



BRIT

GLOBAL SPECIALTY

property owners insurance

policy document

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About Your Policy

This Policy has been prepared in accordance with *Your* instructions. It is a legal contract. Please read it carefully to ensure that it is in accordance with *Your* requirements and that *You* understand its limits, terms, conditions and exclusions. The insurance broker or other intermediary who arranged this Insurance should be contacted immediately if any correction is necessary.

This Policy consists of:

- the **General Insuring Clause** which explains the basis on which cover is provided;
- the **Schedule / Risk Details** which states who the *Insured* is, what is being covered and other terms, such as the *Period of Insurance*, details of which Sections of the Policy operate, the types of losses insured, *Limits of Liability* and matters and amounts which *You* are responsible for;
- **Definitions** which define particular words and expressions applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- the **Sections** of the Policy which give precise details of the cover being provided;
- the **Extensions to all/ Specified Sections** of the Policy detail the extensions provided to the coverage under the Sections;
- the **General Conditions** and **General Exclusions** of cover applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- any **Endorsements** which might apply to the Policy or individual Sections and which incorporate Extensions, limitations and amendments.

You should immediately notify the *Insurer* via *Your* insurance broker or other intermediary of any changes which may affect the insurance provided by this Policy.

Alterations to the cover required after issue of the Policy will be confirmed by separate *Schedules* and/or Endorsements which *You* should file with the Policy. *You* should refer to these *Schedules* and/or Endorsements and the Policy to ascertain precise details of cover currently in force.

Cancellation

This Policy may be cancelled by *You* on the terms detailed in the **General Conditions**. If *You* cancel within 14 days, *You* will be entitled to a full return of *Premium*, unless *You* have notified *Us* of a claim or a circumstance which may give rise to a claim, in which case there will be no return of *Premium*.

Making a Claim

If *You* need to make a claim, please check the relevant section of the Policy for the cover that is being provided, then refer to the claims notification instructions which are located in the **Claims Conditions**. Please note that any fraudulent or deliberately misleading statement will invalidate *Your* claim and may affect *Your* insurance cover.

Making a Complaint

If *You* are not happy with *Our* service, please see the Complaint Procedure in the **Further Information** section at the end of the Policy, which gives full details on how to get in touch with *Us* together with *Your* data protection rights.

Property Owners' Insurance

Policy Document

General Insuring Clause

In return for the payment of *Premium*, the *Insurer* agrees to provide *You* with the cover set out in this Property Owners' Insurance Policy, subject to all of its terms and conditions, during the *Period of Insurance*.

The *Insurer* has relied on the information provided by *You* or anyone else acting on *Your* behalf, including the accuracy of such information, in the application process for this insurance, which includes the proposal form and all written materials provided in support.

Where insurance is provided by more than one insurer, the insurers' obligations under this Policy in accordance with the terms and conditions contained herein or endorsed hereon, are several and not joint. This means that insurers are limited solely to the extent of their individual subscriptions and are not jointly liable for the proportion of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

This Policy wording, the Market Reform Contract/*Schedule*, Endorsements and any other attachments constitute one document containing the legal agreement between the *Insured* and the *Insurer*.

Words or expressions indicated in *italics* have a specific meaning attached to them, and that meaning applies wherever these words or expressions appear.

Definitions

These Definitions are applicable to the whole Policy unless otherwise stated.

These Definitions are subject to the terms, conditions, limits and exclusions of the Policy.

Wherever the following words appear in italics starting with a capital letter, they will have the same meaning as defined here.

Also, the following applies:

- a) words suggesting the singular will include the plural and vice versa;
- b) references to persons include corporate or unincorporated entities;
- c) words implying any gender will include all genders;
- d) reference to any statute or statutory provision, orders or regulations include references to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy; and
- e) reference to any statutory or other body will include the successor to that body.

A

Accident / Accidental

means a single, sudden, external and unexpected event by violent and visible means, which occurs at an identifiable time and place.

Accidental Damage

means physical loss or physical destruction of or damage to tangible *Property Insured* as a result of a single, sudden, external and unexpected event by violent and visible means, which occurs at an identifiable time and place during the *Period of Insurance*.

Actual Value

means the amount it would cost to repair or replace *Property Insured*, on the date of *Damage*, with material of similar kind, condition and quality, with deduction for outdatedness and physical depreciation.

Act of Sabotage

means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Act of Terrorism

solely for the purpose of **Section 3- Terrorism**, *Act of Terrorism* means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of His Majesty's government in the *United Kingdom* or any other government in place.

In respect of the rest of the Policy, 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.

Additional Insured

means the personal representatives of the *Insured* in respect of *Legal Liability* incurred by the *Insured* for which the *Insured* would have been entitled to indemnity under this Policy if the claim for which indemnity is sought had been made against the *Insured*.

Annual Rent Receivable

means rent receivable by the *Insured* during the 12 (twelve) months immediately before the date of the *Damage*.

Appointed Representative

means a solicitor, barrister or other appropriately qualified person appointed to act in the name of and on behalf of the *Insured* in accordance with the terms, conditions, limitations, provisos and exclusions of this Policy.

Authorised Resident

means the *Insured*, tenant(s) and any member of their family permanently residing with them at the premises, or any other person authorised by the *Insured*.

B

Building(s)

means:

- 1 the permanent fixed structures and permanent foundations below ground level, situated at the *Insured Premises*, constructed mainly of brick, stone or concrete and roofed mainly with slates, tiles, concrete, metal or asbestos unless otherwise agreed by the *Insurer*; and
 - 2 including garages, annexes and extensions to the permanent fixed structures;
 - 3 landlord's fixtures and fittings in or on such permanent fixed structures;
- which are the property of or have been leased to the *Insured* or which the *Insured* is legally responsible for.

Unless more specifically insured, the following property of the *Insured* or which the *Insured* is legally responsible for is also included in the definition of Building(s):

- A. annexes and outbuildings;
- B. tenants' improvements which the *Insured* is legally responsible for;
- C. conveyors, trunks, lines, wires, service pipes and similar property on the *Insured Premises* extending to the public mains;
- D. walls, gates and fences;
- E. landscaping, swimming pools, ponds, lakes, reservoirs, and other similar water features;
- F. car parks, yards, roadways, walking surfaces and similar surfaces at the *Insured Premises*;
- G. security lighting, security cameras and other security or fire protection devices, affixed receiving and communication aerials, their fittings and masts fixed to the buildings;
- H. Solar panels, wind turbines and other similar equipment used by the *Insured* for the generation of electricity.

Building(s), in no event, includes Buildings in the course of construction or alteration.

C

Condition(s) Precedent

means that these clauses must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of any *Condition Precedent*, in respect of any claim arising or contributed to by such breach, the *Insurer* is entitled to decline liability and will not be required to make any payment to the *Insured* for such claim.

D

Damage / Damaged

means physical loss or physical destruction of or damage to tangible *Property Insured* by an *Insured Peril*.

Debris Removal

means costs and expenses necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurer* to:

- 1 remove debris from;
- 2 dismantle and/or demolish;
- 3 shore-up or prop up,

the portion or portions of the *Property Insured* following *Damage*.

The *Insurer* will not pay for any costs or expenses:

- A. incurred in removing debris except from the site of the *Property Insured* and the area immediately next to such site;
- B. arising from pollution or contamination of property not insured by this Policy.

Declared Value

means the *Insured's* assessment of the cost of reinstatement of the *Property Insured* arrived at in accordance with reinstatement valuations provided under the **Basis of Settlement** clause under **Conditions to Section 1** at the level of cost applying at the inception of the *Period of Insurance* (ignoring inflationary factors which may operate subsequently) together with allowance for, where applicable:

- A. the additional cost of reinstatement to comply with public authority requirements;
- B. *Professional Fees*;
- C. *Debris Removal*.

Denial of Service Attack

means any actions or instructions constructed or generated with the ability to *Damage*, interfere with, or otherwise affect the availability of networks, network services, network connectivity or information systems. *Denial of Service Attack* includes, but is not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

E

Excess

With respect to **Sections 1, 2, and 3**, *Excess* means the amounts as specified either in this Policy wording or in the *Schedule*, as applicable, that are to be deducted from any claim and which are to be borne by the *Insured*.

Under **Section 1 - Property Damage**, this applies to each *Loss* or *Damage* at each *Insured Premises* separately after the application of the Average Condition.

Under **Section 4 - Property Owners' Liability** and **Section 5 – Employers' Liability**, means the amounts as specified in the *Schedule*, which the *Insured* must pay in respect of all *Damages*, compensation, claimant's costs, *Legal Costs* and expenses before the *Insurer* will be liable to make any payment. The *Excess* applies to each *Event* other than *Legal Liability* arising out of *Injury* unless otherwise specified in the *Schedule*;

G

Glass

means:

- 1 Fixed glass and mirrors in or at the *Insured Premises*;
- 2 Frames or framework which require to be removed to replace the glass;
- 3 Window alarm foil, ornamental glass, lettering and silvering;
- 4 Fixed external signs including neon signs,

being the property of the *Insured* or which the *Insured* is responsible for.

H

Hacking

means unauthorised access to or unauthorised use of any computer or other equipment or component or system or item which processes, stores or retrieves data, whether or not the property of the *Insured*.

I

Incident

means any event directly causing *Legal Liability* insured under **Section 4 - Property Owners' Liability** and **Section 5 - Employers' Liability**, and. *Incident* includes the continuous or repeated harmful exposure to substantially the same general conditions. All *Incidents* or series of *Incidents* resulting from or attributable to one source or original cause will be regarded as a single *Incident* for the purposes of this Policy.

Indemnity Period

means the period beginning with the *Damage* and ending not later than the end of the *Maximum Indemnity Period* thereafter during which there is a *Loss of Rent Receivable* in consequence of the *Damage*.

Injury

means bodily injury, death, disease, illness, nervous shock, mental injury or mental anguish.

Insured/ You/ Your/ Yours

means the *Insured* as specified in the *Schedule*.

Insured Peril

means the following:

Fire; Lightning; Aircraft or other aerial devices or articles dropped or falling therefrom; Explosion; Earthquake; *Accidental Damage* but only to the extent specified in the *Schedule*); Storm; Flood; Escape of water from any tank, apparatus or pipe or escape of oil from a fixed oil-fired heating installation; Riot / Civil Commotion; Malicious Damage; Impact by any vehicle or animal; Theft; Subsidence, ground heave and landslip. (Limited exclusions apply to specific perils. Please see **Exclusions Applicable to Section 1 and Section 2**).

Insured Person

means any partner, director or employee of the *Insured* whose usual place of employment is at the *Insured Premises* or as otherwise specified in the *Schedule*.

Insured Premises

means the location(s) as specified in the *Schedule* or in any Endorsement(s).

Insurer/ We/ Us/ Our

means Brit Syndicate 2987 at Lloyd's

L

Landlord's Contents

means furniture, fixtures, fittings, decorations and other similar contents within the *Buildings* which are:

1. owned by the *Insured* or which the *Insured* is legally responsible for; and
2. contained within the *Insured Premises*,

Landlord's Contents does not include mobile phones, laptops or similar portable electronic equipment, documents, tenants' property, money or any articles of gold, silver or other precious materials, jewellery or other personal items.

Legal Costs

means:

1. costs of legal representation at:
 - A. any coroner's inquest or fatal accident inquiry in respect of any death;
 - B. proceedings in any court arising out of any alleged breach of statutory duty resulting in an *Incident*; which may be the subject of indemnity under **Section 4 - Property Owners' Liability** and **Section 5 - Employers' Liability**, of this Policy;
2. all other legal costs and expenses in relation to any *Incident* which may form the subject of a claim for indemnity under **Section 4 - Property Owners' Liability** and **Section 5 - Employers' Liability**, and of this Policy;

incurred with the written consent of the *Insurer*.

Legal Liability

means damages, awards, or settlements entered into with the *Insurer's* prior written consent, and claimants' costs, charges and expenses, excluding:

- A. punitive or exemplary damages;
- B. criminal or civil fines or penalties;
- C. taxes;
- D. matters deemed uninsurable under the laws of England and Wales or for *Insureds* domiciled in Scotland, the laws of Scotland.

Limit of Liability

means the Limit of Liability specified in the *Schedule*.

Loss of Rent Receivable

means the loss of money paid or payable to the *Insured* for *Rental Property* provided in its capacity as a property owner.

M

Maximum Indemnity Period

means the number of months as specified in the *Schedule* which is the maximum period for which indemnity will be paid in accordance with the terms and provisions of **Section 2 - Loss of Rent Receivable**.

N

Nuisance

means nuisance, trespass or interference with any easement, right of air, right of light, right of water or right of way.

O

Occurrence

means any loss, losses, or series of losses which happen as a consequence of or are attributable to one source or original cause.

Overall Limit of Liability

means the total maximum amount payable by the *Insurer* in respect of all Sections of this Policy, as specified in the *Schedule*.

P

Period of Insurance

means the period as specified in the *Schedule*.

Person Employed

means:

- A. Persons under a contract of service or apprenticeship with the *Insured*;
- B. Labour master or labour only sub-contractor or person supplied by any of them;
- C. Self-employed person;
- D. Persons hired to or borrowed by the *Insured*;
- E. Persons supplied to the *Insured* under a contract or agreement, the terms of which deem such a person to be in the employment of the *Insured*;
- F. Voluntary worker or temporary worker,

while working under the control of the *Insured* in connection with the provision of *Rental Property*.

Pollution or Contamination

means actual discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials at any time on to buildings and structures, atmosphere, surface water or groundwater, as a direct result of the *Insured's* provision of *Rental Property*. Pollution or Contamination includes all *Damage* or *Injury* directly or indirectly caused by such by such Pollution or Contamination.

Premium

means the amount specified in the *Schedule*.

Professional Fees

means architects', surveyors', consulting engineers' and legal fees necessarily and reasonably incurred with the *Insurer's* consent in the reinstatement of the *Property Insured* directly consequent upon its *Damage* by an *Insured Peril* but not for the preparation of any claim.

Property Insured

means the subject matter insured as specified under the 'Property Insured' heading in the *Schedule*, but not the intellectual property..

R

Rental Operations

means the business activities carried out by the *Insured* in its capacity as a provider of *Rental Property*.

Rental Property

means the *Insured Premises* which are rented out by the *Insured* as part of its *Rental Operations*.

Rent Receivable

means money paid or payable to the *Insured* in respect of any *Rental Property*.

