

# ABACUS

Equity Commercial Property Owners  
Policy Wording

Underwritten by Equity Red Star

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## Notice to Policyholders

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The following updates apply to your insurance policy document.

### **COMPLAINTS PROCEDURE**

With effect the 1st November 2009 the Financial Ombudsman Service is changing its complaint handling rules concerning small businesses. From this date the Ombudsman will only consider your complaint if you are a "micro-enterprise". This is defined as a business with an annual turnover not exceeding 2 million and fewer than ten staff.

### **FINANCIAL SERVICES COMPENSATION SCHEME**

With effect the 1st January 2010 the Financial Services Compensation Scheme arrangements are changing. From this date the first 90% of every claim is protected without any upper limit. You can get further information about the compensation scheme arrangements from the FSCS or by visiting their website at [www.fscs.org.uk](http://www.fscs.org.uk).

## **INDEX TO YOUR CERTIFICATE**

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## General Definitions

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### **The Insured/You/Your**

The person(s) company or firm named as the Insured in the Schedule

### **The Insurers /We/Us/Our**

The Insurers named on the Schedule

### **The Business**

Business means your business as owners of the Premises or as lessees where you are responsible for the upkeep repair and maintenance of the Premises as leaseholder under a legal lease for a specified term

### **The Premises**

Premises means the Premises stated in the Schedule

### **The Building(s)**

The Building(s) means the Building situate at the Premises being built of brick stone or concrete and roofed with slate tile metal asphalt or concrete and occupied as stated in the Schedule

### **Damage**

The term Damage when referred to in this Certificate shall mean loss or destruction of or damage to Property Insured by an Insured Peril (stated on the Schedule as being operative) or any other cause insured under the respective Section other than as excluded hereafter

### **Accidental Damage**

The term Accidental Damage means damage caused by accidental and external means

### **Average (Underinsurance)**

Average means whenever a Sum Insured is declared to be subject to Average (Underinsurance) if at the time of Damage to the Property Insured by any Item the Sum Insured in respect of that Item is less than 85% of the full value of the property to which it applies you will be considered to be your own insurer for the difference and will be expected to bear a rateable share of the loss accordingly

### **Excess**

Excess means an amount deducted from each and every loss or series of losses arising from any one event or occurrence likely to give rise to a claim hereunder after the application of all other terms exclusions and conditions of this Certificate as stated on the Schedule

### **Employee**

Employee means any

- a) person under a contract of service or apprenticeship with you
- b) self employed person
- c) person under a work experience scheme
- d) person hired or borrowed by you and working for you in connection with the Business

### **Injury**

Injury means bodily injury death illness disease or shock causing bodily injury

### **Offshore**

Offshore means from the moment in time that an **Employee** shall embark onto any conveyance at the point of final departure on land to any offshore installation until the moment in time that an **Employee** shall disembark from any conveyance onto land upon their return from any offshore installation

### **Property**

Property means material property

### **Goods**

Goods means any goods or products (including containers labelling instructions or advice provided in connection therewith) manufactured sold supplied erected repaired altered treated transported serviced or installed by the **Insured** in the course of the **Business**

## Buildings

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### COVER

In the event of Damage by an Insured Peril (stated on the Schedule as being operative) to the Property Insured we will pay you the value of the property at the time of its Damage or the amount of the Damage or at our option reinstate the property or any part of it

### PROPERTY INSURED

#### Buildings

The Buildings of all structures on the site of the Premises (including all external and internal fixed glass therein) belonging to you or for which you have accepted responsibility including landlord's fixtures and fittings walls gates fences and hedges and the following expenses necessarily incurred with our consent

#### Fees

Architects' surveyors' consulting engineers' and legal fees necessarily and reasonably incurred in connection with the repair or reinstatement of the damaged parts of the Property Insured but excluding fees for preparing any claim.

#### Debris Removal

The cost of removing debris demolishing shoring up or propping up of the damaged parts of the Property Insured

##### Excluding

any costs or expenses

- a) incurred in removing debris except from the Premises of such Property Insured destroyed or from the area immediately adjacent to the Premises
- b) arising from pollution or contamination of property not insured by this Section

#### Underground Services

The cost of repairing Damage by an Insured Peril to piping ducting cables wires and associated control gear and accessories on the Premises and extending to the public mains but only to the extent of your responsibility and provided such Damage is not otherwise insured

#### Local Authorities

Any additional cost of repairing or replacing the damaged parts of the Property Insured incurred solely to comply with any statutory requirements or local authority bye laws

##### Excluding

Any cost arising from a notice served upon you prior to the date of the Damage

## Buildings (continued)

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### INSURED PERILS

#### (As stated on the Schedule as being operative)

- 1 Fire lightning explosion earthquake subterranean fire
- 2 Riot civil commotion strikers locked out workers or persons taking part in labour disturbances or malicious persons

