Other Contents" is understood to include in so far as such property is not more specifically insured

- (a) Documents Manuscripts and Business Books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to the Insured of the information contained therein

- (b) Computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records and not for the value to the Insured of the information contained therein for an amount not exceeding £10,000
- (c) Patterns Models Moulds Plans and Designs but only for the value of the materials together with the cost of labour expended in reinstatement and so far as the same are not otherwise insured
- (d) Directors' Employees' Visitors' and Customers' personal effects pedal cycles tools instruments and the like indemnity hereunder being restricted to a maximum sum of £500 in respect of any one person

Architects' Surveyors and Consultants' Fees

Except where more specifically insured the Sum Insured by each item of the Schedule other than those relating to Stock and Materials in Trade includes an amount in respect of Architects' Surveyors Consulting Engineers' Legal and Other Fees necessarily and reasonably incurred in the reinstatement of the Property Insured consequent upon its destruction or damage but not for preparing any claim provided that the liability for such destruction or damage and fees shall not exceed in the aggregate the Sum Insured by each item

Debris Removal (Other than Stock and Materials in Trade)

Except where more specifically insured it is understood that the insurance by each item of the Schedule covering property other than Stock and Materials in Trade extends to include costs and expenses necessarily incurred by the Insured with the consent of the Insurers in

- (a) removing debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

of the portion or portions of the Property Insured by the said item(s) destroyed or damaged by any Peril hereby insured against

The Insurers will not pay for any costs of expenses

- (a) incurred in removing debris elsewhere than from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (b) arising from pollution or contamination of property not insured by this Section

The liability of the Insurers under this clause in respect of any item shall in no case exceed the Sum Insured thereby

Stock Debris Removal

Any item specified as Stock and Materials in Trade extends to include costs and expenses necessarily incurred by the Insured with the consent of the Insurers in removing stock debris from the Premises following damage by any Peril hereby insured against

The Insurers liability for costs and expenses shall not exceed 15% of the Sum Insured by each item on Stock and Materials in Trade or such other amount as specified in the Schedule

The Insurers will not pay for any costs of expenses

- (a) incurred in removing debris elsewhere than from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (b) arising from pollution or contamination of property not insured by this Section

Temporary Removal

Property for Cleaning or Renovation

1. Subject to the following provisions the property insured by this Property Damage Section (other than stock in trade or merchandise if insured hereby) is covered whilst temporarily removed for cleaning renovation repair or other similar purposes elsewhere on the same or to any other premises and in transit thereto and therefrom on land or inland waterway in Great Britain Northern Ireland the Channel Islands and the Isle of Man

The amount recoverable under this Clause in respect of each item of the Section shall not exceed the amount which would have been recoverable had the loss incurred in that part of the premises from which the property is temporarily removed nor in respect of any loss occurring elsewhere than at the said premises 10 per cent of the sum insured by the item after deducting therefrom the value of any building (exclusive of fixtures and fittings) stock in trade or merchandise insured thereby

This extension does not apply to property if and so far as it is otherwise insured nor as regards losses occurring elsewhere than at the premises from which the property is temporarily removed to

- (a) Motor Vehicles and Motor Chassis licensed for normal road use
 - (b) Property held by the Insured in trust other than machinery and plant
2. Documents and Computer Systems Records

Any insurance under this Section on computer systems records deeds and other documents (including stamps thereon) manuscripts plans and writings of every description and books (written and printed) is extended to cover such property for an amount not exceeding ten per cent of the sum insured thereof whilst temporarily removed to any premises not in the Insured's occupation

and whilst in transit by road rail or inland waterway all in Great Britain Northern Ireland the Channel Islands and the Isle of Man

Construction and Heating of Buildings

Unless otherwise declared to Insurers the buildings are constructed of brick stone or concrete and roofed with slates tiles concrete metal or asbestos and not artificially heated other than by low pressure hot water or steam oil fired space heaters fed from a fuel tank in the open overhead gas or electric fires in offices only

Designation of Property

For the purpose of determining where necessary the item under which any property is insured the Insurers agrees to accept the designation under which such property has been entered in the Insured's books

Transfer of Interest

If at the time of destruction or damage to any building hereby insured the Insured shall have contracted to sell his interest in such building and the purchase shall not have been but shall be thereafter completed the purchaser on the completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such destruction or damage shall be entitled to the benefit of this Policy so far as it relates to such destruction or damage without prejudice to the rights and liabilities of the Insured or the Insurers under this Property Damage Section up to the date of completion

Workmen

Joiners and other Tradesmen may be employed effecting repairs and minor structural alterations in all or any of the buildings referred to in the Schedule and this is allowed without prejudice to the insurance hereby

Miscellaneous Properties Extensions

The insurance by each item of the Schedule on Buildings and Machinery is extended to include

- (a) Telephone Gas Water and Electrical Instruments Meters Piping Cabling and the like and all accessories thereof including similar property in adjoining yards or roadways or underground and pertaining to the Buildings or Contents insured by this Property Damage Section all the property of the Insured or for which the insured is responsible

(b) Plant Conveyors Trunks Cables Lines Wires Service Pipes and other equipment including all supporting structures in the open or adjoining or communicating with a building

The liability of the Insurers under this clause in respect of any item shall in no case exceed the Sum Insured thereby

Drains

The insurance by each item of the Schedule relating to Buildings and Machinery extends to include expenses necessarily and reasonably incurred by the Insured with the consent of the Insurers in cleaning and/or clearing drains sewers or gutters the property of the Insured or for which they are responsible following destruction or damage to the Property Insured hereunder by any Peril hereby insured against

Rent

If cover under this Section is extended to include rent such cover applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage by any Peril hereby insured against and then the amount payable shall not exceed such proportion of the sum insured on Rent as the period necessary for reinstatement bears to the term of Rent insured

Foundations

In respect of any sum insured on Buildings hereof subject to any Condition of Average those portions of the foundations and incombustible floors of buildings (other than machinery foundations) more than 8 cms below the level of floors of the lowest storeys (whether such floors constitute the flooring of the basements or otherwise) are excluded from this insurance except where such portions are within a radius of 60 cms around and below any structural column or similar superstructure support

Capital Additions

It is agreed that the insurance by this Section shall subject to its terms and conditions extend to cover the following property situate anywhere in Great Britain Northern Ireland the Channel Islands and the Isle of Man

(a) Any newly erected and/or newly acquired Building and/or Machinery

and

(b) alterations additions and improvements to Buildings and/or Machinery but not in respect of any appreciation in value provided that

The maximum liability of the Insurers at any one situation under this clause shall not exceed

(a) 10% of the total Building and Machinery Sum Insured by this Section

or

(b) £500,000

whichever is the lower

The Insured undertake(s) to provide particulars of such extensions of cover as soon as practicable and in any event at intervals of not more than 6 months and to effect specific insurance thereon retrospective to the date of the commencement of the Insured's liability

Machinery Re-Erection Costs

The insurance on Machinery by this Section extends to include subject to the terms and conditions of this Property Damage Section the cost of re-erection and of fixing Machinery and Plant in consequence of destruction or damage by any Peril hereby insured against it being understood that the amount recoverable in respect of any destruction or damage shall not exceed the Sum Insured hereby

Fire Extinguishing Appliances

It is a condition precedent to Insurers liability that the Fire Extinguishing Appliances at the premises will be maintained in full working order during the currency of the insurance nevertheless the Policy shall not be invalidated by any defect in any of the appliances due to circumstances unknown to or beyond the control of the Insured

Fire-Proof Doors

It is a condition precedent to Insurers liability that all fire-proof doors and shutters be kept closed except during working hours and will be kept in efficient working order during the currency of this Section

Automatic Fire Alarm

Where declared to Insurers that the Premises are protected by an automatic fire alarm installation it is a condition precedent to Insurers liability that the Insured hereby undertake(s) to

- (a) make a test at least once a week for the purposes of ascertaining the condition of
 - (i) the batteries and
 - (ii) the Brigade connection

Note 1: As regards (ii) where the Fire Brigade have given a written undertaking to carry out the tests the Insured's responsibility will be confined to requirement (i)

Note 2: Where the Brigade connection is not continuously monitored test (ii) must be made every weekday (holidays excepted)

- (b) make a test every weekday (holidays excepted) for the purposes of ascertaining the condition of all detector circuits

Note: Where the detector circuits are continuously monitored or such that one break of wires will not prevent a fire alarm being given (e.g. a ring circuit) this test need not be made