S

Sanitary Fittings

means fixed items of sanitary ware, the property of the *Insured*, or which the *Insured* is responsible for, situated within the *Insured Premises*.

Schedule

means the document titled 'Schedule' attaching to and forming part of this Policy or, alternatively, the document titled 'Risk Details'.

Sub-Limit

means the Sub-Limit as specified in the *Schedule* which limit forms part of and is not in addition to the *Sum Insured*.

Subsidiary

means any entity of which the *Insured* either owns more than 50% of the voting rights or owns more than 50% of total issued share capital.

Sum Insured

means the *Sum Insured* as stated in the *Schedule* applicable to the particular item or the limit per location in accordance with the information provided by *You*.

T

Territorial Limits

In respect of **Section 4 - Property Owners' Liability** and **Section 5 - Employers Liability**, and cover is extended to include member states of the European Union and EFTA and including Iceland, Norway, Switzerland and Liechtenstein.

In respect to the rest of the Policy, means *United Kingdom*.

U

United Kingdom

means England, Scotland, Wales and Northern Ireland, the Channel Islands and the Isle of Man.

Unoccupied

1. For the purpose of residential *Insured Premises*, means where the whole or part of the property is not lived in by the tenant, or a person authorised by the *Insured* for any period of more than 30 (thirty) consecutive days.
2. For the purposes of non-residential *Insured Premises*, means closed for business or not occupied for its usual business purposes, for any period of more than 30 (thirty) consecutive days.

V

Virus or Similar Mechanism

means any programme code, programming instruction or any set of instructions intentionally constructed with the ability to *Damage*, interfere with or otherwise adversely affect any computer programme(s), data files or operations, whether involving self-replication or not. *Virus or Similar Mechanism* includes but is not limited to Trojan horses, worms and logic bombs.

W

War

means war, invasion, acts of foreign enemies, hostile or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power or confiscation by order of any public authority or government de jure or de facto or martial law.

This Section does not apply to the policy unless specified as INSURED in the *Schedule*.

Section 1 Property Damage

Insuring Clause

The *Insurer* will indemnify the *Insured* against *Damage* to the *Property Insured* detailed below, provided that such *Damage*:

1. occurs during the *Period of Insurance*; and
2. is caused by an *Insured Peril*; and
3. occurs to property of the *Insured* or for which the *Insured* is legally responsible whilst at the *Insured Premises*;

subject always to the *Excess(es)* and the limits, terms, conditions and exclusions of this Section and as specified elsewhere in the Policy.

Property Insured

1. *Building(s)*;
2. *Landlord's Contents*;
3. Tenant's Improvements, being improvements, alterations and interior decorations made to the *Insured Premises* by the tenant with the *Insured's* written consent;
4. Any other property specified in Section 1 - Property Damage in the *Schedule*.

Limit of Liability

The liability of the *Insurer* under this Section including the Extensions to the Section will not exceed the *Sum Insured* or, in respect of any individual Extensions, the *Sub-Limit*, subject to any other limit of liability as specified herein or in the *Schedule*.

Extensions to Section 1

Unless otherwise specified in the *Schedule* the following Extensions will apply, subject always to the limits, conditions and exclusions of this Section and as shown elsewhere in the Policy.

1. Additional Costs

This Section extends to include cover for reasonable additional costs necessarily incurred by the *Insured* to protect and make habitable the *Insured Premises*, following *Damage* insured under this Section, provided that the *Insurer's* liability under this Extension does not exceed the *Sub-limit* specified in the *Schedule* in respect of the *Insured Premises* at which the *Damage* occurred.

2. Acquisitions, Alterations and Improvements

The insurance of *Building(s)* and *Landlord's Contents* extends to include cover for alterations, improvements and newly acquired and/or newly erected *Building(s)* hereafter called "acquisitions or alterations" provided that:

- A the *Insured* declares to the *Insurer* at intervals of not more than 6 (six) months, the date the *Insured* becomes liable for and value of such acquisitions or alterations;
- B the *Insurer* is entitled to charge an appropriate additional premium from the date of acquisitions or alterations and the *Insured* will pay such additional premium on demand from the *Insurer*; and
- C the maximum additional cover granted by this Extension will not exceed the lesser of
 - i) 10% (ten percent) of the *Sum Insured* for *Building(s)* or *Landlord's Contents* depending on the item of *Property Insured* under which the new acquisitions or alterations are categorised; or
 - ii) the amount specified in the *Schedule*;

- D this Extension does not include cover for appreciation in value or for cover provided under the Inadvertent Omission to Insure Extension.

3. Alternative Residential Accommodation

In respect of *Insured Premises* occupied totally or partially for residential purposes, in the event of *Damage* to such *Insured Premises* that renders it unfit to live in or to which all access is prevented, the *Insurer* will indemnify the *Insured* up to the *Sub-Limit* specified in the *Schedule* in respect of any expenditure necessarily and reasonably incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease until the *Insured Premises* is fit again for habitation.

This Clause also includes the costs of:

- A temporary storage of residents' furniture; and
- B kennelling or boarding domestic pets if they are not allowed in the alternative accommodation.

4. Architects', surveyors' and other fees

In the event of *Damage* insured under this Section, the *Insurer* agrees to indemnify the *Insured* for the fees of architects, surveyors consulting engineers and other *Professional fees* incurred for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the process of reinstatement of the *Buildings*, provided that:

- A. the *Insured* obtains the *Insurer* written consent prior to incurring any such fees and costs;
- B. the *Insurer* is not liable for fees incurred in preparing any claim made under this policy;
- C. the *Insurer* is not liable for more than those authorised under the scales of the professional institutions and/or bodies regulating such charges prevailing at the time of the *Damage*; and
- D. the *Insurer's* maximum liability under this Extension does not exceed the limit the *Sub-Limit* specified in the *Schedule*.

5. Clearing of Drains

If, in consequence of *Damage* caused by an *Insured Peril*, drains gutters and sewers, for which the *Insured* is responsible, need to be cleared cleaned or repaired, the *Insurer* agrees to pay the cost reasonably and necessarily incurred for such clearing, cleaning or repair provided that the *Insurer's* liability under this clause does not exceed the *Sub-Limit* specified in the *Schedule*.

6. Debris Removal

The *Insurer* agrees to insure the reasonable and necessary costs incurred in *Debris Removal* from an *Insured Premises* that remains as a direct result of *Damage* caused by an *Insured Peril* insured by this Policy provided that this Extension does not cover for costs of decontamination or the removal of:

- A. contaminated uninsured property; or
- B. the contaminant in or on uninsured property,

irrespective of whether or not such contamination, including but not limited to the presence of pollution or any other substance that has been declared to be hazardous to health by a governmental agency, results from an insured physical loss or *Damage*.

7. Decontamination and / or decommissioning

In the event of *Damage* that is insured by this Section, the *Insurer* will cover the *Insured* for expenses necessarily incurred by the *Insured* with the prior consent of the *Insurer*, in decontamination of *Property Insured* following *Damage* except that the *Insurer* will not be liable for:

- A. any costs and expenses incurred in removing debris; or
- B. any costs and expenses arising from *Pollution or Contamination* of property;

The *Insurer's* liability for such costs and expenses will not exceed the *Sub-Limit* shown in the *Schedule* during the *Period of Insurance*.

8. Glass and Sanitary Fittings

The *Insurer* will, at the *Insurer's* option, repair, replace, reinstate or pay the costs of repair or replacement of *Glass* or *Sanitary Fittings* in the event of its breakage as a direct result of an *Insured Peril* and the consequent cost of necessary boarding-up and the provision of a temporary door. For the purposes of this Extension, breakage means the *Accidental* fracture of the *Glass* extending through the entire thickness thereof.

Provided that the *Insurer* will not be liable for:

- i) any breakage of *Glass* or *Sanitary Fittings* in respect of any *Unoccupied Building*; or
- ii) the *Excess* specified in the *Schedule* in respect of each and every *Occurrence*; or
- iii) any amount in excess of the *Sub-Limit* shown in the *Schedule*.

9. Illegal cultivation of drugs

- A. To the extent of the *Sub-Limit* indicated in the *Schedule*, the *Insurer* will indemnify the *Insured* in respect of *Damage* caused by use of the *Buildings* or part of them, for the manufacture, cultivation, harvest or processing by any other method, of drugs classed as a controlled substance under the Misuse of Drugs Act (1971) by the *Insured's* tenants.

- B.** The *Insured* will lose their right to payment under this clause if the *Insured* or anyone acting on the *Insured's* behalf does not:-
- i)** carry out internal and external inspections of the *Buildings* at least once every three months and:
 - a)** maintains a log of such inspections and retains such log for at least 36 (thirty-six) months from such inspections; and
 - b)** carries out six monthly checks of the inspections log;
 - ii)** obtain and record written formal identification of any prospective tenant;
 - iii)** obtain and record details of the tenant's bank account and verify those details by receiving at least one payment from such account; or
 - iv)** obtain and retain the following tenant references prior to agreeing or accepting any new or prospective tenants:
 - a)** a written employer's reference for any new tenant; and
 - b)** a written reference from any previous landlords;
 or where **iv) a)** or **b)** are not available, then a professional tenant referencing company must be used to obtain suitable tenant references.
- C.** The *Insured* will also lose their right to payment under this clause if the *Insured* or anyone acting on the *Insured's* behalf:
- i)** sub-lets any part of the property or allows the property to be sub-let in anyway without the prior written permission of the *Insurer*; or
 - ii)** lets or continues to let the property to the tenant irrespective of negative features contained in the tenancy checks or revealed during the inspections.

10. Index Linking

The *Sums Insured* will be increased automatically throughout the *Period of Insurance* in line with the appropriate Royal Institute of Chartered Surveyors (RICS) indexation taking into consideration the costs of raw materials, labour, demolition, waste removal, professional service fees, and other necessary expenditure. or any other form of indexation agreed by the *Insurer* in respect of *Property Insured* under this Section.

In the event of *Damage* to *Property Insured* under this Section, the *Sums Insured* will continue to be adjusted in accordance with the agreed indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

At each renewal the *Premium* will be calculated on the revised *Sum Insured*.

11. Inadvertent omission to insure

If stated as 'INSURED' in the *Schedule*, the *Insurer* agrees to cover *Buildings* anywhere in the *Territorial Limits* which the *Insured* is responsible to insure, whether such *Buildings* are owned by or on lease to them or in which they are interested as mortgagees, but which have inadvertently been left uninsured, provided always that:

- A.** the *Insurer's* liability under this clause will be in addition to the *Sums Insured*, but the *Insurer's* total liability for such amount payable under this clause will not exceed the *Sub-Limit* as shown in the *Schedule*;
- B.** the *Insured* will give notice in writing to the *Insurer* immediately they become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became the *Insured's* responsibility;
- C.** the *Insured* will carry out at not less than annual intervals a check of all properties owned by them or leased by them and which they are responsible for to ensure that effective insurance is in force for such properties; and
- D.** the *Insurer* is the sole provider of Building insurance in respect of all of the *Insured's Rental Property* and where the *Insured* has an obligation to arrange such insurance.

12. Interim Protection and Repairs

This Section extends to include cover for the cost actually incurred by the *Insured* in making temporary repairs to or boarding up of any of the insured *Buildings* and erecting temporary buildings in place of any of the insured *Buildings* following *Damage* insured caused by the *Insured Peril*, provided that the *Insurer's* liability under this Extension is limited to the *Sub-Limit* specified in the *Schedule*. No amount will be payable under this Extension for any cost which is covered under Extension 8 – Glass and Sanitary Fittings.

13. Landlord's Contents within Common Parts

The *Buildings* definition is extended to include *Landlord's Contents* held within common parts of the *Property Insured* up to the limit shown within the *Schedule*.

14. Landscaped Grounds

This Section extends to include the costs necessarily and reasonably incurred by the *Insured* in making good the landscaped grounds of the *Insured Premises Damaged* by the fire brigade or any other emergency service in consequence of *Damage* to *Property Insured*. The *Insurer's* liability under this Extension is limited to the *Sub-Limit* specified in the *Schedule*.

15. Loss of Metered Water, Gas, and Electricity Charges, and Accidental loss of heating oil

This Section extends to include cover for additional metered utility charges and additional heating oil charges incurred by the *Insured*, following *Damage* insured at the *Insured Premises* during the *Period of Insurance*. The *Insurer* will not be liable for any such charges incurred by the *Insured* in respect of any *Unoccupied Building(s)*.

The basis upon which the amount payable is to be calculated will be the amount of the utility or heating oil charges for the period during which *Damage* occurs, less the charge made to the *Insured* for the corresponding period in the preceding year, adjusted for changes in suppliers' charges and for variations affecting the utility and/or heating oil consumption of the *Insured* during the intervening period. The *Insurer's* liability under this Extension is limited to the *Sub-Limit* specified in the *Schedule*.

16. Other Interests

In the event of the *Insured* having property under the terms of any hire purchase or similar form of agreement, then the interest of such parties and the nature and extent of such interest will be noted in this insurance, subject to prior notification to the *Insurer*.

17. Public Authorities

The *Insurer* agrees to pay the additional cost of reinstatement of the *Damaged Property Insured* incurred by the *Insured* solely to comply with mandatory building or other Regulations arising out of any Act of Parliament or with Bye Laws of any municipal or local authority or other Codes of Practice in respect of the *Damaged Property Insured* and undamaged portions of the same, provided always that the amount recoverable under this Extension will not include:

- i) the cost incurred in complying with such Regulations, Bye Laws and Directives:
 - a) in respect of *Damage* occurring prior to inception of this Policy;
 - b) in respect of *Damage* not insured under this Policy;
 - c) under which notice has been served upon the *Insured* prior to the happening of the *Damage*;
 - d) for which there is an existing requirement which must be implemented within a given period;
 - e) which are not in force at the time of the *Damage*.
- ii) the additional cost that would have been required to make good the property *Damaged* to a condition equal to its condition when new had the necessity to comply with any of the Regulations, Bye Laws and Directives not arisen; or
- iii) 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 of the property by reason of compliance with any such Regulations, Bye Laws and Directives.