**Excluding**

damage occasioned by or happening through confiscation or destruction seizure or requisition by the government or any public authority

- 3 Theft or attempted theft following upon or followed by forcible and violent entry to or exit from the Buildings
- 4 Hold up by violence and/or threats of violence to you or your employees
- 5 Storm or flood

**Excluding**

- a) damage by frost subsidence heave or landslip
- b) damage to gates fences and hedges and moveable property in the open
- c) damage attributable solely to change in water table level

- 6 Escape of water from any tank apparatus or pipe
- 7 Leakage of oil from any fixed oil heating installation

**Excluding**

defective vaporisation smoke and smudge

- 8 Aircraft and other aerial devices or articles dropped from them
- 9 Breakage or collapse of television and radio aerials external satellite dishes aerial fittings and masts

**Excluding**

- a) damage to the television and radio aerial fittings and masts themselves unless specifically insured by this Certificate
- b) damage to external satellite dishes unless specifically insured by this Section

- 10 Impact by
  - a) any vehicle or animal
  - b) falling trees or branches other than if caused by felling or lopping by you or on your behalf

### Limit of Liability

Our liability under this Section is limited to the respective Sum Insured shown in the Schedule

## Buildings (continued)

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### EXTENSIONS

This Section extends to include:

#### 1 Replacement Locks

The cost of necessarily replacing external door locks and keys to maintain the security of the Buildings following theft of keys

- 1) by forcible and violent means from the Premises or the private residence of the Insured or an employee of the Insured authorised to hold such keys
- 2) involving hold up actual or threatened assault or violence to the Insured or member of the Insured's family or to any employee of the Insured

up to an amount not exceeding £500 any one claim

#### 2 Landscaped Gardens

The cost of restoring any damage or destruction to external landscaping for which the Insured is responsible at the Premises caused by the Fire Brigade or other authorities attending the Premises solely as a result of Damage to the Buildings up to an amount not exceeding £10,000 any one claim

#### 3 Malicious Attack

Compensation to the following Benefit Limits if the Insured a Director or Employee of the Insured sustains bodily injury by violent external and visible means as a result of a malicious attack in the course of theft or attempted theft from the Buildings or actual or threatened assault or violence at the Premises and the injury independently of any other cause results in death or disablement of the Insured Director or Employee as follows:

	<b>Benefit Limit</b>
1) death	£ 5,000
2) physical severance or permanent and total use of an entire hand or arm or entire foot or leg and/or loss of sight of one or both eyes occurring within twelve months from the date of the injury	£ 5,000
3) permanent total disablement which permanently completely and continuously prevents the injured person from attending to his or her usual occupation or any other occupation for which he or she is fitted by knowledge and training and which having lasted 52 weeks and at the end of that time being beyond hope of improvement	£ 5,000
4) temporary total disablement which prevents the injured person from attending to his or her usual occupation	£50 per week

## Buildings (continued)

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provided that

- 1) compensation shall not be paid under more than one of items a) b) or c) above for the consequence of the same injury
- 2) compensation under item d) shall not be paid for more than 52 weeks in respect of any one injury and the amount paid hereunder shall be deducted from any amount subsequently payable under items a) b) or c)
- 3) compensation shall not be paid unless as soon as possible after sustaining the injury the injured person attends a qualified medical practitioner whose advice he or she shall follow
- 4) compensation under item d) shall be payable after each 4 consecutive weeks of the disablement

### **Excluding**

Compensation for injury as a consequence of pre-existing mental or physical defect or infirmity or to any person who at the time of sustaining the injury is under 16 years or over 65 years of age

## **4 Tracing and accessing leaks**

If the buildings are damaged due to water escaping from water tanks, pipes, equipment or fixed heating systems in the premises, we will pay the reasonable cost of removing and replacing any other part of the buildings necessary to find and repair the source of the leak and making good. We will not pay more than £2,500 for any one incident and £5,000 in any one year.

## **EXCLUSIONS**

This Section does not cover:

- 1 damage to Property Insured caused by its undergoing any heating process or process involving the application of heat
- 2 damage to electrical equipment caused by its short circuiting or overrunning not resulting in fire
- 3 damage due to theft or attempted theft or malicious damage
  - 1) by or in collusion with any member of your family or Employees
  - 2) to any Buildings or portions thereof which are open sided or incapable of being locked or left vacant or becomes disused
  - 3) which is otherwise insured
- 4 property more specifically insured by you or on your behalf
- 5 the Excess stated in the Schedule other than in respect of Extension 3 (Malicious Attack) for which we will pay the full agreed amounts
- 6 consequential loss of any kind or description

## **Buildings (continued)**

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### **SPECIAL PROVISIONS**

#### **1 Sale of Buildings**

When you contract to sell your interest in the Property Insured the contracting purchaser who completes the purchase and his or her mortgagees shall have the benefit of the insurance by this Section. The benefit shall be up to the date of completion during the currency of this Certificate and provided the Property Insured is not otherwise insured. The benefit shall also be without prejudice to your and our rights and liabilities.