- (c) obtain promptly a quarterly report from the installing Engineers and to remedy any defect revealed and to file such report ready for examination by the Insurers's representative when required
- (d) send promptly a notification to the Installing Engineers of any serious disablement disconnection or temporary disuse from any cause of the installation (except during the actual testing) and to file a copy of the same with a memorandum of the duration of time the installation was inoperative ready for the examination of the Insurers's representatives when required
- (e) notify the Insurers immediately of the removal of any Automatic Fire Alarm installation

Changing Locks

Where the machinery plant and stock in trade are insured by this Section cover is extended to include the cost of changing locks at the Premises following the loss of keys by

- (a) theft or any attempt thereat from the Premises or from the homes of the Insured or authorised employees of the Insured
 - (b) robbery whilst such keys are in the personal custody of the Insured or authorised employees of the Insured
- up to a limit of £500 any one loss

Provided that if such keys relate to a safe they shall not be left on the premises overnight unless the premises are occupied by the Insured or an authorised employee of the Insured in which case they shall be deposited in a secure place not in the vicinity of the safe

SECTION A: PROPERTY DAMAGE

Special Clauses

This section extends to include only those of the following Special Clauses where the letter set against them appears on the Schedule and are subject otherwise to the limits terms and conditions of this Section

A: Day One (Non Adjustable)

Day One Basis (Non-Adjustable) Clause applicable to the property (Buildings and/or Machinery)

1. The Insured having stated in writing the Declared Value incorporated in each item to which this clause applies the premium has been calculated accordingly

“Declared Value” shall mean the Insured’s assessment of the Cost of Reinstatement of the Property Insured arrived at in accordance with paragraph (a) of the Reinstatement Clause (Section A: Standard Clauses) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

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

The Declared Value incorporated in each item is as stated on the Schedule

2. At the inception of each Period of Insurance the Insured 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 last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance
3. Notwithstanding any general indication or endorsement to the contrary the following wordings apply to Special Provisions 4 and 6 of the Reinstatement Clause (Section A: Standard Clauses)
 - (a) Each item insured under this Clause is declared to be separately subject to the following Condition of Average namely

If at the time of loss the Declared Value of the property covered by such item be less than the Cost of Reinstatement (as defined in paragraph 1 above) at the inception of the Period of Insurance then the Insurers’s liability for any loss hereby insured shall be limited to that

proportion thereof which the Declared Value bears to the Cost of Reinstatement (as defined in paragraph 1 above)

(b) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein the rights and liabilities of the Insurers and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of this Section including any Condition of Average therein as if this clause had not been incorporated therein except that the sums insured shall be limited to 107% of the Declared Values as stated on the Schedule

4. In the event of loss the liability of the Insurers in respect of property to which this clause applies shall not exceed the limit as stated in the Schedule in respect of each separate premises

B: Day One Basis (Adjustable)

Day One (Adjustable) Clause applicable to the property (Building and/or Machinery)

1. The Insured having stated in writing the Declared Value incorporated in each item to which this Clause applies the premium has been calculated accordingly

“Declared Value” shall mean the Insured’s assessment of the Cost of Reinstatement of the Property Insured arrived at in accordance with paragraph (a) of the Reinstatement Clause (Section A: Standard Clauses) at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

(a) the additional cost of reinstatement to comply with Public Authority requirements

(b) professional fees

(c) debris removal costs

The Declared Value incorporated in each item is as stated in the Schedule

2. At the inception of each Period of Insurance the Insured 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 last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance

3. The premium hereon is provisional On expiry of each Period of Insurance the premium shall be adjusted by 50% of the difference between

(a) the provisional premium at the commencement of the period

and

(b) the premium calculated at the terms which have applied during the period under adjustment based on the Declared Value for the subsequent period of insurance

4. For the purpose of paragraph 3 of this Clause only

(a) if the section (or any item thereof) is cancelled or not renewed the Insured shall provide the Declared Value of the property Insured by each of the said item(s) calculated in accordance with paragraph 1 of this clause but at the level of costs applying at the date of cancellation or non-renewal

(b) where property has not been reinstated following loss the Insured shall provide the Declared Value as though the property had not been damaged or destroyed

(c) where a declaration of the Declared Value is not submitted to the Insurers an additional premium not exceeding 3.5% of the provisional premium shall become payable

5. Notwithstanding any general indication or endorsement to the contrary the following wordings apply to Special Provisions 4 and 6 of the Reinstatement Clause (Section A : Property Damage Standard Clauses)

(a) Each item insured under this clause is declared to be separately subject to the following Condition of Average

If at the time of loss the Declared Value of the property covered by such item be less than the Cost of Reinstatement (as defined in paragraph 1 above) at the inception of the period of insurance then the Insurer's liability for any loss hereby insured shall be limited to that proportion thereof which the Declared Value bears to the Cost of Reinstatement (as defined in paragraph 1 above)

(b) Where by reason of any of the above special provisions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein the rights and liabilities of the Insurers and the Insured in respect of the destruction or damage shall be subject to the terms and conditions of this Section including any Condition of Average therein as if this Clause had not been incorporated therein except that the sums insured shall be limited to 107% of Declared Value as stated on the Schedule

6. The insurance under each of the said item(s) includes in so far as the same are not otherwise insured

(a) any newly acquired or newly erected buildings and/or machinery

and

- (b) alterations additions and improvements to buildings and/or machinery anywhere in Great Britain Northern Ireland the Channel Islands and the Isle of Man for an amount not exceeding the limit as stated in the Schedule in respect of any one situation

Any other extension to the said item(s) of this Section relating to capital additions as defined in 6(a) and 6(b) above is hereby cancelled

- 7. In the event of loss the liability of the Insurers in respect of property to which this clause applies shall not exceed the limit as stated in the Schedule in respect of each separate premises

C: Metal Workers

The insurance on Stock and Materials in Trade as provided by this Property Damage section extends to apply

- (a) to any machine maker's engineer's founder's or other metal worker's premises
- (b) to any customer's and/or agent's premises
- (c) to any sub-contractor's premises
- (d) in transit by road rail or inland waterway

all in Great Britain Ireland the Channel Islands and the Isle of Man but excluding any portion of premises occupied by the Insured.

Subject to the Insurers liability not exceeding 10% of the Sum insured stated in the schedule or £250,000 whichever the less

D: Stock Declaration

The Insurance on Stock and Materials in Trade as insured under the item(s) stated on the Schedule is subject to the following

- (a) The value of the property on the last day of each calendar month shall be declared in writing by the Insured to the Insurers within thirty days thereafter and if a declaration be not so given the Insured shall be deemed to have declared the maximum sum insured as the value
- (b) On the expiry of each Period of Insurance the actual premium shall be calculated at the rate per cent per annum applicable on the average amount declared i.e. the total of the sums declared divided by the number of declarations
- (c) If the actual premium be greater than the provisional premium paid for the period the Insured shall pay the difference if it be less the difference shall be repaid to the Insured but such repayment shall not exceed 33.33% of the First or Annual Premium respectively

- (d) In consideration of the insurance not being reduced by the amount of any loss the insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance

E: Contract Sale Price

In respect only of goods sold but not delivered for which the Insured is responsible and with regard to which under the conditions of the sale the sale contract is cancelled by reason of any Peril hereby insured against either wholly or to the extent of the loss or damage the liability of the Insurers shall be based on the contract price and for the purpose of Average the value of goods to which this clause would in the event of loss or damage be applicable shall be ascertained on the same basis

F: Local Authorities – Undamaged Properties Extension

Notwithstanding paragraph 1(a) (iv) of the Local Authorities Clause (Section A: Property Damage Standard Clauses) the insurance by each item of the Schedule on Buildings and/or Machinery extends to include the additional cost of reinstatement as described in the said clause in respect of undamaged portions of property provided that

- (a) the Insurers shall not be liable for such additional cost in respect of any building or machinery which has not sustained damage by an insured Peril
- (b) the amount recoverable shall not exceed
 - (i) in respect of undamaged portions of property other than foundations 15% of the total amount for which the Insurers would have been liable had the building or machinery been totally destroyed
 - (ii) in respect of any item of this Property Damage Section the Sum Insured thereby
- (c) all the conditions of the Local Authorities Clause including any Condition of Average shall apply except insofar as they are hereby expressly varied

SECTION B: GLASS

Cover

1. The cost of replacement or repair of Glass following breakage
2. The reasonable cost of boarding up rendered necessary by such breakage
3. Destruction or damage other than in consequence of theft or attempted theft of or to goods displayed including fitting for an amount not exceeding £500 any one occurrence
4. Destruction of or damage to window frames and framework for an amount not exceeding £500 any one occurrence
5. Destruction of or damage to lettering and/or alarm foil consequent upon the breakage of the glass to which it is fixed for an amount not exceeding £250 any one occurrence