Provided that:

- 1 the work of reinstatement must be commenced and carried out within a reasonable time and in any case must be completed within 12 (twelve) months after the *Damage*, or within such further time as the *Insurer* may (during the said 12 (twelve) months) in writing allow and may be carried out wholly or partially upon another site (if necessary) subject to the liability of the *Insurer* under this Extension not being thereby increased;
- 2 if the liability of the *Insurer* under any item of *Property Insured* in the *Schedule*, apart from this Extension, is reduced by the application of any of the terms and conditions of this Policy then, the liability of the *Insurer* under this Extension in respect of any such item of *Property Insured* will be reduced in like proportion;
- 3 the total amount recoverable under any item of the *Property Insured* will not exceed:
 - A. in respect of the *Damaged Property Insured* – its *Sum Insured*;
 - B. in respect of undamaged portions of *Property Insured* (other than foundations) – 15% (fifteen percent) of the total amount for which the *Insurer* would have been liable for with respect to that item of *Property Insured*, had the *Insured Premises* where the *Damage* occurred, been wholly destroyed; or
 - C. the indemnity provided by this clause forms part of and is not in addition to the *Sum Insured* specified in the *Schedule*;
- 4 all the terms, limits, exclusions and conditions of this Section and the Policy, except to the extent that they have been expressly varied, will apply as if they had been incorporated herein.

18. Replacement of Locks

This Section extends to include costs incurred by the *Insured* as a result of the necessary replacement of locks or changing of alarm codes, if any of the keys to or access codes of the *Insured Premises* are accidentally lost or stolen from the *Insured Premises* or from the homes of principals, partners, directors or authorised *Persons Employed*, provided that:

- A. the keys or the access codes are capable of being easily identified as keys/access codes to the *Insured Premises*; and
- B. if such keys relate to a safe or strong-room, they are not left on the *Insured Premises* outside the *Insured's* normal business hours.

The liability of the *Insurer* under this Extension does not exceed the *Sub-Limit* specified in the *Schedule*.

19. Temporary Removal

This Section extends to cover *Landlord's Contents* whilst temporarily removed elsewhere on the same or to any other premises within the *Territorial Limits* (including the private homes of directors, partners and authorised *Persons Employed*) for storage,

cleaning, renovation, repair or similar reasons and in transit thereto and therefrom by road, rail or inland waterway provided always that:

- A. the *Insurer's* liability will not exceed the *Sub-Limit* as specified in the *Schedule*; and
- B. the *Insurer* is not liable for losses insured under any other policy or recoverable under other parts of this Policy.

20. Theft Damage to fabric of Building

The *Insurer* will cover the *Insured* for *Damage* to the *Building* during the *Period of Insurance*, arising from:

- A. theft or attempted theft involving forcible and violent entry to or exit from *Buildings* at the *Insured Premises*; or
- B. theft of any part of the fabric of the *Buildings* whether or not there has been forcible and violent entry.

Provided that:

- i) The liability of the *Insurer* under this Extension will not exceed the *Sum Insured* for *Buildings* specified in the *Schedule*, arising out of any one *Occurrence*; and
- ii) if such *Damage* is insured elsewhere, no liability will be admitted by the *Insurer* under this Extension.

21. Trace and Access

In the event of *Damage* during the *Period of Insurance* arising from escape of water or fuel oil from any tank, apparatus or pipe, the *Insurer* agrees to cover the *Insured* in respect of:

- A. costs necessarily and reasonably incurred by the *Insured* in locating the source of such *Damage*;
- B. in making good *Damage* caused as a consequence of locating such source; and
- C. the replacement of any fuel oil lost as a consequence of locating such source;

Provided that the *Insurer's* liability under this Extension is limited to the *Sub-Limit* specified in the *Schedule*.

22. Tree Removal

This Section is extended to include the cost of lopping, felling or clearance of fallen trees or branches which affect the *Insured's Premises* or the safety of or access to the *Insured Premises*, provided the *Insurer's* liability under this Extension is limited to the *Sub-Limit* specified in the *Schedule*.

23. Unauthorised Use of Electricity, Gas or Water

This Section is extended to include the cost of metered electricity, gas or water which the *Insured* is legally responsible for, arising from its unauthorised use by persons taking possession of or occupying the *Insured Premises* without the *Insured's* authority.

Provided that:

- A. the *Insurer's* maximum liability under this Extension will not exceed the limit the *Sub-Limit* specified in the *Schedule*; and
- B. the *Insured* takes all practical steps to terminate such unauthorised use as soon as it is discovered.

24. Unrecoverable VAT

This Section is extended to include Value Added Tax paid by the *Insured* in respect of *Buildings* (including self supply Value Added Tax), which is not subsequently recoverable. Provided that:

- A. the *Insured's* liability for such tax arises solely as a result of reinstatement of *Buildings* following *Damage*, and the *Insurer* has paid or has agreed to pay for such *Damage*;
- B. if any payment made by the *Insurer* in respect of the reinstatement of such *Damage* is less than the actual costs of reinstatement, any payment under this Extension resulting from *Damage* will be reduced by the same proportion;
- C. the *Insured's* liability for such tax does not arise from the replacement *Building* having a greater floor area than or being better or more extensive than the *Building* suffering *Damage*;
- D. where an option to reinstate on another site is exercised, the *Insurer's* liability under this Extension will not exceed the amount of tax that would have been payable had the *Building* been rebuilt on its original site; and
- E. the *Insurer's* liability under this Extension does not include amounts payable by the *Insured* as penalties or interest for non-payment or late payment of tax.

Conditions to Sections 1

1. Automatic Reinstatement of Sums Insured

It is mutually agreed that, in the event of payment of a claim under this Section, the *Sum Insured* with respect to the claimed *Property Insured* will be reinstated to the full amount from the date of the claim until expiry of this Policy in return for additional premium paid or payable by the *Insured*.

2. Average

A. With respect to each item of the *Property Insured* the *Premium* is calculated on the basis of the *Declared Values* provided by the *Insured* at the inception of the *Period of Insurance*. The following condition of Average applies:

If at the time of *Damage* the *Declared Value* of the item of *Property Insured* covered is less than the cost of reinstatement (as defined under the 'Basis of Settlement' clause) at the inception of the *Period of Insurance*, then the *Insurer's* liability for any *Damage* insured is limited to that proportion thereof which the *Declared Value* bears to the cost of reinstatement.

B. Where the item of *Property Insured* has the *Actual Value* applied, then the following condition of Average applies:

If, at the time of *Damage*, the *Actual Value* of the item of *Property Insured* exceeds the *Sum Insured*, then the *Insured* is considered as being their own insurer for the difference between the *Sum Insured* and the sum representing the cost of reinstatement of the whole of the *Property Insured* and will bear a rateable proportion of the loss accordingly.

3. Basis of Settlement

In the event of *Damage* insured under this Section, the basis of reinstatement of the *Property Insured* will be as follows:

A. where the *Property Insured* is destroyed

- i) in case of a *Building(s)*, the cost of rebuilding of the *Building*; or
- ii) in the case of other property, cost of replacement with property of similar kind and quality; and

B. where the *Property Insured* is *Damaged*, the cost of repair or restoration of the *Damaged* property or part thereof.

The repair, rebuilding or replacement should be to a condition and quality equal to but not better or more extensive than its condition when new.

4. Basis of Settlement Conditions

A. Where the *Insurer* agrees or is required to reinstate or replace any *Property Insured*, the *Insured* will, at its own expense, produce and give to the *Insurer* all such plans, documents, books and information as the *Insurer* may require for the reinstatement or replacement.

B. If the *Insured* requests, and the *Insurer* agrees in writing, not to repair or reinstate any *Property Insured*, then the *Insurer's* liability is limited to the lesser of:

- i) the *Actual Value* of the *Damaged Property Insured*; or
- ii) the difference between the market value of the *Damaged Property Insured* immediately prior to the *Damage* and the market value of the *Damaged Property Insured* immediately after the *Damage*.

It is agreed that the option to not to repair or reinstate is at the sole discretion of the *Insurer*.

C. Reinstatement may be carried out on another site and in any manner suitable to the requirements of the *Insured* provided that:

- i) the condition and quality of the reinstated property is equal to and not better or more extensive than its condition when new; and
- ii) the liability of the *Insurer* is not being increased.

D. The reinstatement must be commenced and carried out without undue delay, failing which no payment beyond the amount which would have been payable under this Policy if this clause had not been incorporated will be made.

E. When any *Property Insured* is partly *Damaged* or destroyed, the *Insurer's* liability will not exceed the sum the *Insurer* would be required to pay for reinstatement if such property had been wholly destroyed.

F. No payment beyond the amount which would have been payable by the *Insurer* under this Policy if this clause had not been incorporated will be made until the cost of reinstatement has been actually incurred by the *Insured*.

G. Where any computer or data processing equipment is replaced, any improvement in performance or capacity consequent upon the replacement of such equipment with modern items will not be regarded as 'betterment' for the purposes of this clause.

5. Day One Basis (Non-Adjustable)

If stated as 'Applicable' under Section 1 of the *Schedule*, Day One Basis (Non-Adjustable) will apply to *Building(s)* and *Landlord's Contents*.

In the event of any claim payable under this clause, all the other terms and conditions of the policy apply, except that the *Sum Insured* will be increased up to a maximum of 115% (one hundred and fifteen percent) of the *Declared Values* and this increase will be calculated in accordance with the Index Linking provision of this Policy, subject always to the provisions of this clause.

- A. The *Insured* having stated in writing the *Declared Value* of the *Building(s)* and *Landlord's Contents*, the *Insurer* agrees to calculate the *Premium* on the stated *Declared Value* provided by the *Insured*.
- B. At the inception of the *Period of Insurance* and at every renewal thereafter, the *Insured* must notify the *Insurer* of the *Declared Value* of each item of the *Property Insured*. Where such declaration is not provided by the *Insured*, or is unavailable, the last amount declared by the *Insured* will be taken as the *Declared Value* for the ensuing *Period of Insurance*.

Provided that nothing in this condition applies with respect to property insured under the provisions of the 'Acquisitions, Alterations and Improvements' clause under 'Extensions to Section 1'.

6. Designation

For the purpose of determining the heading under which any property is insured, the *Insurer* agrees to accept the designation under which such property has been entered into the *Insured's* books of accounts.

7. Fire Break Doors and Shutters

It is a *Condition Precedent* to the *Insurer's* liability under this Policy that all fire break doors and shutters are kept closed and maintained in efficient working order.

8. Inspection

The *Insurer* may, at their option, arrange with the *Insured* to have access to the *Insured Premises* at any reasonable times for the purposes of inspection. If the inspection or survey results highlight any defects or concerns which are likely to increase the risk covered by this Policy, the *Insurer* reserves the right to cancel, suspend or alter any terms of this Policy. If the *Insurer* opts to suspend cover, such cover will only be reinstated after the defects have been remedied and the remedied situation is approved by the *Insurer*.

9. Maintenance of fire extinguishers

It is agreed as a *Condition Precedent* to the *Insurer's* liability under this Section that the *Insured* will:

- A. inspect the appliances regularly for the purposes of ascertaining that they are maintained in proper working order and keep a written record thereof; and
- B. remedy any defect promptly, whether disclosed by any such inspection or otherwise.

10. Mortgagees Freeholders and Lessors

It is agreed that mortgagees, freeholders and lessors will not be prejudiced by any increase in the risk of *Damage* resulting from any act of negligence of any mortgagor, leaseholder, lessee or occupier of any *Building(s)* insured by this Section. This is provided such increase in risk is without their prior knowledge or authority and that the *Insurer* is notified immediately they become aware of such increase in risk.

11. Non-invalidation

The insurance under this Section will not be invalidated by any act or omission or by any alteration whereby the risk of *Damage* is increased unknown to or beyond the control of the *Insured*, provided that the *Insured* gives notice to the *Insurer* as soon as reasonably practicable after such act or omission or alteration comes to the notice of the *Insured* and pays any additional premium required by the *Insurer*.

12. Roof Maintenance

It is a *Condition Precedent* to the liability of the *Insurer* under this Section(s) that:

- A all areas of flat felted roofs are inspected at least every year by a qualified builder or property surveyor and all defects; and
- B a record of all inspections is made and retained by the *Insured*, and is to be available for inspection by the *Insurer* if they so require.

All losses to the flat roof area or resulting from or attributed to the flat roof area are subject to a policy excess of £500 in respect of each and every loss.

13. Seventy-Two Hours Clause

In the event of *Damage* caused by storm, tempest, flood, earthquake or storm during any one *Period of Insurance*, an *Occurrence* with regard to such *Damage* is limited to seventy-two (72) consecutive hours for the purposes of this Section. If the duration of the *Occurrence* extends beyond seventy-two (72) consecutive hours, then the *Insured* may decide to divide that *Occurrence* into two (2) or more *Occurrences*. The *Insured* may choose when of the periods commence provided that:

- A. no period commences prior to the inception date and the date of the *Occurrence*;
- B. no two (2) periods overlap; and
- C. should any such period extend beyond the expiry or cancellation date, the *Insurer* will be liable as if such period had fallen entirely within the *Period of Insurance* of this Policy.

14. Statutory requirements and maintenance

The *Insured* will, at their own expense:

- A. cease any activity which may give rise to liability under this Policy;
- B. maintain all *Buildings*, furnishings, ways, works machinery, cars\ vans and vehicles in sound condition;
- C. exercise care in selection and supervision of *Persons Employed*;
- D. remedy defects or danger as soon as possible after discovery, and in the meantime, take such additional precautions as the circumstances may require; and
- E. comply with statutory requirement and other safety regulations imposed by any authority.

15. Subrogation Waiver

In the event of a claim arising under this Policy, the *Insurer* agrees to waive any rights, remedies or relief which they might become entitled to by subrogation against:

- A. a Company standing in the relation of parent to *Subsidiary* (or subsidiary to parent) of the *Insured*; or
 - B. a Company which is a subsidiary of a parent Company of which the *Insured* themselves are a subsidiary;
- in each case within the meaning of the Companies Act(s).
- C. any tenant of the *Insured Premises* provided that:
 - i) the *Damage* did not result from a criminal, fraudulent, malicious act, gross negligence of or breach of statutory duty by the tenant; and
 - ii) the tenant contributes to the cost of insuring the property insured against the event which caused *Damage*;
 - D. Managing agents employed or engaged to collect rent on behalf of the *Insured*.

16. Unoccupancy of Buildings

If any *Building* or any portions thereof becomes *Unoccupied*, the *Insurer* will be liable for *Damage* solely caused by or resulting from fire, lighting, explosion, aircraft or other aerial devices or articles dropped therefrom, unless otherwise agreed in writing by the *Insurer*.