#### **2 Basis of Claims Settlement**

In the event of Damage to the Property Insured we will pay the full cost of repair or reinstatement to a condition equal to but not better or more extensive than its condition when new provided such cost has been incurred except that a deduction for deterioration will be made if the Property Insured has not been maintained in good repair.

provided that

- a) the work of rebuilding or repair and restoration (which may be carried out upon another site and in any manner suitable to your requirements subject to our liability not being increased) is commenced and carried out within a reasonable time
- b) when the Property Insured is damaged or destroyed in part only our liability shall not exceed the sum representing the cost which we could have been called upon to pay if such Property Insured had been wholly destroyed.

#### **3 Reinstatement of Sum Insured**

The Sum Insured by this Section will not be automatically reduced as a result of a claim provided that you shall pay the appropriate additional premium on the amount of such claim from the date thereof to the expiry of the Period of Insurance. Additional Premiums of less than £100.00 will be waived.

#### **4 Average (Underinsurance)**

The Sums Insured by this Section is subject to Average (Underinsurance).

#### **5 Additional Interests**

- a) The interest of other parties is noted in this Section and you undertake to declare the names of such interested parties immediately following any claim.
- b) The act or neglect of you or any occupier of the Premises hereby insured whereby the risk of Damage is increased without the authority or knowledge of said party (parties) shall not prejudice the interest of the said party (parties) in this insurance provided they shall notify us immediately on becoming aware of such increased risk and pay additional premium if required.

#### **6 Workmen**

Workmen are allowed on the Premises for the purpose of repairs maintenance minor extensions or alterations without prejudice to the Certificate.

## **Buildings (continued)**

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### **7 Subrogation Waiver**

We agree to waive any rights or remedies or relief to which we may be entitled by subrogation against

- 1) any Parent or Subsidiary Insurers of the Insured or any Company which is a subsidiary of a Parent Company of which you are a subsidiary
- 2) any tenant or lessee in respect of Damage to that part of the Building occupied by the tenant or lessee or to common parts of the Building provided that the Damage is not a result of a criminal fraudulent or malicious act by the tenant or lessee

### **8 Newly Acquired Buildings**

This Section extends to include newly acquired Buildings in Great Britain insofar as the same are not otherwise insured and alterations additions and improvements to the Property Insured (but not in respect of appreciation in value) provided that:

- 1) at any one situation this cover will not exceed £250,000
- 2) you undertake to give us details of such extension within 21 days of acquisition or alteration to effect specific insurance thereon and pay such additional premium as may be required from the date of acquisition or alteration

### **9 Notice**

You shall notify us when any Building or part thereof insured by this Section becomes unoccupied or when an unoccupied Building or part thereof is again occupied and shall pay such additional premium as necessary

### **10 Glass Cover**

Damage to fixed glass insured by this Section extends to include reasonable costs necessarily incurred in respect of boarding up or temporary glazing pending replacement of broken glass and the removal and refixing of window fittings and other obstacles to said replacement

### **11 Index Linking**

The sum insured for buildings will be index-linked and will be adjusted at a rate of 3% per year, or in line with any other index that we decide.

If you make a claim, index linking will continue during the period when the repair or rebuilding is being carried out, as long as you take reasonable action for the repair or rebuilding to be carried out immediately.

We will not make a charge for index linking during the period of insurance. However, each time your insurance is renewed, we will work out a new premium for the adjusted sum insured.

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## Loss of Rent

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### DEFINITIONS

#### Gross Rentals

Gross Rentals means the money paid or payable to the Insured in respect of work done and services rendered

#### Indemnity Period

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

#### Maximum Indemnity Period

Maximum Indemnity Period as stated in the Schedule

#### Annual Gross Rentals

Annual Gross Rentals means the Gross Rental during ) adjusted as may be necessary to provide  
the twelve months immediately before the date of ) for variations in or other circumstances  
the Damage ) affecting the Business so that the adjusted

#### Standard Gross Rental

Standard Gross Rental means the Gross Rental ) figures shall represent as far as possible  
during the twelve months immediately before the ) the results which but for the Damage  
the date of the Damage which corresponds with ) would have been obtained during the  
the Indemnity Period ) relative period after the Damage

Note 1 To the extent that you are accountable for Value Added Tax all terms in this Section shall be exclusive of such tax