Limit of Liability

The liability of the Insurers under this Section shall not exceed the Limit of Liability specified in the Schedule

Definitions

Glass

All fixed plain sheet or plain plate glass in windows doors fanlights skylights partitions furniture display and show cases counters or shelves or mirrored glass fixed wash hand basins lavatory bowls bidets shower trays and baths at the Premises stated in the Schedule and for which the Insured is responsible

Breakage

Destruction of or damage to Glass but excluding superficial cracks scratching or chipping

Exclusions

Section B does not cover

1. consequential loss of any kind or description
2. any Breakage arising directly or indirectly from
 - (a) alterations or repairs to the Premises or occurring whilst the Premises are empty or not in use

(b) defects in frames framework or other fittings

3. destruction of or damage to any embossing beading silvering or ornamental work
4. breakage caused by fire lightning explosion or earthquake
5. the amount of the Excess specified in the Schedule

SECTION C: BUSINESS EQUIPMENT

Cover

All Risks of Physical Loss or Damage to the Property Insured whilst situate as specified in the Schedule

Definitions

Property Insured

Any equipment as specified in the Schedule pertaining to the Business not being stock in trade or goods in trust or property on hire or hire purchase or other instalment credit arrangement

Exclusions

Section C does not cover

1. damage arising from atmospheric conditions inherent vice latent defect gradual deterioration wear and tear any process of cleaning or restoring or from adjustment repair or dismantling of any part of the machine or loss of or damage to any part whilst removed from its normal working position
2. loss or damage arising from mechanical or electrical breakdown of any machinery or part thereof
3. loss or damage caused by counterfeit substitute or foreign coins
4. loss to the contents of machines
5. depreciation contamination consequential loss or consequential damage of any kind or description
6. losses from unattended vehicles
7. the amount of the Excess specified in the Schedule

Sum Insured

The liability of the Insurers under this Section shall not exceed the sums insured as stated in the Schedule

SECTION D: DETERIORATION OF STOCK

Cover

Loss of or damage to stock the property of the Insured or held by the Insured in trust or on commission for which they are responsible whilst contained in refrigerating units at the Insured's Premises by deterioration contamination or putrefaction caused by or arising from

1. rise or fall in temperatures as a result of
 - (a) The breaking distortion or burning out of any part of the unit (including its own wiring terminating at and including the plug and fuse) arising from mechanical or electrical defects in the unit occurring whilst the unit is being used under normal working conditions
 - (b) Non-operation of the thermostatic or automatic controlling devices forming part of the unit
 - (c) Accidental failure of the public supply of electricity not occasioned by the deliberate act of any supply authority
2. accidental leakages of refrigerant fumes from the unit
which occurs during the Period of Insurance

Exclusions

Section D does not cover

1. loss of or damage resulting from
 - (a) failure of the public supply services which do not exceed sixty consecutive minutes
 - (b) failure of the public services due to any deliberate act of a public supply undertaking not performed for the sole purpose of safeguarding life or protecting any part of the public supply undertakings systems or any scheme of rationing not necessitated solely by accidental damage to the public supply undertaking's generating or supply equipment
 - (c) wear and tear deterioration or gradually developing flaws or defects in the unit or incorrect setting of thermostats and automatic controls
 - (d) the failure of refrigerating units which are over 15 years old
2. damage to property which has passed the date set by manufacturers for consumption
3. the amount of the Excess specified in the Schedule

Condition Precedent

It is a condition precedent to liability that on the expiry of any guarantee period the Insured shall effect a Maintenance Contract with a competent refrigeration engineer or company on all of the refrigerating units which do not have hermetically sealed motors and compressors

Limit of Indemnity

The liability of the Insurers under this Section shall not exceed the limits as stated in the Schedule

EXCLUSIONS APPLICABLE TO SECTIONS A B C D

Sections A B C and D do not cover

1. Property which at the time of the happening of Damage is insured by or would but for the existence of this Policy be insured by any marine insurance or insurances except in respect of any excess beyond the amount which would have been payable under the marine insurance or insurances had this insurance not been effected
2. Any property more specifically insured by or on behalf of the insured
3. Loss of or damage to
 - (a) money cheques stamps bonds credit cards or securities of any description
 - (b) jewellery precious stones precious metals bullion furs curiosities works of art or rare books
 - (c) goods held in trust or on commission documents manuscripts business books computer systems records explosives or video tapes or cassettes for sale or hire
 - (d) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - (e) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - (f) land roads pavements piers jetties bridges culverts or excavations
 - (g) livestock growing crops or trees
 - (h) property in transitunless specifically covered hereunder.
4. Consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under Section A : Property Damage of this Policy
5. The amount of the Excess specified in the Schedule

STANDARD CLAUSES APPLICABLE TO SECTIONS A B C D

Automatic Reinstatement of Sum Insured

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance

Non-Invalidation

The insurance of each Section shall not be invalidated by any act omission or alteration whereby the risk of destruction or damage is increased unknown to or beyond the control of the Insured provided that immediately they become aware thereof they shall give notice to the Insurers and pay an additional premium if required

Hire Agreements

In Consequence of certain property insured under these Sections being the subject of Hire Agreements it is understood and agreed that the interest of the Owners is deemed to be included in the protection afforded by this insurance it being understood that the Insured shall declare the name of any other interested party in the event of loss

Subrogation Rights Waiver

In the event of a claim hereunder the Insurers agree to waive any rights remedies or relief to which they might become entitled by subrogation against

1. Any company standing in the relation of parent to subsidiary or subsidiary to parent to the Insured as defined in Section 736 of the Companies Act 1985
2. Any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary in each case within the meaning of Section 736 of the Companies Act 1985

Motor Vehicles

Motor Vehicles and their contents more specifically insured are excluded except in respect of any amount in excess of that which is covered under the terms of the more specific insurance

Customers Goods

The Insured having intimated to their customers that they will accept responsibility for loss or damage to goods the property of such customers or for which the said customers may be legally responsible whether manufactured by the Insured or not upon which work is to be is being or has been done on behalf of customers by the Insured or which may be left in the Insured's hands for storage or despatch or otherwise temporarily in the Insured's custody it is hereby declared and agreed that all such goods shall be held to be insured by the items of the Schedule covering Stock and Materials in Trade except in so far as they shall be more specifically otherwise insured

SECTION E: BUSINESS INTERRUPTION

Cover

Loss resulting from interruption or interference with the Business in consequence of Damage by any of the perils insured under Section A which occur during the Period of Insurance to property used by the Insured at the Premises for the purpose of the Business as defined in the Schedule

Gross Profit - Declaration-Linked Basis Specification

The insurance under this Specification is limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be

- (a) in respect of Reduction in Turnover the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the Incident
- (b) in respect of Increase in Cost of Working the additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

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

Notwithstanding anything herein contained to the contrary

- (i) the liability of the Insurers shall in no case exceed in respect of this Specification 133.33% of the Estimated Gross Profit stated in the Schedule or such other amounts as may be substituted therefore by memorandum signed by or on behalf of the Insurers
- (ii) in the absence of written notice by the Insured or the Insurers to the contrary the Insurer's liability shall not stand reduced by the amount of any loss the Insured undertaking to pay the appropriate additional premium for such automatic reinstatement of cover

Note 1: To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms applicable to this Specification shall be exclusive of such tax

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

Premium Adjustment Clause

The first and annual premiums in respect of this Specification are provisional and are based on the Estimated Gross Profit

The Insured shall provide to the Insurers not later than six months after the expiry of each period of insurance a declaration confirmed by the Insured's auditors of the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance

If any Incident shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Insurers for the purpose of premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Incident

If the declaration (adjusted as provided and proportionately increased where the Maximum Indemnity Period exceeds 12 months)

- (a) is less than the Estimated Gross Profit for the relative period of Insurance the Insurers will allow a pro rata return of premium paid on the Estimated Gross Profit (but not exceeding 33.33% of such premium)
- (b) is greater than the Estimated Gross Profit for the relative period of insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Profit

Renewal Clause

The Insured shall prior to each renewal provide the Insurers with the Estimated Gross Profit for the financial year most nearly concurrent with the ensuing year of insurance

Gross Profit - Sum Insured Basis Specification

The Insurance under this Specification is limited to loss of Gross Profit due to (a) Reduction in Turnover and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be