- A. When any *Building(s)* or any portions thereof become(s) *Unoccupied*, it is a *Condition Precedent* that the *Insured* must ensure that:
 - i) the *Building* and any surrounding premises are secured against illegal entry, with all windows firmly secured so as to prevent unauthorised entry;
 - ii) all mains services are disconnected and all water pipes and tanks are drained down, unless such services are necessary for the operation of any heating or security or sprinkler systems that are to be kept in normal operation;
 - iii) if the mains services are required to remain connected or water pipes and tanks not drained for operation of any heating or security or sprinkler systems, the heating must be maintained in the *Insured Premises* at a minimum temperature of 5 (five) degrees centigrade;
 - iv) the *Insured* or appointed agent of the *Insured* inspects the *Building* and area around it at least once each week and:
 - a) all defects in maintenance or security are rectified immediately;
 - b) records of these inspections are kept and are available for inspection by the *Insurer*; and
 - v) there is no refurbishment or renovation work unless previously agreed by the *Insurer*.
- B. In addition to the *Conditions Precedent* stated under A of this clause:
 - i) If any non-residential *Buildings* or part thereof become(s) *Unoccupied*, the *Insured* must:
 - a) immediately give notice to the *Insurer* and the *Insurer* will have the right to impose additional conditions, exclusions and charge a suitable additional premium as the *Insurer* may require; and
 - b) ensure that all letterboxes are sealed or fitted with internal cages and the *Building* and area around it is kept clear of all moveable combustible material;
 - ii) If any residential *Buildings* or part thereof become(s) *Unoccupied*, the *Insured* must take all reasonable precautions to prevent the accumulation of mail.

17. Workmen

The *Insurer* agrees that workmen are allowed on the *Insured Premises* for the purpose of carrying out minor repairs, decorations or alterations without prejudice to this insurance.

This Section does not apply to the policy unless specified as INSURED in the *Schedule*.

Section 2

Loss of Rent Receivable

Insuring Clause

1 In the event of *Damage* to the *Property Insured* caused by an *Insured Peril*, which results in the interruption of or interference with *Rent Receivable*, the *Insurer* will cover the *Insured* for the *Loss of Rent Receivable* arising from such interruption or interference occurring during the *Period of Insurance* which is not otherwise excluded, subject always to the limits, terms, conditions and exclusions of this Section and as set out elsewhere in the Policy.

Provided that at the time of the happening of the *Damage* giving rise to the *Loss of Rent Receivable*:

- A the *Damage* to property is insured under **Section 1 - Property Damage** of this Policy or under any other Policy covering the *Insured's* interest in property whilst at the *Insured Premises*; and
 - B payment is made or liability admitted, or would have been made or admitted in respect of such physical loss or *Damage* but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.
- 2 The *Insurer's* liability in respect of the *Loss of Rent Receivable* is restricted to:
- A the difference between the reduced *Rent Receivable* during the *Indemnity Period* as a direct consequence of the *Damage* and the normal *Rent Receivable* during the corresponding period in the 12 months prior to the *Damage*;
 - B the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or mitigating the *Loss of Rent Receivable* which, but for that expenditure, would have taken place during the *Indemnity Period* in consequence of the *Damage*, but not exceeding the amount of the reduction in *Rent Receivable* thereby avoided; or
 - C the cost of re-letting which will comprise the cost necessarily and reasonably incurred from the date of the *Damage* until the expiry of the *Indemnity Period* in re-letting the *Buildings* (including legal fees in connection with the reletting) solely in consequence of the *Damage*, less any sum saved during the *Indemnity Period* in respect of such of the charges and expenses payable out of *Rent Receivable* as may cease or be reduced in consequence of the *Damage*.

Limit of Liability

The liability of the *Insurer* under this Section including the Extensions to the Section will not exceed:

- A. the *Sum Insured* or, in respect of any individual Items, the *Sub-Limit* specified in the *Schedule*; and
- B. the *Maximum Indemnity Period* specified in the *Schedule*.

Extensions to Section 2

1. Alterations and Improvements

This Section is extended to include *Loss of Rent Receivable* in respect of:

- A. alterations, extensions and/or improvements to the *Buildings* under *Property Insured*;
- B. newly acquired and/or newly erected *Buildings* provided that they are not otherwise insured.

Provided that:

- i) the *Insurer's* liability under this Section will not exceed the *Sub-Limit* specified in the *Schedule*;
- ii) the *Insured* must inform the *Insurer* every six months of any alterations, extensions or improvements, and with respect to any such newly acquired and/or newly erected property, as soon as practicable and in any event within six (6) months of the date of acquisition; and
- iii) the *Insured* agrees to pay the appropriate additional premium required from the from the date of acquisition of the newly acquired property, alterations or improvements, and such additional cover will be evidenced in this Policy by adding an endorsement containing the sum insured.

2. Alternative Residential Accommodation

In respect of *Insured Premises* occupied totally or partially for residential purposes, in the event of *Damage* to such *Insured Premises* that renders it unfit to live in or to which all access is prevented, the *Insurer* will cover the *Insured* in respect of any expenditure necessarily and reasonably incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease until the *Insured Premises* is fit again for habitation.

This clause also includes the costs of:

- A temporary storage of residents' furniture; and
- B kennelling or boarding domestic pets if they are not allowed in the alternative accommodation.

The *Insurer's* liability under this Extension will not exceed the *Sub-Limit* specified in the *Schedule*.

3. Auditor's Fees

This Section extends to cover the *Insured* for the necessary and reasonable fees payable to the *Insured's* auditors or professional accountants for producing such particulars or details contained in the *Insured's* books of account or other business documents, or such other proofs, information or evidence as may be required by the *Insurer*, provided that the *Insurer's* liability in respect of this Extension will not exceed the *Sub-Limit* specified in the *Schedule*.

4. Denial of Access

The Section extends to include interruption of or interference with *Rent Receivable* in consequence of *Damage* caused by an *Insured Peril* to any property within 250 (two hundred and fifty) metres of the *Insured Premises* which prevents the use of or access to the *Property Insured*, irrespective of whether or not the *Property Insured* suffers similar *Damage*, provided that the *Insurer* will not be liable for any claim in excess of the *Sub-Limit* specified in the *Schedule*.

No amount will be payable under this Extension which would otherwise be covered under **Extension 7 – Loss of Attraction**.

5. Infestation and Defective Sanitation

The *Insurer* will cover the *Insured* for the *Loss of Rent Receivable* arising from interruption of or interference with the *Rent Receivable* in consequence of the *Occurrence* at the *Insured Premises* of:

- A. murder, suicide or food or drink poisoning;
- B. vermin, pests or defective sanitation equipment which causes restrictions on the use of the *Insured Premises* on the order or advice of the competent local authority; or
- C. *Accidental Damage*, as insured by this Section, to the drains or sanitary apparatus at the *Insured Premises* which results in closure of the *Insured Premises*.

6. Legionella

This Section extends to include *Loss of Rent Receivable* arising from interruption of or interference with the *Rent Receivable* as a result of any outbreak of Legionellosis at the *Insured Premises* causing restrictions on the use of the *Insured Premises* on the order or advice of the competent authority. The *Insurer* will not be liable under this Section for any amount in excess of the *Sub-Limit* specified in the *Schedule*.

7. Loss of Attraction

This Section extends to include *Loss of Rent Receivable* arising from interruption of or interference with the *Rent Receivable* due to *Damage* to property within 250 (two hundred and fifty) metres of the *Insured Premises* caused by an *Insured Peril* which discourages potential tenants to the *Insured Premises*, but the *Insurer* will not be liable for any amount in excess of the *Sub-Limit* specified in the *Schedule*.

No amount will be payable under this Extension which would otherwise be covered under **Extension 4 – Denial of Access**.

8. Public Utilities

The Section extends to cover the *Insured* for *Loss of Rent Receivable* arising from interruption of or interference with the *Rental Operations* in consequence of *Damage* by an *Insured Peril* to property at the premises of the following public utilities in the *Territorial Limits* from which the *Insured* obtains supplies or services:

- A. any generating station or sub-station of the public electricity supply undertaking from which the *Insured* obtains electricity;
- B. any land-based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the *Insured* obtains gas; or
- C. any water works or pumping station of the public water supply undertaking from which the *Insured* obtains water;
- D. any land-based telecommunication services to the *Insured Premises*.

Provided that the *Insurer* will not be liable

- i) for any claim in excess of the *Sub-Limit* specified in the *Schedule*;
- ii) for any loss arising from failures which do not involve the cessation of supply for at least sixty consecutive minutes; and
- iii) for the total or partial failure occasioned by strike or lock-out, total or partial withdrawal of labour, or total or partial cessation of work.

9. Unauthorised Occupation

The Section extends to cover the *Insured* for *Loss of Rent Receivable* arising from interruption of or interference with the *Rent Receivable* as a result of the use of the *Insured Premises* or access being hindered or prevented by:

- A. the occupation of person not authorised by or on behalf of the *Insured* except in the course of a dispute between any employer and *Person Employed* or group of workers; or
- B. the *Insured Premises* being thought to contain or actually containing persons believed by the governmental authorities to be terrorists;

provided that the police are immediately informed of the unauthorised occupation or possible terrorist occupation,

- i) the *Insurer* will not be liable for:
 - A. losses arising from any cause within the control of the *Insured*; or
 - B. any event involving prevention of, hindrance of, access to or use of the *Insured Premises* for less than 48 (forty-eight) hours duration.

Conditions to Section 2

1. Adjustment

The *Annual Rent Receivable* and *Rent Receivable* are subject to such adjustments as may be necessary to provide for the trends and for variations in or other circumstances affecting the income derived from *Rental Property* so that the figures adjusted represent as closely as possible the results which, but for the *Damage*, would have been obtained during the relative period after the date of the *Damage*.

2. Average

If, at the time of *Damage* giving rise to *Loss of Rent Receivable*, the *Sum Insured* declared by the *Insured* in respect of *Rent Receivable* is less than the *Annual Rent Receivable* (or a proportionately increased multiple thereof where the *Maximum Indemnity Period* exceeds twelve (12) months), the *Insurer's* liability will be proportionately reduced.

3. Basis of Claims Settlement

The amount payable will be the actual amount of the reduction in *Rent Receivable* incurred during the *Indemnity Period* in consequence of the *Damage* from the *Rent Receivable* estimated that would have been earned during that period had the *Damage* not occurred.

Where under the terms of the lease or leases, rent reviews would have taken place during the *Indemnity Period*, the Basis of Claims Settlement will take into account such rent reviews, provided that the *Insurer's* total liability will not exceed 200% (two hundred percent) of the *Sum Insured* on *Loss of Rent Receivable*.

4. Cessation of Rental Operations

If, subsequent to the happening of *Damage* by an *Insured Peril*, any business owned or operated by the *Insured* for the purpose of its *Rental Operations* is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued, this Section will cease to have effect from the date of the decision to wind up or permanently discontinue the business or date of the decision to appoint a liquidator, receiver or administrator unless this Section's continued application is agreed in writing by the *Insurer*.

5. Due Diligence

In the event of *Damage* that may give rise to a claim under this Section, it is a *Condition Precedent* to the *Insurer's* liability under this Policy that the *Insured*, with due diligence, takes all steps that are reasonably practical to avoid or minimise any interruption of or interference with the *Insured's* operations as a provider of *Rental Property*.

6. Experience of the Rental Operations

In determining the amount of *Loss of Rent Receivable*, due consideration will be given to the experience of the *Insured's* *Rental Operations* before the date of the *Damage* and the probable experience of its *Rental Operations* thereafter had no loss or *Damage* occurred to the *Property Insured*.

7. First Twelve Months' Rental Operations

In the event of a claim arising from *Damage* occurring before the completion of the first 12 (twelve) months of the carrying out of the *Insured's* *Rental Operations*, any terms in this Section referring to income and outgoings during a prior period of 12 (twelve) months will be adjusted so as to apply to the income and outgoings during the period from commencement of the *Insured's* *Rental Operations* to the date of the *Damage*.

8. Insured's accounting definitions

For the purpose of any definitions applicable to this Section, any adjustment implemented in current cost accounting will be disregarded. The undefined words in this *Section* will have the meaning usually attached to them in the *Insured's* books and accounts.

9. Payments on Account

Payments on account will be made by the *Insurer* to the *Insured* during the *Indemnity Period* if required.

10. Premium Payment

The *Premium* paid for *Loss of Rent Receivable* may be adjusted on receipt by the *Insurer* of a declaration of the *Rent Receivable* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Damage* has occurred giving rise to *Loss of Rent Receivable*, the above-mentioned declaration will be increased for the purpose of premium adjustment by the amount by which the *Rent Receivable* is reduced during the financial year solely in consequence of the *Damage*.

If the declaration (adjusted as provided for above and proportionately increased where the *Maximum Indemnity Period* exceeds 12 (twelve) months) is less than the *Loss of Rent Receivable Sum Insured* for the relative *Period of Insurance*, the *Insurer* will allow a pro rata return premium not exceeding 50% (fifty percent) of the *Premium* paid.

11. Reinstatement of Limit

It is agreed that, in the event of payment of a claim under this Section, the *Sum Insured* will be reinstated to the full amount from the time of the *Damage* until expiry of this Policy, in return for the additional premium paid or payable by the *Insured* in respect of the amount of such reinstatement.

12. VAT

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

Exclusions to Sections 1 and 2

The following Exclusions apply to these Sections of this Policy in addition to the **General Exclusions** of the Policy unless as stated otherwise.

1. The *Insurer* will not be liable for any amount of the *Excess* as specified in the *Schedule* with respect to the Section or individual coverages under the Sections.
2. The *Insurer* will not be liable for *Damage*:
 - A. arising from any other *Insured Peril*, whether shown as operative on the *Schedule* / Certificate of Insurance or not;
 - B. to *Buildings* or structures in course of construction or erection and materials or supplies connected with them;
 - C. the cost of maintenance or routine decoration; or
 - D. to garden landscaping and paving, garden furniture, trees and plants;

Provided that this exclusion does not exclude subsequent *Damage* resulting from an ensuing cause which is not otherwise excluded.

3. With respect to subsidence, ground heave and landslip, the *Insurer* will not be liable for *Damage* or the resulting interruption or interference
 - A. arising from:
 - i) collapse, cracking, shrinkage or settlement of new *Building(s)* or any part thereof;
 - ii) coastal or river erosion;
 - iii) defective design or workmanship or the use of defective materials, including inadequate construction of foundations;
 - iv) settlement or movement of made up ground;
 - v) the normal settlement or bedding down of new structures;
 - vi) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
 - vii) demolition, construction, structural alteration or repair of any *Building(s)* at the same *Insured Premises*; or
 - viii) groundwork or excavation at the same *Insured Premises*.
 - B. to forecourts, car parks, driveways, footpaths, walls, gates, hedges or fences at the same *Insured Premises*, unless specifically insured hereunder, provided such *Damage* also affects the structure of the *Building(s)* insured herein against such *Damage*;

- C. which occurs while the *Building* or any part thereof in the course of erection, demolition, structural alteration or structural repair; or
 - D. which occurs at the same *Insured Premises* which originated prior to the inception of this cover.
4. With respect to storm, the *Insurer* will not be liable for *Damage* or the resulting interruption or interference caused:
- A. by the change in water table levels or the failure of tanking within basements and cellars;
 - B. by flash flooding or flood arising from surface water run-off;
 - C. by water inundation from the coast, a water course, lake, reservoir, ditch, drain, sewer or culvert;
 - D. by spray, salt or contaminants from any source listed in C. above;
 - E. by subsidence, ground heave or landslip; or
 - F. to garden landscaping and paving, garden furniture, tree and plants.
5. With respect to flood the *Insurer* will not be liable for *Damage* or the resulting interruption or interference caused:
- A. by the change in water table levels or the failure of tanking within basements and cellars;
 - B. by subsidence, ground heave or landslip; or
 - C. to garden landscaping and paving, garden furniture, tree and plants, gates and fences.
6. With respect to breakage or collapse of aerials, the *Insurer* will not be liable for *Damage* to or the resulting interruption or interference caused by or arising from the erection, dismantling, repair or maintenance thereof.
7. With respect to *Damage* caused by malicious persons, the *Insurer* will not be liable for *Damage* to or the resulting interruption or interference caused:
- A. by the *Insured* or the *Insured's* officers or *Persons Employed*;
 - B. by the *Authorised Resident* of the *Insured's Building* or part thereof; or
 - C. to garden landscaping and paving, garden furniture, tree and plants.
8. The *Insurer* will not be liable for *Damage* or interruption or interference caused by theft or attempted theft:
- A. unless there has been forcible and violent entry to or exit from the *Buildings* or theft of any part of the fabric of the *Buildings* whether or not there has been forcible and violent entry;
 - B. by the *Insured* or the *Insured's* officers or *Persons Employed*;
 - C. by the *Authorised Resident* of the *Insured's Building* or part thereof;
 - D. to garden landscaping and paving, garden furniture, tree and plants;
 - E. to contents, belonging to or in the custody and control of the *Insured*, from common areas of the *Buildings*;
 - F. from yards, gardens, open spaces or outbuildings to *Insured Premises*; or
 - G. where such theft or attempted theft comprises the taking, or attempted taking, of goods by force during a catastrophe, such as war, natural disaster, riot, strike or civil commotion.
9. The *Insurer* will not be liable for *Damage* or interruption or interference with caused by:
- A. explosion, failure or collapse of a boiler (but not a boiler used for domestic purposes only) economiser or other vessel, machine, apparatus or pipe work at the *Insured Premises* in which internal pressure is due to steam only belonging to, or under the control of, the *Insured*;
 - B. leakage of electricity, self-ignition, over-running, excessive pressure, short circuiting, self-heating of the any equipment, electrical apparatus or fittings;
 - C. joint leakage failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels of any range of steam, and feed piping in connection therewith;
 - D. inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
 - E. faulty or defective workmanship, operational error or omission on the part of the *Insured* or any of their *Persons Employed* where such error or omission is committed with the knowledge of or connived at by the *Insured*; or
 - F. the operation of machinery, plant, apparatus or equipment;
- Provided that this Exclusion does not exclude subsequent *Damage* resulting from an ensuing cause which is not otherwise excluded.
10. The *Insurer* will not be liable for *Damage* or interruption or interference caused by or consisting of:
- A. corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
 - B. change in temperature, colour, flavour, texture or finish;
 - C. *Pollution or Contamination*;

- D. mechanical or electrical breakdown, derangement or overloading; or
 - E. the item of *Property Insured* undergoing any process involving the application of heat;
- but this Exclusion will not apply to *Damage* resulting from or resulting in an *Insured Peril*.
11. The *Insurer* will not be liable for *Damage*, or interruption or interference caused by or consisting of:
 - A. acts of fraud or dishonesty on the part of the *Insured* or any partner, director or employee of the *Insured*, members of their families or any other person to whom *Property Insured* has been entrusted;
 - B. unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - C. impact with any *Property Insured* by any waterborne vessel or craft; or
 - D. Mould, fungi, spores, bacteria, 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 except in respect of insurance provide by the **Infestation and Defective Sanitation** under **Section 2 – Loss of Rent Receivable**.
 12. The *Insurer* will not be liable for *Damage* or interruption or interference caused directly by or consisting of or occasioned by the voluntary parting with title or possession of any property or rights to property.
 13. The *Insurer* will not be liable for any *Damage* to property in transit covered or which should have been covered under a marine policy or policies.
 14. The *Insurer* will not be liable for *Damage* or the resulting interruption or interference caused directly by the *Property Insured's* own collapse or cracking unless such *Damage* results from an *Insured Peril* and is not otherwise excluded.
 15. The *Insurer* will not be liable for *Damage* or interruption or interference caused directly by or consisting of or resulting from cessation of work.
 16. The *Insurer* will not be liable for *Damage* or interruption or interference caused directly by loss of market, loss of use of *Property Insured* or consequential loss or *Damage* of any kind not specifically insured under this Policy.
 17. The *Insurer* will not be liable for *Damage* or interruption or interference attributable solely to change in the water table level.
 18. The *Insurer* will not be liable for *Damage* or interruption or interference attributable to *Damage* to the following property:
 - A. glass (other than *Glass*), china, earthenware, marble, statuary or other fragile or brittle objects but this exclusion does not apply in respect of *Damage* caused by an *Insured Peril* and not otherwise excluded;
 - B. mobile phones, laptops, tablets or similar portable electronic equipment, documents, tenants' property, money or any articles of gold, silver or other precious materials, jewellery or other personal items;
 - C. property in transit except as provided for under the individual Extension clauses;
 - D. vehicles licensed for road use, 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, underground shafts, mines or excavations; or
 - G. livestock, animals, growing crops or trees;unless specified in the *Schedule* as insured by this Section.

This Section does not apply to the policy unless specified as INSURED in the *Schedule*.

Section 3 Terrorism

Insuring Clause

The *Insurer* agrees to indemnify the *Insured* for *Damage to Property Insured* and resulting *Loss of Rent Receivable* occurring during the *Period of Insurance* solely in so far as and to the extent of coverage and *Sub-limits* provided under [Section 1](#) and [2](#) of this Policy, in the event that:

- A. such *Damage to Property Insured* and resulting *Loss of Rent Receivable* is caused by and arises from an *Act of Terrorism*;
- B. such act is certified as an act of terrorism by His Majesty's Government or His Majesty's Treasury or any successor or other relevant authority, or in the event such certification is refused, the refusal is reversed by the decision of a validly constituted tribunal; and
- C. the *Damage to Property Insured* and resulting *Loss of Rent Receivable* occurs in England, Wales and/or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 or any subsequent amending legislation, and not the Isle of Man or the Channel Islands.

Limit of Liability

The liability of the *Insurer* under this Section in respect of any one *Occurrence* and in the aggregate during the *Period of Insurance* will not exceed the *Sum Insured* as specified in the *Schedule* and is subject to all terms and conditions and *Sub-Limits* under [Section 1](#) and [2](#) of this Policy, unless stated otherwise.

Exclusions to Section 3

The following Exclusions apply to this Section unless stated otherwise. Where there is any conflict between these and the [General Exclusions](#) of the Policy, the following Exclusions will take priority:

1. The *Insurer* will not be liable for any amount of the *Excess* as specified with respect to the [Sections 1](#) and [2](#) or individual coverages under the Sections.
2. The *Insurer* will not be liable for any claim of whatsoever nature directly or indirectly caused by or occasioned by or happening through or in consequence of:
 - A. riot, civil commotion, vandals or other persons acting maliciously or by way of protest or strikes, labour unrest;
 - B. looting, being the theft of or taking of goods by force during a catastrophe, such as war, natural disaster, riot, strike or civil commotion; or
 - C. *War*, invasion or warlike operations, hostile acts of sovereign or local government entities, rebellion, revolution, insurrection or military or usurped power.
3. This Section does not cover any claim of whatsoever nature, directly or indirectly, covered under any marine, aviation, transit and motor certificates or policies.
4. This Section does not cover any claim of whatsoever nature, directly or indirectly, in respect of:
 - A. residential property, houses and other dwellings insured in the name of a private individual unless such property is insured in the private individual's commercial capacity as the landlord of the property;
 - B. any property specifically excluded in this Policy;
 - C. any *Damage* to any property at a nuclear installation or nuclear reactor and all fixtures and fitting attached thereto which serve, in anyway, such nuclear installations or nuclear reactors; or
 - D. any property located outside England, Wales and Scotland.
5. The insurance by this Section is subject otherwise to all the terms and conditions of this Policy except that any:

- A. long term undertaking applying to this Policy; or
- B. terms which provide for adjustments of premium based upon declarations on expiry or during the *Period of Insurance*; will not apply to losses covered under this Section.

Conditions to Section 3

1. Burden of Proof

In any action, suit or other proceedings where the *Insurer* alleges that any claim is not covered by this Section of this Policy or makes any other contested allegations with regards to the cover provided under this Section, the burden of proving that such claim is covered hereunder or other allegations is upon the *Insured*.

2. Seventy-Two Hours Clause

In the event of *Damage* caused by an *Act of Terrorism* during any one *Period of Insurance*, an *Occurrence* with regard to such *Damage* is limited to 72 (seventy-two) consecutive hours for the purposes of this Section. If the duration of the *Occurrence* extends to beyond 72 (seventy-two) consecutive hours, then the *Insured* may decide to divide that *Occurrence* into two (2) or more *Occurrences*. The *Insured* may choose when of the periods commence provided that:

- A. no period commences prior to the inception date and the date of the *Occurrence*;
- B. no two (2) periods overlap; and
- C. should any such period extend beyond the expiry or cancellation date, the *Insurer* will be liable as if such period had fallen entirely within the *Period of Insurance* of the Policy.

This Section does not apply to the policy unless specified as INSURED in the *Schedule*.

Section 4 Property Owners' Liability

Insuring Clause

The *Insurer* will indemnify the *Insured* and any *Additional Insured*:

- 1 against *Legal Liability* in respect of:
 - A *Injury* to any person;
 - B *Damage to Property*; and
 - C *Nuisance*,occurring during the *Period of Insurance* within the *Territorial Limits* in connection with the *Rental Operations*.
- 2 in respect of *Legal Costs* incurred with the written consent of the *Insurer* in connection with any *Incident* which is or may be the subject of indemnity under 1 above.

Limit of Liability and Legal Costs

- 1 Regardless of:
 - A. the number of parties and/or entities entitled to indemnity; or
 - B. the number of claimants;the total amount payable by the *Insurer* under this Section and all *Extensions* in respect of any one *Incident* will not exceed the *Limit of Liability* specified in the *Schedule*.
- 2 *Legal Costs* payable by the *Insurer* will be paid in addition to the *Limit of Liability* unless otherwise stated, provided always that:
 - A. if a payment of damages and/or claimant's costs and expenses exceeding the *Limit of Liability* has to be made to dispose of any claim; and
 - B. the *Insurer* is liable to pay *Legal Costs* in addition to the *Limit of Liability*;the liability of the *Insurer* for such *Legal Costs* will be limited to such proportion as the *Limit of Liability* bears to the amount paid to dispose of such claim. Nothing contained in this clause will vary or override **Claims Condition 2** of this Policy.

This Section provides cover against *Legal Liability* and *Legal Costs* in respect of *Injury* sustained by any person, other than a *Person Employed*, and *Damage to Property* directly or indirectly caused by, or contributed to by, or arising from an *Act of Terrorism* occurring during the *Period of Insurance* within the *Territorial Limits*. This cover is subject to a limit of GBP 5,000,000 in respect of any one *Incident* or the amount of the *Limit of Liability* as specified in the *Schedule*, whichever is the lower.

Extensions to Section 4

1. Defective Premises Act

The *Insurer* will indemnify the *Insured* against their *Legal Liability*, in respect of *Injury* or *Damage to Property*, incurred by virtue of defective premises legislation in connection with premises disposed of by the *Insured*.

This Extension will not apply to *Legal Liability*:

- A. for the costs of remedying any defect or alleged defect in premises disposed of by the *Insured*; or
- B. in respect of which the *Insured* is entitled to indemnity under any other insurance.

2. Legionellosis

The *Insurer* will indemnify the *Insured*:

- A. against *Legal Liability* in respect of *Injury* caused by legionellosis arising out of the *Rental Operations* and for which:
 - i) a claim first made in writing to the *Insured* during the *Period of Insurance*; or
 - ii) the first notification of any circumstance which caused or is alleged to have caused *Injury* or can reasonably be expected

to give rise to a claim under the Policy;

is made to the *Insurer* during or within thirty days of the expiry of the *Period of Insurance*; or

- B.** in respect of *Legal Costs* incurred with the written consent of the *Insurer* in connection with any *Injury* caused by legionellosis covered under this Extension;

Provided that the maximum amount the *Insurer* will pay in respect of the cover under this Extension will not exceed the *Limit of Liability* specified in the *Schedule*.

3. Pollution or Contamination

- A.** Notwithstanding **Exclusion 5 Pollution or Contamination** of **Section 4**, the *Insurer* will indemnify the *Insured* and any *Additional Insured*, up to the *Sub-Limit* shown in the *Schedule*, for:

- i)** statutory costs that the *Insured* is legally liable to pay, or legally obliged to incur under an environmental protection directive, statute or statutory instrument, for remediation of environmental damage, arising out of or from *Pollution and Contamination* occurring during the *Period of Insurance*, within the Republic of Ireland, Great Britain, Northern Ireland, the Channel Islands or the Isle of Man or member state of the European Union in connection with the *Rental Operations*. This is provided that the *Pollution and Contamination* is caused by an *Accident* taking place during the *Period of Insurance*; or
- ii)** damages and compensation, including claimants costs recoverable from the *Insured* arising from *Injury, Damage to Property and Nuisance* arising out of or from *Pollution and Contamination* occurring during the *Period of Insurance* within the Republic of Ireland, Great Britain, Northern Ireland, the Channel Islands or the Isle of Man or member state of the European Union in connection with the *Rental Operations*. This is provided that the *Pollution and Contamination* is caused by an *Accident* that takes place during the *Period of Insurance*.