- (a) in respect of Reduction in Turnover the sum produced by applying the Rate of Gross Profit to the amount by which the turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the Incident
- (b) in respect of Increase in Cost of Working the additional expenditure (subject to the provisions of the Uninsured Standing Charges Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the incident but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequences of the Incident

The liability of Insurers under this Specification shall not exceed the Sum Insured stated in the Schedule

If the Sum Insured for this Specification as stated in the Schedule be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Note 1: To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms applicable to this Specification shall be exclusive of such tax

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

Premium Adjustment Clause

The premium paid for this Specification may be adjusted on receipt by the Insurers of a declaration of Gross Profit earned during the financial year most nearly concurrent with the period of insurance as reported by the Insured's Auditors

If any Incident shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Insurers for the purpose of premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Incident

If either declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the sum insured for this Specification for the relative period of insurance the Insurers will allow a pro rata return of premium not exceeding 50% of the premium paid

Gross Rentals - Sum Insured Basis Specification

The insurance under this Specification is limited to Loss of Gross Rentals and the amount payable as Indemnity thereunder shall be the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Incident fall short of the standard Gross Rentals

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

The liability of the Insurers under this Specification shall not exceed the Sum Insured stated in the Schedule

If the Sum Insured for this Specification as stated in the Schedule be less than the Annual Gross Rentals (or proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Note 1: To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms applicable to this Specification shall be exclusive of such tax

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

Increase in Cost of Working Specification

The Insurance under this Specification is limited to Increase in Cost of Working and the amount payable as indemnity thereunder shall be the additional expenditure necessarily and reasonably incurred during the Indemnity Period in consequence of the Incident for the purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place

The liability of the Insurers shall be no more than 50 per cent of the Sum Insured for such additional expenditure arising in the first 3 months following the date of the Incident or 10 per cent of the Sum Insured for the additional expenditure in any one month thereafter

The insurance under this Specification is extended to include the reasonable charges payable by the Insured to their Auditors or to their Professional Accountants for producing and reporting any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs information or evidence as may be required by the Insurers under the terms of Claims Conditions of this Section (Standard Clauses)

The liability of the Insurers under this Specification shall not exceed the Sum Insured stated in the Schedule

Additional Increase in Cost of Working Specification

The Insurance under this Specification is limited to Additional Increase in Cost of Working and the amount payable as indemnity thereunder shall be the additional expenditure in excess of the amount otherwise payable necessarily and reasonably incurred during the Indemnity Period in consequence of the Incident for the purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place

The liability of the Insurers shall be no more than 50 per cent of the sum insured for such additional expenditure arising in the first 3 months following the date of the Incident or 10 per cent of the sum insured for the additional expenditure in any one month thereafter

The insurance under this Specification is limited to the reasonable charges payable by the Insured to their Auditors or to their Professional Accountants for producing and reporting any particulars or details contained in the Insured's books of account or other business books or documents or such other proofs information or evidence as may be required by the Insurers under the terms of Claims Conditions of this Section (Standard Clauses)

The liability of the Insurers under this Specification shall not exceed the Sum Insured stated in the Schedule

SECTION E: BUSINESS INTERRUPTION

Definitions

Incident

Loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business

Indemnity Period

The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof

Maximum Indemnity Period

The number of months stated in the Schedule

Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered in course of the Business at the Premises

Gross Profit

The amount by which

- (a) the sum of the amount of the turnover and the amounts of the closing stock and work in progress shall exceed
- (b) the sum of the amounts of the opening stock and work in progress and the amount of the Specified Working Expenses

Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods due provision being made for depreciation

Specified Working Expenses

Purchases (less discounts received) discounts allowed Carriage Packing and Freight

Note: The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in the books and accounts of the Insured's

Rate of Gross Profit

The Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Incident to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

Annual Turnover

The Turnover during the twelve months immediately before the date of the Incident to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident which would have affected the Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

Standard Turnover

The Turnover during that period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident which would have affected the Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

Alternative Trading Clause

If during the Indemnity period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period

Uninsured Standing Charges Clause

If any standing charges of the Business be not insured by the applicable Gross Profit Specification of this Section (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges

Estimated Gross Profit

The amount declared by the Insured to the Insurers as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months)

Gross Rentals

The money paid or payable to the Insured by the Tenants in respect of rental of the Premises

Annual Gross Rentals

The Gross Rentals during the twelve months immediately before the date of Incident to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

Standard Gross Rentals

The Gross Rentals during that period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

SECTION E: BUSINESS INTERRUPTION

Standard Clauses

Salvage Sale

If following an Incident giving rise to a claim under this Section the Insured shall hold a salvage sale during the Indemnity Period Clause (a) of the Specification for Gross Profit shall for the purpose of such claim read as follows

- (a) In respect of reduction in turnover the sum produced by applying the Rate of Gross Profit to the amount by which the turnover during the Indemnity Period (less the turnover for the period of the salvage sale) shall in consequence of the Incident fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale

Departmental

If the Business be conducted in departments the independent trading results of which are ascertainable the provisions of paragraphs (a) and (b) of the Specification for Gross Profit shall apply separately to each department affected by the Damage except that if the insurance is not on a declaration-linked basis if the sum insured by the said Specification be less than the aggregate of the sums produced by applying the rate of Gross Profit for each department of the Business (whether affected by the Damage or not) to its relative annual turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Subrogation Rights Waiver

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

- (a) Any company standing in the relationship of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in Section 736 of the Companies Act 1985
- (b) Any company which is a subsidiary of a Parent company of which the Insured are themselves a subsidiary in each case within the meaning of Section 736 of the Companies Act 1985

Payment on Account

Claim Payments on account will be made to the Insured during the Indemnity Period if requested

Reinstatement of Loss

In the event of loss under this Section and in the absence of written notice by the Insurers or the Insured to the contrary the amount of such loss is to be automatically reinstated from the date thereof the Insured undertaking to pay such necessary premium as may be required for reinstatement for the remainder of the period of insurance

Accumulated Stocks

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover due to the damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods on the Insured's premises

Professional Accountants

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurers under Claims Conditions (Section E: Standard Clauses) of this Section for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Insurers will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Insurers under the terms of Claims Conditions (Section E: Standard Clauses) of this Section 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 payable under this Section shall in no case exceed the applicable Sum Insured

Sum Insured

The liability of the Insurers under this Section in any one period of insurance shall in no case exceed

(a) in respect of each Specification the sum expressed in the Schedule

or

(b) any limit of liability shown in the Schedule or such other sum or sums as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the Insurers

Alteration

The insurance by this Section shall be avoided if

- (a) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued or
- (b) the Insured's interest ceases otherwise than by death at anytime after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the Insurers

Claims Conditions

On the happening of any Incident in consequence of which a claim is or maybe made under this Section the Insured shall give notice in writing to the Insurers and shall with due diligence do and concur in doing and permit to be done all things which maybe reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under this Section shall not later than thirty days after the expiry of the Indemnity Period or within such further time as the Insurers may in writing allow at his own expense deliver to the Insurers in writing a statement setting forth particulars of this claim together with details of all other insurances covering the Incident or any part of it or consequential loss of any kind resulting therefrom. The Insured shall at his own expense also produce and furnish to the Insurers such books of account and other business books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may reasonably be required by the Insurers for the purpose of investigating or verifying the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Section shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect any payment on account of the claim already made shall be repaid to the Insurers forthwith

Fines and Damages

The Insurers shall not be liable for any loss due to fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature

Material Damage Proviso

The Insurers's liability under this Section is conditional on there being in force at the time of the happening of the Incident an insurance covering the interest of the Insured in the Property at the Premises against such Incident and that payment shall have been made or liability admitted therefore

or

that payment would have been made or liability would have been admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount

SECTION E: BUSINESS INTERRUPTION

Special Clauses

This Section extends to include only those of the following Special Clauses where the letter set against them appears in the Schedule and are subject otherwise to the limits terms and conditions of this Section

A: Provisional Premium Adjustment Clause

Part 1 of this Clause applies only in respect of any insurance which is shown in the Schedule as being on the Sum Insured Basis

Part 2 of this Clause applies only in respect of any insurance which is shown in the Schedule as being on the Declaration-Linked Basis

Part 1 (Sum Insured Basis)

- (a) Any other clause condition or endorsement of this Section dealing with an annual return of premium shall be cancelled
- (b) The first and annual premiums are provisional being 75% of the premium payable at the commencement of the Period of Insurance with the balance of 25% to be paid within 6 months of the expiry of that period except that

In respect of the Specification for Gross Profit and Gross Rentals the premium paid shall be adjusted on receipt by the Insurers of a declaration of Gross Profit and Gross Rentals earned during the financial year most nearly concurrent with such Period of Insurance as reported by the Insured's auditors

If any Incident shall have occurred giving rise to a claim for loss of Gross Profit or Gross Rentals the above mentioned declaration shall be increased by the Insurers for the purpose of premium adjustment by the amount by which Gross Profit and Gross Rentals were reduced during the financial year solely in consequence of the Incident

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months)

- (i) is less than 75% of the Sum Insured on Gross Profit or Gross Rentals for the relative period the Insurers will allow a pro rata return of premium not exceeding 33.33% of the provisional premium paid
- (ii) is greater than 75% of the Sum Insured on gross Profit or Gross Rentals for the relative period the Insured shall pay a pro rata additional premium not exceeding 33.33% of the provisional premium paid

In the event that no declaration is received within 6 months of the expiry of such period of insurance the balance of 25% shall be paid to the Insurers by the Insured within 30 days

Part 2 (Declaration-Linked Basis)

- (a) Any other clause condition or endorsement of this Section dealing with an annual return of premium shall be cancelled
- (b) The first and annual premiums are provisional and are based on 75% of the Estimated Gross Profit

In respect of any item on Gross Profit the premium paid shall be adjusted on receipt by the Insurers of a declaration confirmed by the Insured's auditors and furnished by the Insured not later than 6 months after the expiry of each period of insurance of Gross Profit earned during the financial year most nearly concurrent with such Period of Insurance

If any Incident shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Insurers for the purpose of premium adjustment by the amount by which Gross Profit was reduced during the financial year solely in consequence of the Incident

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months)

- (i) is less than 75% of the Estimated Gross Profit for the relative period the Insurers will allow a pro rata return of premium not exceeding 33.33% of the provisional premium paid
- (ii) is greater than 75% of the Estimated Gross Profit for the relative period the Insured shall pay a pro rata addition to the premium paid on 75% of the Estimated amount

SECTION E: BUSINESS INTERRUPTION

Extensions

Where the following Extensions are specified as being applicable in the Schedule an Incident shall be deemed to include

- (i) in respect of Extensions A to R loss resulting from interruption of or interference with the Business in consequence of loss destruction or damage by any of the Perils insured under Section A : Property Damage which occur during the Period of Insurance
- (ii) in respect of Extension S loss directly resulting from interruption of or interference with the Business carried on by the Insured at the Premises which occurs during the Period of Insurance

A: Property Stored

To property of the Insured whilst stored anywhere in Great Britain or Northern Ireland elsewhere than at any premises in the occupation of the Insured

B: Patterns

To patterns jigs models templates moulds dies tools plans drawings and designs the property of the Insured or held by them in trust or on commission for which they are responsible whilst at the premises situate Great Britain or Northern Ireland of any machine makers engineers founders or other metal workers but excluding any premises wholly or partly occupied by the Insured and whilst in transit by road rail or inland waterway in Great Britain or Northern Ireland

C: Transit

To property of the Insured whilst in transit by road rail or inland waterway in Great Britain or Northern Ireland but excluding Damage to the conveying road or rail vehicle or water borne craft

D: Motor Vehicles

To Motor Vehicles the property of the Insured whilst in Great Britain or Northern Ireland elsewhere than at any premises in the occupation of the Insured

E: Contract Sites

To property at any situation in Great Britain or Northern Ireland not in the occupation of the Insured where the Insured is carrying out a contract

F: Exhibition Sites

To property at any situation in Great Britain or Northern Ireland not in the occupation of the Insured where the Insured is exhibiting his goods for sale

G: Utilities (Electricity)

To property at any generating station or sub-station of the electricity supply undertaking from which the Insured obtains electricity

H: Utilities (Gas)

To property at any land based premises of the gas supply undertaking or of any natural gas producer linked directly therewith from which the Insured obtains gas

J: Utilities (Water)

To property at any water works or pumping station of the water supply undertaking from which the Insured obtains water

K: Utilities (Telecommunications)

To property of telecommunications services (other than satellite services) at the incoming line terminals or receivers at the Premises

L: Denial of Access

To property in the vicinity of the Premises destruction of or damage to which shall prevent or hinder the use of the Premises or access thereto whether the Premises or property of the Insured therein shall be damaged or not but excluding destruction of or damage to Property of any supply undertaking from which the Insured obtains gas electricity water or telecommunications which prevents or hinders the supply of such services to the Premises

M: Loss of Attraction

To property in the vicinity of the Premises destruction of or damage to which shall cause loss of custom to the Insured directly due to loss of amenities in the immediate vicinity of the Premises whether the Premises or property of the Insured therein shall be damaged or not

N: Specified Suppliers

To the premises of those suppliers which are detailed in the Schedule

P: Unspecified Suppliers

To the premises of any of the Insured's suppliers manufacturers or processors of components goods or materials within Great Britain or Northern Ireland but excluding the premises of any supply undertaking from which the Insured obtains electricity gas or water or telecommunications services

Q: Specified Customers

To the premises of those customers which are detailed in the Schedule

R: Unspecified Customers

To the premises of any of the Insured's customers situated within Great Britain or Northern Ireland

S: Infectious Diseases

In consequence of

1. Notifiable Disease manifested by any person whilst at the Premises

or

2. an outbreak of a Notifiable Disease within 25 miles of the Premises

or

3. murder or suicide occurring at the Premises

or

4. injury or illness sustained by any guest arising from or traceable to foreign or injurious matter in food or drink provided on the Premises

or

5. closing of the whole or part of the Premises by the order of or on the advice of a competent Public Authority as a result of

(a) defects in the drains or other sanitary arrangements at the Premises

(b) the Premises becoming infested with vermin or pests

For the purposes of Extension S

- (a) Notifiable Disease means illness sustained by any person resulting from any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) an outbreak of which the competent Local Authority has stipulated shall be notified to them
- (b) Indemnity Period means the Period during which the results of the business shall be affected in consequence of the Incident beginning
 - (i) in the case of 1 2 3 and 4 above, with the occurrence or discovery of the Incident
 - (ii) in the case of 5 above, with the date from which the restrictions on the premises are appliedand ending not later than the Indemnity Period thereafter

The above Extensions are subject otherwise to the terms Conditions and Exclusions of this Section and to the applicable limits shown in the Schedule

SECTION F: MONEY AND ASSAULT

Part I - Money

Cover

1. Loss of Money the property of the Insured or for which the Insured is responsible in the course of the Business which occurs during the Period of Insurance whilst
 - (a) in transit
 - (b) in the premises specified in the Schedule
 - (c) at the private dwelling houses of the Insured's Principals or authorised Persons Employed
 - (d) deposited in bank night safe until removed by a bank officialbut only up to the Limit Any One Loss stated in the Schedule

2. Loss of or damage to
 - (a) the safe(s) and strongroom(s) declared to Insurers
 - (b) stamp franking machines
 - (c) approved security cases bags or waistcoats used for carriage of Moneyfollowing theft or attempted theft therefrom which occurs during the Period of Insurance but only up to the limit of Any One Loss stated in the Schedule

Exclusions

Part I does not cover

1. Shortages due to clerical or accounting errors
2. Loss due to the fraud or dishonesty of any Person Employed
 - (a) not discovered within seven working days of its occurrence
 - (b) more specifically insured by any other policy or policies except in respect of any excess beyond the amount payable under such other policy or policies
3. Loss of Money from
 - (a) vending or gaming machines
 - (b) unattended vehicles

4. Loss or damage arising elsewhere than in Great Britain Northern Ireland the Channel Islands and the Isle of Man

Definitions

Money

Coin, bank and currency notes, crossed cheques, crossed giro cheques, crossed postal or money orders, crossed bankers drafts, crossed warrants, bills of exchange, securities for money, postage revenue, national insurance and holiday with pay stamps, stamped national insurance and holiday with pay cards, national savings certificates, war bonds, premium savings bonds, unused units in postage stamp franking machines, credit company sales vouchers, luncheon vouchers, trading stamps and VAT purchase invoices

Business Hours

The Insured's usual office hours and the working hours (including overtime) during which the Insured his Principals or Persons Employed entrusted with the Money are on the Premises for the purpose of the Business

Part II - Assault

Cover

If in connection with the Business the Person Insured shall suffer an assault during the Period of Insurance and such assault shall independently of any other cause be the sole cause of one or more of the Results a) to f) specified below the Insurers will pay to the Insured or his legal personal representative the Compensation shown below