- B.** This Extension excludes and does not cover any sum incurred in respect of:

- i)** activities commenced by or on behalf of the *Insured* prior to inception of the *Period of Insurance*, or any period of continuous insurance prior to inception of the *Period of Insurance* where each policy making up that continuous insurance is underwritten by the *Insurer* or by an affiliate; or
- ii)** the prevention of *Pollution and Contamination* to or on third party property or the *Insured's* land, premises, watercourse or body of water, whether owned, leased, hired, tenanted or otherwise in the *Insured's* care custody or control.

4. Subrogation Waiver

It is a *condition precedent* to cover that the *Insured* does not, without specific prior written agreement by the *Insurer*, agree to any term of any contract or agreement which restricts, reduces or waives the *Insured's* or the *Insurer's* right of recovery from any other party. When such prior written agreement is requested by the *Insured*, the *Insurer* will be entitled to:

- A.** charge an additional premium;
- B.** request that *Insured* seek to renegotiate its contract to omit entirely such term(s);
- C.** exclude from cover liability for any amounts which would have been recoverable from another party in the absence of such term(s); and/or
- D.** apply a net contribution limit to the *Insurer's* share in respect of the relevant project.

5. Wrongful Arrest

This Section is extended to include the *Insured's* liability arising out of wrongful detention, false or malicious arrest, malicious prosecution or false imprisonment arising out of any accusation of shoplifting, theft, dishonesty or other improper conduct by any person and occurring on or about the *Insured Premises*.

Exclusions to Section 4

The following Exclusions apply to this Section in addition to the **General Exclusions** of the Policy unless stated otherwise. The *Insurer* will not be liable for the following *Legal Liability*:

1. Advertising Injury

to a third party arising out of the *Insured's* advertising activities, but only if such injury arises out of:

- A.** misappropriation of advertising ideas or style of doing business;
- B.** infringement of copyrighted advertising materials, titles or slogans; or
- C.** incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

2. Contractual Liability

owed by the *Insured* to a party, or liabilities retained by the *Insured*, such as hold harmless clauses or waiver of rights of

recovery, under the terms of any contract or agreement which would not have attached to or been retained by the *Insured* in the absence of such contract or agreement, except where the *Insurer* gives its prior written consent.

3. Injury sustained by Persons Employed

for *Injury* sustained by any *Person Employed* arising out of and in the course of employment by the *Insured* in the course of its *Rental Operations*.

4. Property in the Insured's Care, Custody or Control

in respect of loss of or *Damage* to any *Property* which, at the time of the *Incident* giving rise to such liability, is owned by or held in trust by or in the care, custody or control of the *Insured* or any *Person Employed*, other than:

- A. personal effects, including vehicles and their contents, of any *Person Employed* or any director or partner of or visitor to the *Insured*;
- B. premises, including their contents, not owned by or leased or rented to the *Insured* but temporarily occupied by the *Insured* for the purposes of undertaking work in connection with the *Rental Operations*, provided that this paragraph will not include any property to which A directly above applies; or
- C. premises and their fixtures and fittings leased or rented to the *Insured*, excluding liability:
 - i) which attaches by way of any contract or agreement and that would not have attached in absence of such agreement;
 - ii) *Damage* caused by fire or explosion.

5. Pollution or Contamination

directly or indirectly caused by, arising from or in connection with *Pollution or Contamination*.

6. Vehicles

arising out of the ownership or possession or use of any mechanically propelled vehicle by or on behalf of the *Insured* in circumstances where insurance or security is required under the provisions of any road traffic legislation, but this Exclusion will not apply to:

- A mechanical plant while operating as a tool of trade;
- B the loading or unloading of any vehicle;

except in respect of *Legal Liability* for which:

- i insurance or security is required by law; or
- ii indemnity is provided by any motor insurance contract.

7. Vessels and Craft

arising out of the ownership, possession or use by or on behalf of the *Insured* of any vessel or craft designed to travel in, on or through water, air or space.

This Section does not apply to the policy unless specified as INSURED in the Schedule.

Section 5 Employers' Liability

Insuring Clause

The *Insurer* will indemnify the *Insured* and any *Additional Insured*:

- 1 against *Legal Liability* in respect of *Injury* caused to any *Person Employed* during the *Period of Insurance* within the *Territorial Limits* and arising out of and in the course of employment by the *Insured* in connection with the *Rental Operations*; and
- 2 in respect of *Legal Costs* incurred with the written consent of the *Insurer* in connection with any *Incident* which is or may be the subject of indemnity under 1 above.

Provided always that no indemnity will be given by the *Insurer* in respect of any judgment, award or settlement made in any country or territory outside the *Territorial Limits*, or in respect of any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part. This is unless the *Insured* has requested that there is no such limitation and has accepted the terms offered by the *Insurer* in granting such cover, which offer and acceptance must be signified by an Endorsement attaching to this Policy.

Limit of Liability

Regardless of:

- 1 the number of parties and/or entities entitled to indemnity; or
- 2 the number of claimants;

the total amount payable by the *Insurer* under this Section including all Extensions in respect of or arising from any one claim or series of claims against the *Insured* arising out of one *Incident* will not exceed the *Limit of Liability* specified in the *Schedule* for Employers' Liability.

This Section provides cover against *Legal Liability* and *Legal Costs* in respect of *Injury* sustained by *Persons Employed* caused as a result of an *Act of Terrorism* during the *Period of Insurance* within the *Territorial Limits* up to a limit of GBP 5,000,000 in respect of any one *Incident*.

The *Overall Limit of Liability* will not apply to the extent that claims or losses under any other Section would otherwise erode the *Limit of Liability* in respect of this Section.

Extensions to Section 5

The following Extensions will apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

1. Contractual Liability

This Section will indemnify the *Insured* against liability, of the nature covered under this Section, assumed by the *Insured* under terms of a contract or agreement, which would not have attached in the absence of such contract or agreement, provided that such term(s) does not indemnify a party for or relieve a party from liability for its own negligence or breach of statutory duty.

2. Temporary Overseas Visits

The *Insurer* will indemnify the *Insured* and/or *Additional Insured* against *Legal Liability* in respect of *Injury* sustained in connection with the *Rental Operations* while temporarily outside the *Territorial Limits* during the *Period of Insurance* provided that:

- A. such temporary business trips outside the *Territorial Limits* do not exceed a period of three (3) months; and
- B. the *Insured* and/or *Additional Insured* is domiciled within the *Territorial Limits*.

This Extension will not apply directly or indirectly with respect to liability:

- i) arising out of, from or in connection with any country or territory which operates under the laws of the United States of America or of Canada; or
- ii) arising out of, from or in connection with manual work carried out outside the *Territorial Limits*.

3. Unsatisfied Court Judgments

If a judgment for damages is obtained in any court within in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man:

- A by any *Person Employed*, or the personal representatives of any *Person Employed*, in respect of *Injury* caused to that *Person Employed* during the *Period of Insurance* and arising out of and in the course of employment by the *Insured* in connection with the *Rental Operations*;
- B against any individual or company, not insured under this Section, operating from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; and
- C which remains unsatisfied in whole or in part six (6) months after the date of such judgment;

then, at the request of the *Insured*, the *Insurer* will pay to the *Person Employed*, or the personal representatives of the *Person Employed*, the amount of such damages and awarded costs that remain unsatisfied, provided that:

- i) any payment made by the *Insurer* will only be in respect of liability for which the company or individual, under 3.B above, would have been entitled to indemnity had such company or individual been insured under this Section; and
- ii) there is no appeal outstanding; and
- iii) if any payment is made under the terms of this Extension, the *Person Employed*, or the personal representatives of the *Person Employed*, will assign the judgment to the *Insurer*.

Exclusions to Section 5

The following Exclusions apply to this Section in addition to the **General Exclusions** of the Policy unless stated otherwise.

The *Insurer* will not be liable for the *Insured's Legal Liability* in respect of:

1 Medical and Repatriation Costs

A medical costs or medical expenses; or

B repatriation costs or repatriation expenses;

incurred by any *Person Employed* whilst outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

2 Road Traffic Legislation

Injury for which the *Insured* is required to arrange motor insurance or security in accordance with any road traffic legislation.

Extensions to Sections 4 and 5

The following Extensions apply, subject always to the limits, terms, conditions and exclusions of Sections 4 and 5 and elsewhere in this Policy.

1 Cross Liabilities

If the *Insured* comprises more than one entity the *Insurer* will indemnify each entity in the same manner and to the same extent as if a separate Policy had been issued to each, provided that the total amount of indemnity provided by the *Insurer* will not exceed the *Limit of Liability*, regardless of the number of entities.

2 Compensation for Court Attendance

If, at the request of the *Insurer*, any *Person Employed* or director or partner of the *Insured* attends court as a witness in connection with a claim in respect of which the *Insured* is entitled to indemnity under these Sections, the *Insurer* will provide compensation to the *Insured* at the following rates per day for each day on which attendance is required:

A. any director or partner of the *Insured* GBP 500; and

B. any other *Person Employed* GBP 250.

3 Corporate Manslaughter Legal Defence Costs

This Policy is extended to indemnify the *Insured*, and if the *Insured* requests it, any *Person Employed* or director or partner of the *Insured*, in respect of *Legal Costs* incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of manslaughter or culpable homicide or alleged manslaughter or culpable homicide. This includes a breach of the Corporate Manslaughter and Corporate Homicide Act 2007 and any amending and/or subsequent legislation. This is provided that an offence is alleged to have been committed during the *Period of Insurance* in the course of the *Rental Operations*.

The *Insurer* is entitled, but not obliged, to assume the conduct of the defence of any criminal proceedings in respect of which indemnity is provided under this Extension.

The indemnity provided under this Extension will not exceed GBP 5,000,000 any one claim and in the aggregate for all claims during any one *Period of Insurance*.

However, the total liability of the *Insurer* under **Sections 4 and 5** of this Policy, inclusive of this Extension, will not exceed the

Limits of Liability as specified in the *Schedule*.

This Extension does not apply:

- A. to fines or penalties of any kind; or
- B. where cover is provided by any other insurance.

4 Health and Safety at Work Legal Defence Costs

Subject to the terms of the *Insurer's* written consent and the *Insurer's* control, the *Insurer* will indemnify the *Insured*, and if the *Insured* so requests, any *Person Employed* or director or partner of the *Insured*, in respect of *Legal Costs* incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, and any amending and/or subsequent legislation (together the *Health and Safety Legislation*). This is provided that an offence is alleged to have been committed during the *Period of Insurance* in the course of the *Rental Operations*.

This Extension will not apply:

- A. to fines or penalties of any kind;
- B. to proceedings happening as a consequence of any deliberate act or omission by:
 - i) the *Insured*;
 - ii) any partner or director of the *Insured*;which could reasonably have been expected to constitute a breach of the *Health and Safety Legislation*, having regard to the nature and circumstances of such act or omission; or
- C. where cover is provided by any other insurance.

Exclusions to Section 4 and 5

The following Exclusions apply to these Sections in addition to the **General Exclusions** of the Policy unless stated otherwise.

The *Insurer* will not be liable for any *Legal Liability*:

1. Contractual Liability

owed by the *Insured* to a party, or liabilities retained by the *Insured*, such as hold harmless clauses or waiver of rights of recovery, under the terms of any contract or agreement which would not have attached to or been retained by the *Insured* in the absence of such contract or agreement, except where the *Insurer* gives its prior written consent.

2. Defamation

in respect of any form of defamation, libel or slander.

3. Deliberate act

in respect of *Injury*, *Damage*, or *Nuisance* and any costs and expenses, arising from any deliberate act or a failure to act by the *Insured* or *Additional Insured* which constitutes an offence under legislation or a breach under this contract. But this Exclusion does not apply with respect to *Injury* resulting from the use of reasonable force to protect persons or property.

4. Employment Practice Liability

directly or indirectly occasioned by, happening through or in consequence of any claim for breach of employment contract, defamation, discrimination and/or harassment and/or in relation to the hiring, supervision, retention and/or personal development of any director and/or partner of the *Insured* and/or *Person Employed* however arising.

5. Excess

for the amount of the *Excess* specified in the *Schedule* for each operative Section.

6. Fees for intervention

any payments raised under the Health and Safety (Fees) Regulations 2012 relating to 'Fees for intervention'.

7. Financial loss

directly or indirectly, for pure economic loss not ensuing from *Injury*, *Damage*, or *Nuisance* covered in this Policy.

8. Fines, Liquidated Damages, Penalty Clauses and Performance Warranties

for fines, liquidated damages clauses, penalty clauses or performance warranties.

9. Inhalation of Asbestos

directly or indirectly caused by, or contributed to by, or arising from work involving the manufacture, processing, mining, use, storage, installation, handling, removal, stripping out, demolition, transportation or disposal of asbestos, asbestos dust, asbestos fibres or materials containing asbestos fibre.

However, where such activities do not form any part of the *Insured's* normal activities, this Exclusion does not apply to *Legal Liability* arising from:

- A the accidental discovery of materials known or suspected to be asbestos or to contain asbestos fibre; and
- B the investigation of any such suspect materials;

provided always that:

- i immediately upon discovery as defined in A above, all work stops until the composition of all such materials is established; and
- ii any subsequent handling, removal, stripping out, demolition, transportation or disposal of asbestos or materials containing asbestos fibre requiring license is carried out by qualified licensed subcontractors on terms which indemnify the *Insured* for liability arising out of such work;

other than in respect of **Section 5 Employers' Liability**, where the total amount payable by the *Insurer* under **Section 5** including all Extensions in respect of or arising from any one claim or series of claims against *Legal Liability* incurred by the *Insured* arising out of one asbestos *Incident* will not exceed 50% of the overall *Limit of Indemnity*.

10. Loss of Use

for loss or reduction of use to property without *Damage* to such property.

11. North American Jurisdiction

in respect of

- A. Any loss occurring in United States of America or Canada which gives rise to a claim under this Policy;
- B. any claim made or brought in the United States of America or Canada; or
- C. Any judgment, award or settlement made in any country or territory which operates under the laws of the United States of America or of Canada or in respect of any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part.

12. Professional Services

arising from or in connection with:

- A advice;
 - B design; or
 - C specification,
- provided for a fee.

13. Punitive and Exemplary Damages

for punitive or exemplary damages, or any damages resulting from the multiplication of compensatory damages.

14. Radioactive Contamination

directly or indirectly caused by, or contributed to by, or arising from:

- A ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- B the radioactive, toxic, explosive or other *Hazardous* properties of any explosive nuclear assembly or nuclear component thereof.

Provided that in respect of claims arising out of *Injury* which fall under **Section 5 – Employers Liability**, this Exclusion only applies when the *Insured* under a contract or agreement has undertaken to indemnify any principal, or has assumed liability for *Injury* caused to a *Person Employed* by contract or agreement, and which liability would not have attached in the absence of such contract or agreement.

15. Work Offshore

arising from or in connection with any *Injury* or work undertaken offshore, meaning from the time of embarkation onto a conveyance at the point of final departure to any offshore installation, whilst on any offshore installation or support or accommodation vessel for an offshore installation, until disembarkation onto land upon return from such installation.

General Exclusions

The following General Exclusions apply to all Sections of this Policy unless stated otherwise. In the event any portion of these Exclusions is found to be invalid or unenforceable, the remainder will remain in full force and effect.

The *Insurer* will not be liable under this Policy for any:

1. Chemical and Biological

Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind chemical and/or biological and/or radiological irritants, contaminants or pollutants.

2. Cyber and Data

A. Cyber

Loss, *Damage*, *Loss of Rent Receivable*, *Legal Liability* or any other loss, cost or expense arising out of or caused deliberately or accidentally by:

- i. the use of or inability to use any application, software, or programme;
- ii. any *Virus or Similar Mechanism* or *Denial of Service Attack*;
- iii. any computer related hoax relating to i and/or ii above.

B. Electronic Data

Loss or *Damage* to, or *Loss of Rent Receivable*, *Legal Liability*, cost or expense arising out of such loss or *Damage* to, any *Electronic Data* wherever it is stored, unless such loss or damage results from an *Insured Peril* and is not otherwise excluded.

For the purpose of this Exclusion, *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.

3. Excess

for the amount of the *Excess* specified in the *Schedule*.

4. Electronic Date Recognition

Loss, *Damage*, *Loss of Rent Receivable* or consequential loss or *Legal Liability* directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the *Insured* or not:

- A. correctly to recognise any date as its true calendar date;
- B. to capture, save or retain, and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; or
- C. to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save or retain or correctly to process such data on or after any date;

but this will not exclude subsequent *Damage* to the *Insured's* property including hired in plant and hired temporary buildings or consequential loss resulting therefrom not otherwise excluded under this Policy, which itself results from an *Insured Peril*.

For the purposes of this General Exclusion the words *Insured Peril* mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any apparatus or pipe, impact by any road vehicle or animal and theft.

5. Infectious or Contagious Disease

Loss, *Damage*, *Loss of Rent Receivable*, *Legal Liability*, claim, cost or expense, in any way caused by or resulting from:

- a) infectious or contagious disease;
- b) any fear or threat of a) above; or
- c) any action taken to minimise or prevent the impact of a) above,

For the purposes of this General Exclusion, infectious or contagious disease means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

This General Exclusion does not apply to **Section 5 – Employers Liability** to the extent that such cover is mandated by any applicable law or regulation.

6. Law and Jurisdiction

Judgments, awards, settlements or orders of courts outside the *Territorial Limits* as defined, or orders seeking to enforce such judgments, awards, settlements or orders, or any liability arising under the law of any place outside the *Territorial Limits*.

7. Mould and Fungus

Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, from mould, fungi, spores, bacteria, or any form of bacterial contamination, except in respect of insurance provide by the **Infestation and Defective Sanitation Extension** under **Section 2 – Loss of Rent Receivable**.

8. Nationalisation and Confiscation

Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, from loss or destruction of or *Damage* to any property or any consequential loss caused by or contributed to confiscation, nationalisation, requisition, seizure or destruction by or under the order of any government or any public or local authority.

9. Northern Ireland

Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, from *Damage* to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

- A. civil commotion; or
- B. any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association, being an organisation which is engaged in *Act of Terrorism* and includes an organisation which at any time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973 or any amendment thereto.

In any action, suit or other proceedings where the *Insurer* alleges that by reason of this Exclusion any loss, destruction or *Damage* or loss resulting from such loss, destruction or *Damage* is not covered by this Insurance (or is covered only up to a *Limit of Liability* as specified in the *Schedule*) the burden of proving such loss, destruction or *Damage* or loss resulting from such loss, destruction or *Damage* is covered (or is covered beyond that *Limit of Liability*) will be upon the *Insured*.

10. Other Insurance

Any loss, *Damage*, *Loss of Rent Receivable*, consequential loss or *Legal Liability* arising, or cost and expenses, which are otherwise more specifically insured under any other Policy by or on behalf of the *Insured*.

11. Punitive and Exemplary Damages

for any fines or damages for breach of contract or any penalties of whatsoever nature.

12. Radioactive Contamination,

Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, 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 Substance* or contaminating properties of any explosive nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
- C. any weapon of war or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

13. Sonic Boom

Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, from pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

14. Terrorism or Act of Sabotage

- A. Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, from any *Act of Terrorism* or *Act of Sabotage* including any action taken in controlling, preventing, suppressing or any *Act of Terrorism*;
- B. Loss, *Damage*, injury, cost or expense directly or indirectly arising out of:
 - i) any business interruption losses resulting from customers or suppliers' extensions or denial of access due to any *Act of Terrorism* or *Act of Sabotage*; or
 - ii) Loss, *Damage*, cost or expenses directly or indirectly arising out of any service interruption due to any *Act of Terrorism* or *Act of Sabotage*.

Provided that this Exclusion will not apply

- a) to the extent covered under **Section 3 - Terrorism**, if specified as 'INSURED' under **Section 3 - Terrorism** in the *Schedule*; and
- b) to the extent of the *Terrorism* cover provided under **Section 4 – Property Owners Liability** and **Section 5 - Employers' Liability**.

15. War

Loss, *Damage*, *Loss of Rent Receivable* or *Legal Liability* arising, directly or indirectly, from *War*, whether *War* be declared or not.

Claims Conditions

The following Claims Conditions apply to all Sections and Extensions of this Policy unless stated otherwise.

In respect of Section 1- Property Damage, Section 2 – Loss of Rent Receivable and Section 3 – Terrorism

1. In the event of a claim, or any circumstances which may give rise to a claim under this Policy the *Insured* must notify the *Insurer* via the broker or intermediary or by contacting the *Insurer* directly via the Claims Notification details specified in the *Schedule*:
 - A. within seven (7) days in the case of *Damage* caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons; or
 - B. as soon as practicable but in any event no later than 30 (thirty) days of the event giving rise to the loss or *Damage* caused by any other *Insured Peril*.
2. Additionally, in the event of any theft, attempted theft, riot, malicious damage or *Act of Terrorism* (if and to the extent that *Act of Terrorism* is insured by this Policy), the *Insured* must immediately notify the police and any other relevant public or local authority.
3. The *Insured* must supply at its own expense full details of the claim, in writing, together with any supporting information, receipts and proofs which the *Insurer* may reasonably require, and no claim will be paid until the *Insured* has complied with this paragraph.

In respect of Section 4 – Property Owners’ Liability and Section 5 – Employers’ Liability

1. As a *Condition Precedent* to liability, the *Insured* must notify the *Insurer* via the dedicated 24 (twenty-four) hour telephone number specified in the *Schedule* immediately the *Insured* is aware of any occurrence or circumstances which may give rise to a claim, including any accident at work which results in seven (7) or more days’ absence for any *Person Employed*, regardless of any applicable *Excess*.
2. In the event that the *Insurer* requires the completion of a ‘Claim Form’ following notification of any claim or circumstances which may give rise to a claim, it is a *Condition Precedent* to the *Insurer’s* liability that the *Insured* completes and signs the ‘Claim Form’ required by the *Insurer* as a Statement of Fact and returns it to the address specified in the *Schedule* within seven (7) days of receipt.
3. As a *Condition Precedent* to *Insurer’s* liability, every letter, claim, writ, summons and/or process in connection with such claim or circumstances must be forwarded to the *Insurer* at the address specified in the *Schedule*, immediately on receipt and in electronic format within seven (7) days (business) of the date and time of receipt.
4. As a *Condition Precedent* to liability, the *Insured* must notify the *Insurer* via the Claims notification details specified in the *Schedule* immediately when the *Insured* has knowledge of any prosecution, inquiry or inquest in connection with any claim or circumstances which may give rise to liability under this Policy.
5. No admission, offer, promise, payment, *Legal Cost* or indemnity will be made or given by or on behalf of the *Insured* without the *Insurer’s* written consent.
6. The *Insurer* is entitled to take over and conduct in the name of the *Insured* the defence or settlement of any claim, or to prosecute any claim in the name of the *Insured* for their own benefit, and will have full discretion in the conduct of any proceedings and in the settlement of any claim. The *Insured* must give all such information and assistance as the *Insurer* may require.
7. It is a *Condition Precedent*, that if the *Insured* receives any Claim Notification Form(s) or notification directly from a *Person Employed* or third party Claimant or their appointed representative, the *Insured* must acknowledge receipt of the Claim Notification Form(s) or notification to the *Person Employed* or third party Claimant or their appointed representative in;
 - A. An electronic format;
 - B. Within 24 (twenty-four) hours from the date and time of receipt thereof; and
 - C. The acknowledgement of the Claim Notification Form(s) must state that the Claim Notification Form(s) has been sent to your *Insurer*.
8. It is also a *Condition Precedent* that any Claim Notification Form(s) or notification received must also be forwarded within 24 (twenty-four) hours to the *Insurer*. Any failure to comply with this condition may

result in the *Insurer* refusing to indemnify, or the *Insured* being liable for any increased costs and/or damages to settle the claim, if such costs and damages would not have been incurred if the *Insured* had complied with this 'Acknowledgement of Claim Notification Form(s)' clause.

9. For any claims against the *Insured* under the Property Owner's Liability and Employers' Liability Sections of this Policy, to which a *Limit of Liability* applies, the *Insurer* will pay the amount of such *Limit of Liability* after deduction of any sums already paid/incurred, or any lesser amount for which at the absolute discretion of the *Insurer* such claims can be settled. The *Insurer* will then give up control of the claim and be under no further liability in respect of the same claim. This does not include *Legal Costs* for which the *Insurer* may be responsible prior to the date of such payment, unless the *Limit of Liability* is inclusive of *Legal Costs*.

General Conditions

The following General Conditions apply to all Sections of this Policy unless stated otherwise:

1. Abandonment

The *Insured* must not abandon any property to the *Insurer*, regardless of whether possession has been taken by the *Insurer* or not.

2. Action to Minimise Loss

It is a *Condition Precedent* that if any circumstance occurs which may give rise to a claim under this Policy the *Insured* must take action to minimise the loss or *Damage*, to avoid interruption or interference with the *Rental Operations* and to prevent further *Damage* or *Injury*.

3. Alteration of Risk

If, after the beginning of the *Period of Insurance*, there is any alteration:

- A. by removal;
 - B. whereby the risk of *Damage*, *Injury* or *Legal Liability* is increased;
 - C. whereby the *Insured's* interest ceases except by will or operation of law;
 - D. whereby any business of the *Insured* owned or operated for the purpose of *Rental Operations* is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued; or
 - E. any change is made in the description of the *Rental Operations*, *Rental Property*, or *Insured Premises*,
- the *Insured* must give written notice to the *Insurer* as soon as possible and in any event no later than 14 (fourteen) days from the date of the alteration or the *Insured's* knowledge of the alteration.

The *Insurer* reserve the right to amend the terms of this Policy at the time of such notification and no indemnity will be provided until the *Insured* has accepted the terms in writing and by an Endorsement attaching to this Policy. Any change in the description of the *Rental Operations*, *Rental Property*, or *Insured Premises* and any material variation from the information supplied to the *Insurer* prior to the *Period of Insurance* and not notified to the *Insurer* is not indemnified under this Condition.

4. Assignment

Any assignment or transfer of the insurance provided by this Policy will not be valid without the prior written consent of the *Insurer*.

5. Cancellation

This Insurance may be cancelled at any time by the *Insured*, by giving notice to the *Insurer*.

- A. If the *Insured* cancels the Policy during the first 14 (fourteen) days of inception of receipt of the insurance documents or the start of the *Period of Insurance*, whichever is the earlier (the cooling off period), the *Insurer* will refund the *Premium* paid.
- B. If the *Insured* wishes to cancel the Policy after expiry of the cooling off period specified in A above, the *Insured* must give 14 (fourteen) days' notice in writing to the *Insurer*. The *Insured* will be entitled to a return of *Premium* in respect of the unexpired portion of the *Period of Insurance* only.
- C. If a claim has been submitted or paid or a circumstance notified to the *Insurer* as being likely to give rise to a claim during the *Period of Insurance*, no refund of *Premium* will be given under any circumstances.

This Insurance may also be cancelled by the *Insurer* for a valid reason, by sending 14 (fourteen) days' notice to the last known address of the *Insured* stating the reason for cancellation.

Valid reasons for cancellation include:

- i) Non-payment of *Premium*;
- ii) A change in the risk, meaning that the *Insurer* can no longer provide the *Insured* with cover;
- iii) The *Insured's* non-cooperation or failure to provide any information or documentation the *Insurer* asks for; or
- iv) Threatening or abusive behaviour, or the use of threatening or abusive language.

Where this Condition is exercised, the *Insured* is entitled to a return of *Premium* in respect of the unexpired portion of the *Period of Insurance*, after any adjustment of the *Premium* paid as provided for by any conditions of this Policy, and subject to no claim having been paid or being outstanding (in whole or in part) in respect of the expired portion of the *Period of Insurance*.

In the event of receipt of notice of cancellation by either party after a claim has been paid, any *Premium* outstanding will become immediately payable.

6. Choice of Law and Jurisdiction

Unless otherwise agreed by the *Insurer* and the *Insured*, this Policy is subject to and construed solely in accordance with the laws of England and Wales, and any disputes not falling within the scope of any arbitration provisions herein are subject to the exclusive jurisdiction of the courts of England and Wales.

7. Conditions Precedent

Conditions Precedent to liability must be satisfied before the *Insurer* becomes liable to make any payment to the *Insured* under this Policy. In the event of the *Insured's* breach of any *Conditions Precedent* in respect of any claim the *Insurer* is entitled to decline liability and will not be required to make any payment to the *Insured* for such claim.