Results	Compensation per person
(a) Death	£10,000
(b) Total and permanent loss of all sight in one or both eyes	£10,000
(c) Total loss by physical severance or total and permanent loss of use of one or both hands or feet	£10,000
(d) Total disablement (temporary or permanent) from usual occupation	£100 per week

(e) Reimbursement of incurred medical expenses up to £500

(f) Damage to clothing and personal effects belonging to the Person Insured up to £500

Compensation Clauses

1. Compensation for Result d) shall be

- (a) payable for a period not exceeding 104 weeks from the commencement of the Result
- (b) payable when the total amount has been agreed or at the request of the Insured at intervals of not less than four weeks (but not in advance) commencing four weeks after receipt of written notice of any injury by the Insurers

2. Compensation shall not be payable for

- (a) any of the Results unless such Results occur within two years of sustaining the injury causing such Result
- (b) more than one of Results a) to c) and when payable for one of those Results shall not be payable for any of the Results caused by any subsequent injury to such Person Insured

Definitions

Person Insured

Any director manager or partner of the Insured or Person Employed aged not less than 16 years nor more than 70 years

Standard Clauses Applicable to Parts I and II

Records

It is a condition precedent to Insurers liability that

- (a) a complete record shall be kept of the Money
- (b) such record shall be deposited in a secure place other than in the safes or strongrooms containing the Money
- (c) outside Business Hours or when the Premises are left unattended the safes and strongrooms be kept locked and the keys for the safes and strongrooms shall not be left on the Premises

Transit

Where Money (other than as described in Item 1 of Part I of the Schedule to this Section) in excess of £2,000 is in transit it shall be escorted as undernoted

Amount In Transit	Minimum Escort
£2,001 to £ 5,000	Two able bodied persons (Including carrier)
£5,001 to £10,000	Three able bodied persons (Including carrier)
£10,001 and over	Specialist Security Company

Security Company Contingency Cover

In respect of Money in the custody of a Specialist Security Company Insurers shall only be liable in the event of the Insured being unable to recover the loss from the Security Company

SECTION G: GOODS IN TRANSIT

Part I - Property in Transit by Vehicles owned and/or operated by the Insured

Cover

The Insurers will by payment or at its option by reinstatement replacement or repair indemnify the Insured against loss destruction of or damage from any cause not specifically excluded which occurs during the Period of Insurance to the Property Insured whilst

(a) being loaded on to carried by or unloaded from

or

(b) temporarily housed in the course of transit upon

any Vehicle owned and/or operated by the Insured within the Territorial Limits in connection with the Business

Provided that the liability of the Insurers shall not exceed the Limits stated in the Schedule

In the event of the original Vehicle becoming disabled due to accident or breakdown during a transit cover under Part 1 shall continue to apply whilst the Property Insured is being transferred to and carried by any other Vehicle for completion of the original transit

Special Exclusion Applicable to Part I

This Part does not cover loss destruction of or damage resulting from theft or attempted theft or unexplained shortages from any unoccupied Vehicle unless

(a) all doors windows and other points of access have been closed and locked and any security devices correctly set to operate and all keys to doors ignition or other services removed

(b) during the hours from 9pm to 6am such Vehicle is in a securely locked building or guarded security park

Additional Cover

(Subject to the terms exclusions and conditions of this Section)

Additional Costs

1. Part I extends to indemnify the Insured against additional costs necessarily incurred in

- (a) transferring the Property Insured to another conveyance and/or delivering/returning such property to its original destination/place of despatch if any Vehicle is disabled as a result of an accident which occurs during the Period of Insurance
- (b) re-loading on to any Vehicle any of the Property Insured fallen from such Vehicle
- (c) removing debris consequence upon damage to any of the Property Insured

up to an amount not exceeding £ 1000 for any one event but excluding the first £ 25 of each and every loss

2. Sheets Tarpaulins Ropes and Personal Effects

Part I extends to indemnify the Insured against loss destruction of or damage which occurs during the Period of Insurance to

- (a) sheets tarpaulins ropes toggles chocks chains skips and trolleys whilst carried in the course of transit by any Vehicle up to an amount not exceeding £ 1000 for any one event but excluding the first £ 25 of each and every loss
- (b) the personal property belonging to the driver and/or mate whilst carried in any Vehicle conveying the Property Insured in the course of their employment up to an amount not exceeding £ 150 for any one person but excluding the first £ 15 of each and every loss

Part II - Property in Transit by any independent carrier

Cover

The Insurers will by payment or at its option reinstatement replacement or repair indemnify the Insured against loss destruction of or damage from any cause not specifically excluded which occurs during the Period of Insurance to the Property Insured whilst in course of transit in connection with the Business by

- 1. Rail Carrier
 - 2. Road Carrier
- or
- 3. Post Carrier

from the Insured's Business Premises to any destination within the Territorial Limits whilst

- (a) in the charge of the Carrier until delivered to the Consignee including temporary housing in the course of transit

- (b) being loaded upon or unloaded from the Carrier's conveyance
- (c) being delivered to or collected from any delivery or collection point of the Carrier other than by a Vehicle owned or operated by the Insured

Provided that the liability of the Insurers shall not exceed the Limits stated in the Schedule to this Section

Special Exclusion Applicable to Part II

This Part does not cover any claim arising as a result of failure to make proper and complete declarations required by Carriers or failure to obtain receipts for parcels packages or Consignments sent by Rail Road Post or other Carriers

Definitions

Territorial Limits

Great Britain Northern Ireland the Isle of Man or the Channel Islands including direct transit within or between such territories

Consignment

All goods whether contained in one or a number of parcels packages or containers or in bulk sent at one time in one load from one address to another

Property Insured

Stock and materials in trade the property of the Insured or held by them in trust or on commission for which they are responsible

Vehicle

For the purposes of Part I any vehicle means any motor vehicle owned and/or operated by the Insured

Standard Clause applicable to Parts I and II

Reasonable Precautions

The Insured must take all reasonable precautions to prevent loss destruction or damage by

- (a) maintaining Vehicles in an efficient and roadworthy condition and ensure they are suitable for the purpose for which they are to be used
- (b) exercising reasonable care in the
 - (i) selection of employees obtaining references and providing instruction to the supervision of employees
 - (ii) packaging and labelling or addressing of the Property Insured
- (c) complying with regulations imposed by any lawful authority

Exclusions

This Section does not cover

1. Loss destruction of or damage to

- (a) coins bank notes treasury notes stamps or cheques securities bills of exchange promissory notes
- (b) deeds bonds documents manuscripts business books computer systems records
- (c) patterns models moulds plans or designs
- (d) furs jewellery precious stones previous metals or bullion
- (e) livestock other than from fire explosion theft or attempted theft
- (f) explosives or goods of a dangerous nature
- (g) property despatched on FOB terms
- (h) property conveyed in a refrigerated frozen chilled or insulated condition as a result of deterioration due to any variation in temperature unless as a result of an accident to the Vehicle which occurs during the Period of Insurance

unless otherwise stated in the Schedule to this Section

2. Loss destruction of or damage as a result of

- (a) wear and tear gradual deterioration contamination depreciation inherent vice or nature of the Property Insured
- (b) normal atmospheric conditions where the Property Insured is on an open Vehicle unless such property shall have been adequately and properly protected

(c) mechanical electrical breakdown failure or derangement of the vehicle or conveyance

(d) delay loss of market or other consequential loss

3. The amount of the Excess specified in the Schedule
4. Loss destruction of or damage to the Property Insured resulting from or contributed to by the dishonesty of any Person Employed by the Insured

SECTION H: BOOK DEBTS

Cover

In the event of the Insured's books of account or other business books or records at the Premises

- (a) being destroyed or damaged by an accidental cause
- (b) being lost due to theft involving entry into or exit from the Premises by forcible or violent means or any attempt thereat
- (c) being lost due to hold-up namely theft consequent upon and in connection with assault or violence or threat thereof to the Insured or any employee of the Insured

which occurs during the Period of Insurance (such loss destruction or damage so caused being termed Damage in this Section) and the Insured in consequence thereof being unable to trace or establish the outstanding debit balances in whole or in part due to them then the Insurers will pay to the Insured the amount of loss resulting from such Damage but not exceeding