8. Contract (Rights of Third Parties) Act 1999

This insurance does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or any amending or subsequent legislation by any person who is not named as the *Insured*, and both the *Insurer* and *Insured* may amend, cancel or lapse this insurance without giving notice to, or requiring the consent of, any other third party. However, this will not affect rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

9. Contribution

If at the time of any claim(s) covered by the **Section 1 - Property Damage**, **Section 2 - Loss of Rent Receivable** and **Section 3 - Terrorism** Sections of this Policy, other insurance policies cover the same risk or part of the same risk, the *Insurer* will not be liable for more than a percentage proportion of the claim calculated by reference to the policy limits of each applicable insurance policy.

If any such other insurance policies are subject to any condition relating to underinsurance (also known as Average), this Policy, if not already subject to any such condition, will be subject to it in the same way.

If any such other insurance is subject to any provision whereby it is excluded from applying equally alongside this Policy, either in whole or in part, or from contributing proportionately as described above, the liability of the *Insurer* will be limited to that proportion of the *Damage* which the *Sum Insured* under this Policy bears to the value of the property.

10. Declarations of Premium

If any part of the *Premium* is based on estimates provided by the *Insured*, the *Insured* must keep an accurate record containing all relevant information and must at any time allow the *Insurer* to inspect such record.

11. Employers' Liability Tracing office database

The *Insurer* is required by regulation to maintain a database of all the companies and subsidiary companies for which it provides insurance under the Employers' Liability (Compulsory Insurance) Regulations 1998 and to submit such details to the Employers' Liability Tracing Office database.

Where this Policy provides insurance under **Section 5 - Employers' Liability**, it is a condition of this insurance that the *Insured* undertakes to supply full details (as required by the Employers' Liability Tracing Office) of the company and all subsidiary companies to the *Insurer* at inception of this policy and promptly thereafter following acquisition or disposal of any subsidiary company.

12. Excess

No indemnity is provided until the applicable *Excess* for any claim has been paid to and received by the *Insurer*.

13. Fraudulent claims

If the *Insured* makes a fraudulent claim under this insurance, the *Insurer*:

- i) is not liable to pay the claim;
- ii) may recover from the *Insured* any sums paid by the *Insurer* to the *Insured* in respect of the claim;
- iii) may by notice to the *Insured* treat the contract as having been terminated with effect from the time of the fraudulent act; and
- iv) need not return any of the premiums paid.

14. Insurance Act 2015

Nothing in this insurance contract is intended to limit or affect the statutory rights or obligations of any of the parties to this contract under, and/or the effect of, Parts 2, 3, 4 or 5 of the Insurance Act 2015.

15. Investigation Rights following a Claim

In the event of a claim or notification of any circumstance which may give rise to a claim under this Policy, the *Insurer* (and every person authorised by them) has the right to enter the relevant premises, and to take and keep possession of any of the *Property Insured* (or require it to be delivered to them) for investigative purposes, and to deal with any salvage in a reasonable manner. No claim under this Policy will be payable unless the terms of this Condition have been complied with. This Condition is evidence of permission from the *Insured* to the *Insurer*.

If the *Insured* or anyone acting on behalf of the *Insured* does not comply with the requirements of the *Insurer* or hinders or obstructs the *Insurer* in doing any of the above-mentioned acts, then all benefit under this Policy will be forfeited.

16. Non aggregation

In the event a claim involves losses which may be covered under more than one Section of this Policy, the *Insured* will be entitled to indemnification under only the Section providing more specific cover with regard to that claim or the Section with the highest limit with respect to that claim.

17. Compliance with Terms and Right of Recovery

Compliance with the terms of this Policy relating to anything to be done or complied with by the *Insured* is a *Condition Precedent* to any liability of the *Insurer*, except in so far as is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to the compulsory insurance of *Legal Liability to Persons Employed*. The *Insured* will repay to the *Insurer* all sums paid under of this Policy, with special reference to the **Section 5 Employers' Liability** section, which the *Insurer* would not have been liable to pay but for the provisions of such legislation.

18. Observance and Care

It is a *Condition Precedent* to liability that the *Insured* will:

- A. comply with all statutory and other obligations and regulations imposed by any authority;
- B. maintain the *Insured Premises*, machinery, plant and equipment and other services (including fire, security and safety equipment) in a satisfactory state of repair;
- C. exercise reasonable care in the selection and supervision of *Persons Employed* and in the employment of competent staff;
- D. in the event of discovery of any defect or danger, immediately cause such defect or danger to be made good or remedied, and in the meantime take such additional precautions as the circumstances may require;
- E. take all reasonable care to prevent any circumstances or to cease any activity which may give rise to liability under this Policy and
- F. act in accordance with all statutory obligations and regulations.

19. Payment of Premium

No indemnity is provided by this Policy until the *Premium* has been paid to and received by the *Insurer*. If the *Premium* is not paid and accepted by the *Insurer* on or before the *Premium* payment date specified in the *Schedule*, the *Insurer* can give written notice to the *Insured* at its address specified on the *Schedule* cancelling the Policy.

20. Reasonable diligence

It is a *Condition Precedent* that the *Insured* takes all reasonable precautions:

- A. for the safety of and to avoid, prevent or minimise any *Damage* to the *Property Insured*; and
- B. to avoid, prevent or minimise any injury to others or *Damage* to their property;

which might give rise to a claim under this Policy.

If the *Insured* does not take such reasonable precautions, the *Insurer* will be entitled to rely on this to exclude, limit or discharge their liability for any claim unless the *Insured* shows that its non-compliance with this term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

21. Reinstatement of Damage

If the *Insurer* elects or becomes bound to reinstate or replace any property, the *Insured* will at its own expense provide all such plans, documents, books and information as the *Insurer* may reasonably require. The *Insurer* will not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner, and will not in any case be bound to pay out in respect of any one of the items of *Property Insured* more than its *Sub-Limit*.

22. The duty of fair presentation

- A. The *Insured* owes the *Insurer* a legal duty to make a fair presentation of the risk. That is, to disclose to the *Insurer* all information which the *Insured* knows, or ought to know, which is relevant to the *Insurer's* decision whether or not to provide this insurance.
- B. If the *Insured* deliberately or recklessly breaches the duty of fair presentation, the *Insurer* will be entitled to avoid the insurance contract, refuse to pay all claims, and retain any premium paid.
- C. If the *Insured's* breach of duty is not deliberate or reckless, the *Insurer* will be entitled to a remedy based on what it would have done had the *Insured* complied with the duty.
 - i) If the *Insurer* would not have entered into the contract at all, the *Insurer* may avoid the contract and refuse all claims, but will return the *Premium* paid.
 - ii) If the *Insurer* would have entered into the contract but on different terms (other than terms relating to the premium), the contract may be treated as if it was entered into on those different terms from the outset.
 - iii) If the *Insurer* would have entered into the contract but would have charged a higher premium, the *Insurer* may reduce proportionately the amount to be paid on a claim.

23. Risk Improvements Survey

The *Insurer* or a representative of the *Insurer* has the right to undertake a risk improvement survey of the *Insured's* premises.

Following the survey report, it is a *Condition Precedent* to *Insurer's* liability that the risk improvement requirements in the report are completed by the *Insured* on or before any specific completion deadline dates quoted by the *Insurer*. If the *Insured* is unable to comply with one or more of the risk improvement requirements by the date specified, the *Insured* or their representative should notify the *Insurer* within seven (7) days of their receipt of the report and agree alternative completion deadline date or dates. However, this will not be permitted in respect of such risk improvement requirements which the *Insured* had agreed to complete immediately or within 14 days of the date of the survey.

If such deadline dates are unrealistic, the *Insured* will be responsible for making this clear to the surveyor at the time of the survey, and agree alternative deadline dates with the surveyor. If the *Insured* does not respond to the *Insurer* within seven (7) days of their receipt of the survey report it will be assumed that completion dates have been understood, accepted and will be complied with.

If the risk improvement requirements have not been completed in whole or in part by the completion deadline dates the *Insurer* has the right to:

- A. amend the Policy terms, conditions or exclusions and / or require completion of risk improvements issued in writing by the *Insurer* within a defined period, or
- B. terminate the Policy from inception, in writing to the *Insured* at the address in the *Schedule*.

If the *Insurer* elects to change the terms in accordance with A above, the *Insured* may:

- i) terminate the Policy within 14 days of receipt of the revised terms by giving notice in writing to the *Insurer* and the *Insured* will be entitled to a pro rata return of *Premium* for the unexpired *Period of Insurance*; or
- ii) continue the Policy at the revised terms for the remainder of the *Period of Insurance*.

24. Sanctions

The *Insurer* will not be deemed to provide cover or be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the *Insurer* to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

25. Several Liability

The subscribing *Insurers'* obligations hereunder are several and not joint, and are limited solely to the extent of their individual subscriptions. The subscribing *Insurers* are not responsible for the subscription of any co-subscribing *Insurer(s)* or underwriter(s) who for any reason does not satisfy all or any part of their obligations.

26. Subrogation

Any claimant under this Policy will, at the request and expense of the *Insurer*, take and permit to be taken all necessary steps for enforcing rights and remedies against any other party in the name of the *Insured*, whether such steps are or become necessary before or after any payment is made by the *Insurer*.

27. Subrogation Waiver

Notwithstanding the subrogation condition above, in the event of a claim arising under this Policy the *Insurer* agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- A. any company which is a parent to subsidiary (or subsidiary to parent) of the *Insured*; or
 - B. any company which is a subsidiary of a parent company of which the *Insured* themselves are a subsidiary;
- in each case within the meaning of the Companies Act(s).

In respect of any other party, it is a *Condition Precedent* to cover that the *Insured* does not, without specific prior written agreement by the *Insurer*, agree to any term of any contract or agreement which restricts, reduces or waives the *Insured's* or the *Insurer's* right of recovery from any other party. When such prior written agreement is requested by the *Insured*, the *Insurer* will be entitled to:

- i) charge an additional premium;
- ii) request that *Insured* seek to renegotiate its contract without such term(s);
- iii) exclude from cover liability for any amounts which would have been recoverable from another party in the absence of such term(s); and/or
- iv) apply a net contribution limit to the *Insurer's* indemnity in respect of the relevant project.

Further Information

Complaints Procedure [REPLACE BELOW WITH COVERHOLDER LANGUAGE IF COMPLAINTS HANDLING AUTHORITY DELEGATED]

We strive to provide an excellent service to all *Our* customers but occasionally things can go wrong. We take all concerns seriously and endeavour to resolve all customers' problems promptly. If *You* have a question or concern about *Your* policy *You* should, in the first instance follow the guidance notes or instructions in the insurance documentation *You* have been sent. *Your* broker will also be able to advise *You* and provide assistance in this regard.

Alternatively, if *You* wish to contact *Us* directly *You* should either write or telephone:

The Complaints Department
Brit Syndicates Limited
The Leadenhall Building
122 Leadenhall Street
London EC3V 4AB

Telephone: 0044 (0) 20 385 70000
Facsimile: 0044 (0) 20 385 70001
Email: BGS.Complaints@britinsurance.com

In the unlikely event that *You* remain dissatisfied and wish to make a complaint *You* can do so at any time by referring the matter to *Us* at the above stated address or the Complaints Team at Lloyd's at the following address:

Complaints
Lloyd's
One Lime Street
London EC3M 7HA

Email: complaints@lloyds.com
Telephone: +44 (0)20 7327 5693
Fax: +44 (0)20 7327 5225
Website: www.lloyds.com/complaints

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

Should *You* remain dissatisfied after Lloyd's has considered *Your* complaint and *You* are NOT a policyholder in the UK, *You* should, in the first instance, seek advice from *Your* broker as to whom *You* should direct your complaint.

If *You* are a policyholder in the UK, *You* may be able to refer the matter to The Financial Ombudsman Service. The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services, they can normally deal with complaints from private individuals and from small organisations; further information is available from:

Financial Ombudsman Service (FOS)
Exchange Tower
London
E14 9SR
Helpline: 0800 0234 567
0044 20 7964 0500 (if outside UK)
Switchboard: 0044 (0) 20 7964 1000
Facsimile: 0044 (0) 20 7964 1001

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

Making a complaint to the Financial Ombudsman Service (FOS) does not affect *Your* rights under this policy but if *You* are not an eligible complainant then the informal complaint process ceases.

Data Protection Information

Who We are

We are the Lloyd's underwriter(s) identified in the contract of insurance and/or in the certificate of insurance.

The basics

We collect and use relevant information about you to provide you with *Your* insurance cover or the insurance cover that benefits you and to meet our legal obligations.

This information includes details such as *Your* name, address and contact details and any other information that *We* collect about you in connection with the insurance cover from which *You* benefit. This information may include more sensitive details such as information about *Your* health and any criminal convictions *You* may have.

In certain circumstances, *We* may need *Your* consent to process certain categories of information about *You* (including sensitive details such as information about *Your* health and any criminal convictions *You* may have). Where *We* need *Your* consent, *We* will ask *You* for it separately. *You* do not have to give *Your* consent and *You* may withdraw *Your* consent at any time. However, if *You* do not give *Your* consent, or *You* withdraw *Your* consent, this may affect *Our* ability to provide the insurance cover from which *You* benefit and may prevent *Us* from providing cover for *You* or handling *Your* claims.

The way insurance works means that *Your* information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. *We* will only disclose *Your* personal information in connection with the insurance cover that *We* provide and to the extent required or permitted by law.

Other people's details you provide to us

Where *You* provide us or *Your* agent or broker with details about other people, *You* must provide this notice to them.

Want more details?

For more information about how *We* use *Your* personal information please see our full privacy notice(s), which is/are available online on our website(s) – www.britisurance.com - or in other formats on request.

Contacting us and your rights

You have rights in relation to the information *We* hold about *You*, including the right to access *Your* information. If *You* wish to exercise *Your* rights, discuss how *We* use *Your* information or request a copy of our full privacy notice(s), please contact us, or the agent or broker that arranged *Your* insurance who will provide *You* with our contact details at:

Data Protection Officer
Brit Syndicates Limited
The Leadenhall Building
122 Leadenhall Street
London EC3V 4AB

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). *You* may be entitled to compensation from the scheme if *We* cannot meet *Our* obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY
Tel: 0800 678 1100
Website: www.fscs.org.uk

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Authority and regulated by the Financial
Conduct Authority and the Prudential
Regulatory Authority.

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