1. (a) the difference between
 - (i) the outstanding debit balances adjusted for
 - (a) bad debts
 - (b) amounts debited (or invoiced but not debited) and credited (including credit noted and cash not passed through the books at the time of the Damage) to Customers' Accounts in the period between the date to which the said last statement relates and the date of the Damage and
 - (c) any abnormal condition of trade which had or could have had a material effect on the Business so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the Damage had the Damage not occurred
 - and
 - (ii) the total of the amounts received or traced in respect thereof
 - (b) the additional expenditure incurred with the prior consent of the Insurers in tracing and establishing customers debit balances after the Damage provided that if the sum insured by this Section be less than the outstanding debit balances the amount payable shall be proportionately reduced
2. the reasonable charges payable by the Insured to their professional accountants for producing any particulars or details or any other proofs information or evidence as may be required by the Insurers under the terms of the Claims Conditions of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents

Standard Clauses

Automatic Reinstatement

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the period of insurance

Temporary Removal

This insurance extends to include the amount of any loss ascertained in accordance with the provisions of this Section resulting from Damage

- (a) in any premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man occupied by persons acting on behalf of the Insured to which the Insured's books of account or other business books or records are temporarily removed
- (b) to the Insured's books of account or other business books or records whilst in transit within Great Britain Northern Ireland the Channel Islands or the Isle of Man

Keeping of Records

It is a condition precedent to Insurers Liability that the Insured shall keep a weekly record of amounts outstanding in Customers Accounts as set out in the Insured's books of account and that such record be kept at a place other than the Premises

Limit of Liability

The liability of the Insurers under this Section shall not exceed the Sum Insured as stated in the Schedule

Exclusions

The Insurance by this Section does not cover loss occasioned by or happening through

1. Erasure or distortion of information on computer systems or other records
 - (a) due to the presence of a magnetic flux or whilst mounted in or on any machine or data processing apparatus unless caused by damage to the said machine or apparatus
 - (b) due to defects in such records
2. Deliberate falsification of business records
3. Mislaying or misfiling of tapes and records

4. The deliberate act of the Public Supply undertaking in restricting or withholding electricity supply
5. Wear and tear and gradual deterioration vermin rust damp or mildew
6. The connivance by any employee of the Insured

SECTION J : LOSS OF LICENCE

Cover

In the event of the Premises Licence or any part thereof which has been granted under the Licensing Act 2003 or any subsequent legislation in respect of the Premises stated in the Schedule being totally and permanently forfeited or revoked or refused renewal by the Licensing Authority during the Period Of Insurance, Insurers will pay or make good to the Insured all loss that the Insured may sustain in respect of

1. The depreciation in value of the interest of the Insured in the Premises by the forfeiture of or revocation of or refusal to renew the licence(s)
2. The cost and expenses being incurred by the Insured with the written consent of Insurers in connection with any appeal against the forfeiture of or revocation of or refusal to renew the licence(s)

provided that the liability of Insurers under this Section shall not exceed the Limit of Liability stated in the Schedule

It is a condition precedent to the liability of Insurers that in the event of an appeal against the forfeiture of or revocation of or refusal to renew the licence(s) that the Insured will allow the Insurer and their solicitors full discretion in the conduct of the proceedings.

Exclusions

This Section does not cover

1. Any claim arising directly or indirectly from any scheme of town or country planning improvement or redevelopment compulsory purchase or from any alteration of the law affecting the granting surrender refusal to renew suspension or forfeiture of licence(s)
2. Any claim arising from any alteration in the law affecting the grant surrender forfeiture or refusal to renew any licence
3. Any claim occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission of the Insured to take any step necessary for keeping the licence(s) in force unless the Insured or any other claimant hereunder shall prove to the reasonable satisfaction of Insurers that such matter was beyond his power or control
4. Any claim arising from the forfeiture of or revocation of or refusal to renew the licence(s) occasioned wholly or partly by a Criminal Act of the owner manager or Insured employees
5. Any claim arising from the forfeiture of or revocation of or refusal to renew the licence(s) on the grounds that there is or may be a problem relating to the supply or use of illegal or controlled drugs at the Premises or occasioned by the implementation of the Public Entertainments Licences (Drug Misuse) Act 1997
6. Any claim where the Insured is entitled to obtain the payment of compensation under the provisions of any Act of Parliament in respect of the refusal to renew the licence(s)

7. Any claim arising from the forfeiture of or revocation of or refusal to renew the licence(s) where any alterations to the Premises requiring consent of the necessary authority have been made without its approval
8. Any claim arising from the forfeiture of or revocation of or refusal to renew the licence(s) as a result of the Premises being closed for any period not required by law

Warranties

1. It is warranted that in the event of the death bankruptcy incapacity desertion of the Premises or conviction for any offence (where such conviction affects the character or reputation of the convicted person with respect of his honesty moral standing or sobriety) of the Tenant Manager Occupier or Personal Licence holder, the Insured shall where practicable and at the request of the Insurers procure a suitable person to replace him and one to whom the Licensing Authority has granted a Personal Licence.
2. It is warranted that on the Insured becoming aware of any
 - (a) complaint against the Premises or its control
 - (b) proceedings against or conviction of the Tenant Manager Occupier or Licence holder of the Premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with respect of his honesty moral standing or sobriety
 - (c) transfer or proposed transfer of the licence(s)
 - (d) alteration in the purpose for which the Premises are used
 - (e) objection to renewal or other circumstances which may endanger the licence(s) or its renewal
 - (f) application for revocation of the licence(s)

shall immediately give notice in writing to the Insurers and supply such additional information and give such assistance as the Insurers may reasonably require.

3. It is warranted that the Insured shall not use any reference to the Insurers hereon to promote his business or advertise or inform any other party of the existence of the insurance under this Section
4. It is warranted that the Insured will make all necessary arrangements for fulfilment of the Business in a prudent and timely manner.
5. It is warranted that the Insured will ensure all necessary licences visas and permits are obtained and are current for the Period of Insurance and that all contractual arrangements have been confirmed in writing by the Insured.
6. It is warranted that the Insured shall undertake to do everything in his ability to avoid or diminish a loss under this Section.

CONDITIONS SPECIFIC TO THIS POLICY

AFB C01 - Protections

It is a condition precedent to Insurers liability that

- (a) all measures provided to protect the Premises in force at the inception of this Policy or subsequently agreed by Insurers are properly fitted maintained in good order and kept in full operation throughout the period of this insurance and shall not be withdrawn altered or varied without prior consent of Insurers
- (b) whenever the Premises are closed for business or left unattended and at all other appropriate times that
 - (i) all security devices provided to protect the Premises in force at the inception of this Policy or subsequently agreed by Insurers are properly fitted and put into full operation
 - (ii) any keys for the Premises and or any Intruder Alarm Installation and or safes and or strongrooms and or any other secured area or device in which Insured Property is kept are removed from the Premises

AFB C02 - Electrical Circuit

It is a condition precedent to Insurers liability that all electrical circuits at the Insured Premises be tested at least once in every three years by qualified electrical engineers and that any defects found be remedied immediately in accordance with the Regulations of the Institute of Electrical Engineers and their certificate confirming the same to be issued to and retained by the Insured

AFB C03 - Portable Space Heater

It is a condition precedent to Insurers liability that there be no use and/or storage on the premises of paraffin and/or portable electric and/or gas heaters or fuel containers of any kind for any purpose or any temporary forms of heating apparatus unless specifically agreed by the Insurers prior to such use or storage other than portable electric heaters within offices provided that these are used during business hours only and are kept away from combustible materials

AFB C04 - External Storage

It is a condition precedent to Insurers liability that there is no external storage of combustible stock packaging pallets waste or waste skips or bins or any other combustible materials within 5 metres of buildings or one and one half times the maximum stack height of such combustible materials whichever is the greater

AFB C05 - Intruder Alarm

Where declared to Insurers that the Premises are protected by an Intruder Alarm Installation it is a condition precedent to Insurers liability that

1. Whenever the Premises are closed for business or left unattended and at all other appropriate times they shall be protected by an Intruder Alarm
 - (a) the specification of which has been agreed by the Insurers and
 - (b) which shall be set in its entirety
2. The Insured shall
 - (a) keep in force during the period of this Policy a contract with a company that is a member of the National Approval Council for Security Systems (NACOSS) to maintain the Intruder Alarm in proper working order
 - (b) obtain written permission from the Insurers before agreeing to any alteration to
 - (i) the maintenance company's emergency service facility
 - (ii) any part of the Intruder Alarm
3. If the Police give warning of withdrawal of their services the Insured shall immediately notify the Insurers
4. If any defect in the Intruder Alarm is discovered or the Police have withdrawn their services the Insured shall
 - (a) immediately notify the Insurers
 - (b) not leave the Premises unattended without prior consent of the Insurers
 - (c) put into effect such additional temporary precautions and safeguards as the Insurers may require
 - (d) notify the Maintenance Company immediately and give immediate instructions for the necessary repairs to be carried out

Definition of Intruder Alarm:

The component parts detailed in the alarm specification and the lines of communication used to transmit signals

AFB C06 - Waste

It is a condition precedent to Insurers liability that all combustible trade waste and refuse including oily and/or greasy wipes and cloths which remain in the buildings outside of business hours be kept in metal receptacles having metal lids or if removed from the buildings all such waste shall be placed in lidded containers or stored a minimum distance of 5m from buildings

AFB C07 - Valley Gutter

It is a condition precedent to Insurers liability that all valley gutters at the Insured Premises be inspected and cleared at least every twelve months

AFB C08 - Flat Roof

It is a condition precedent to Insurers liability that any flat felted roof portion of the premises shall be inspected at least once every two years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately

AFB C09 - Pipe Lagging

It is a condition precedent to Insurers liability that at the Insured Premises either

- (a) there is a heating system linked to a frost-stat and a minimum temperature of 4°C is maintained between 31st October and 31st March or
- (b) all pipes are adequately lagged

AFB C10 - Stillage

It is a condition precedent to Insurers liability that all property insured stored on the premises is stored on racks shelves or stillages not less than 100mm above the floor level

AFB C11 - Smoking

It is a condition precedent to Insurers liability that at the Insured Premises no smoking is permitted other than in clearly designated areas where suitable metal ashtrays must be provided

AFB C12 - Auditorium

It is a condition precedent to Insurers liability that the Insured will carry out a thorough examination of the premises insured hereunder for smouldering matches tobacco or other material at the close of business each day and that signed reports are made thereon daily by the employee or employees detailed to make the examination and for such reports to be checked at least once a week by the management

It is further warranted that all ashtrays and the like be emptied into a lidded metal bin and the bin be removed from the building at the close of business each day

AFB C13 - Frying and Cooking Equipment

It is a condition precedent to Insurers liability that at the Insured Premises

- (a) all frying and cooking equipment including flues and exhaust ducting shall be securely fixed and free from contact with combustible materials
- (b) all cooking fume extraction canopies ductwork and the like be washed/wiped daily and cleaned at least twice a year by independent contractors and that filters traps or other grease removal devices therein be washed/wiped daily and thoroughly cleaned at least fortnightly
- (c) all frying equipment shall be fitted with a thermostat designed to protect the temperature of cooking oils and fats from rising above 205°C

AFB C14 - Unoccupancy

In respect of premises that are unoccupied at the inception of the Period of Insurance or are to be unoccupied for a continuous period of more than 30 days

1. It is a condition precedent to Insurers liability that
 - (a) the premises be secured against illegal entry
 - (b) all windows and doors be boarded or bricked up at ground level so as to prevent unauthorised access and firmly secured at other levels unless a caretaker lives on site
 - (c) all mains services be disconnected and all water pipes and or tanks drained down other than for use by caretaker or Security Guards
 - (d) all letter boxes be sealed to prevent insertion of material
 - (e) the premises be kept clear of all loose combustible material
 - (f) the Insured or his agent visit the premises at least once per week and to carry out any work necessary to maintain security and a record of these visits be kept
2. Loss or damage arising from or attributable to refurbishment or renovation is excluded
3. Notice is to be given to Insurers immediately any unoccupied premises or portion thereof becomes occupied
4. Cover only applies in respect of Specified Perils A B C D

AFB C15 - Composite Panel

It is a condition precedent to Insurers liability that at the Insured Premises

- (a) the Insured must institute an inspection programme which must include regular inspections of composite/sandwich panels for damage. Where such panels are damaged they must be repaired or replaced without delay

- (b) no repairs are made to composite/sandwich panels that involve welding, grinding cutting or other obvious ignition sources
- (c) exposed edges of external panels are closed off with steel capping and any penetrations of the panels are sealed with suitable fire resisting materials
- (d) suitable fire extinguisher appliances are kept in all cooking areas and maintained under an annual contract
- (e) hot flues hot ducting and conduit wiring must be adequately protected within fire-resistant sleeves when passing through composite/sandwich panels. Conduit wiring need not be protected in this manner provided annual thermo graphic testing is undertaken and any problems identified are immediately rectified
- (f) all heat sources are kept at least 2 metres from any composite/sandwich panelling unless such panelling is of a non-combustible core
- (g) no external storage of combustible stock packaging pallets waste or waste skips or bins within 5 metres of buildings or one and one half times the maximum stack height of such combustible materials whichever is the greater
- (h) battery chargers must be kept 2 metres from any composite/sandwich panelling
- (j) where any maintenance work/repairs/alterations to the buildings involves the application of heat the following applies:
 - (i) work must only be carried out by a qualified contractor and the Insured is to ensure the contractor has adequate public liability insurance in force and must confirm same through sight of Policy/Certificate of insurance

Subrogation rights against such contractor must not be waived by the Insured

- (ii) the area in which work is to be carried out must be adequately cleared and combustible materials must be removed to a distance not less than six metres from the area of the proposed work
- (iii) if work is to be carried out overhead then the area beneath must be similarly cleared and all combustible materials removed
- (iv) at least one fire extinguisher with a capacity of not less than nine litres must be kept available for immediate use
- (v) blow lamps and blow torches must be lit in as short a time as possible before use and extinguished immediately after use
- (vi) lighted blow lamps and blow torches must not be left unattended
- (vii) half an hour after each period of work a thorough examination must be made of the area in which work has been undertaken

- (viii) if work is to be carried out in the vicinity of composite/sandwich panels then such panels must be protected by non-combustible blankets drapes or screens

AFB C16 - Hostels

In respect of premises used as a hostel

1. It is a condition precedent to Insurers liability
 - (a) no cooking is carried out in rooms other than those specifically designated as kitchens
 - (b) there is 24 hour occupancy of the Insured Premises by the Insured or his employees
 - (c) no portable heating is used at the Premises
 - (d) rooms are cleaned and or inspected at least once per week
2. Cover in respect of Malicious Damage caused by residents and or guests is excluded

AFB C17 - Sprinkler Maintenance

In respect of the installation(s) of Automatic Sprinklers at the Insured Premises it is a condition precedent to Insurers liability that the Insured hereby undertake(s) to

1. make a test every week for the purpose of ascertaining that the Alarm Gong is in working order and that the Stop Valve controlling the individual water supplies and the installation are fully open
2. make quarterly or half-yearly test if required by the Insurers to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
3. make a test every weekday (holidays excepted) of
 - (i) the Brigade connection
 - (ii) the circuit between the alarm switch and the control unit and
 - (iii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

Note 1: it is permissible for test (i) to be carried out by the Fire Brigade if the latter are prepared to give a written undertaking to perform the duty

Note 2: where the circuits in (i) and (ii) are continuously monitored tests need only be made once per week

4. remedy promptly any defect revealed by such tests
5. notify the Insurers before any installation is rendered inoperative or immediately in the event of an emergency
6. allow the Insurers access to the premises at all reasonable times for the purpose of inspecting the sprinkler installation
7. have in force during the Period of Insurance a contract with approved installing engineers providing for the maintenance of and half-yearly inspection of the installations(s) and to obtain from them following each inspection certification that they are in satisfactory working order

AFB C18 - Creditors Interest

Insurers hereby note the interest of

Bank Name

Bank Address

AFB C19 - Paint Spraying

It is a condition precedent to Insurers liability that at the Insured Premises

1. all paint spraying is conducted in booths of non-combustible material and positioned against an external wall. All doors are self closing and kept closed during spraying.
2. All electrical fittings in such booths are flame-proof and earthed
3. All wiring in such booths conforms to the Institute of Electrical Engineers' wiring regulations
4. All paint residue is cleaned off at least weekly
5. Each booth has a separate ventilation fan and duct discharging direct to the open air
6. Motors are not located in ducts

AFB C20 - First Loss Average

Any item shown in the Schedule as being subject to a First Loss Limit is subject to the following :

The Insured having declared the total value of the item(s) as shown in the Schedule it is agreed that if at the time of any Damage the total value of such item(s) shall be greater than the amount declared as aforesaid then the Insurers shall only pay such a proportion of the First Loss Limit as the value declared bears to the actual total value but in no case shall the liability of the Insurers exceed the First Loss Limit stated in the Schedule

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