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

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## Loss of Rent (continued)

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### COVER

In the event of the Business at the Premises being interrupted or interfered with as a direct result of Damage insured under Section 1 of this Certificate and liability for such Damage having been admitted (unless such payment or liability has been excluded as being below a specified amount) under this Certificate covering your interest in such Property Insured we will indemnify you in respect of

**a) Reduction in Gross Rentals** being:

the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Rentals

**b) Increase in Cost of Working** being:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals 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 thereby avoided less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Rentals as may cease or be reduced in consequence of the Damage

provided that if the Sum Insured by this Section shall be less than the Annual Gross Rental (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months) the amount payable shall be proportionately reduced

### Limit of Liability

Our liability under this Section shall not exceed the Sum Insured specified in the Schedule

### EXTENSIONS

This Section extends to include

#### 1 Professional Accountants Charges

reasonable charges payable to you to your professional accountants for producing such particulars or details contained in your books of account or other business books or documents or any other proofs information or evidence as we may require under the terms of General Condition 6 of this Certificate and reporting that such particulars or details are in accordance with your books of account or other business books or documents

provided that the sum of the amount payable under this Extension and the amount otherwise payable under this Section shall in no case exceed the Limit of Liability

#### 2 Denial of Access and Damage at Managing Agents Premises

Loss as insured by this Section resulting from interruption of or interference with the Business in consequence of Damage insured under Section 1 to property

- 1) in the vicinity of the Premises (which is deemed for the purposes of this Insurance to be 1 mile radius of the Premises) which shall prevent or hinder the use of or access to the Premises whether your property or Premises be damaged or not
- 2) at the premises of the your Managing Agents

## Loss of Rent (continued)

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### **SPECIAL PROVISIONS**

#### **1 Rent Review**

In the event of the Gross Rentals being subject to a Rent Review during the Indemnity Period under the terms of a lease or rental agreement then the Sum Insured by this Section will be automatically increased by a maximum of 100%

#### **2 Alternative Trading**

If during the Indemnity accommodation shall be provided or services rendered elsewhere than at the Premises for the benefit of the Business either by you or by others on your behalf the money paid or payable in respect of such accommodation and services shall be taken into account in assessing the Gross Rentals during the Indemnity Period

#### **3 Payment on Account**

In the event of loss if requested by you we will make monthly payments on account during the Indemnity Period

#### **4 Reinstatement of Sum Insured**

The Sum Insured by this Section will not be automatically reduced as a result of a claim provided that you shall pay the appropriate additional premium on the amount of such claim from the date thereof to the expiry of the Period of Insurance

## Liability

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### THE INSURANCE

The Insurers will subject to the terms exceptions conditions endorsements and Limits of Indemnity of this Insurance indemnify the Insured against

- a) all sums which the Insured shall become legally liable to pay as damages and in addition claimants costs and expenses in respect of Injury or loss of or damage to property as defined in any Section to which this Insurance applies and which arises in connection with the Business
- b) all costs and expenses incurred with the written consent of the Insurers in respect of any claim against the Insured which may be the subject of indemnity under this Insurance
- c) the payment of the solicitor's fees incurred with the written consent of the Insurers for representation of the Insured at
  - (i) any Coroner's Inquest or Fatal Accident Inquiry in respect of any death
  - (ii) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty resulting in Injury or loss of or damage to Property

which may be the subject of indemnity under this Insurance

### SPECIFIC DEFINITIONS FOR THIS SECTION ONLY

- 1. **The Business** shall mean the description shown in the Schedule and
  - a) the ownership repair and maintenance of the Insured's own property
  - b) the provision and management of canteen social sports and welfare activities for the benefit of the Insured or Employees
  - c) the provision and management of first aid fire security and ambulance servicesand no other business for the purposes of this Insurance
- 2. **Terrorism** shall mean any act whether involving violence or the use of force or not or the threat or the preparation 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) which is designed to or does intimidate or influence a de jure or de facto government or the public or a section of the public or disrupt any segment of the economy and from its nature or context is done in connection with political social religious ideological or similar causes and objectives

### SUB-SECTION A - EMPLOYERS' LIABILITY

#### Scope of Cover

Injury sustained by any Employee of the Insured arising out of and in the course of his employment or engagement by the Insured and caused during the Period of Insurance

- a) in Great Britain Northern Ireland the Channel Islands or the Isle of Man
- b) whilst temporarily outside the countries named in (a) provided that any such Employee is
  - (i) ordinarily resident in any of the aforesaid countries
  - (ii) engaged in non-manual work

## Liability (continued)

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### Rights of Recovery

The indemnity granted by Sub-Section A of this Insurance is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in Great Britain, Northern Ireland, the Isle of Man, but the Insured shall repay to the Insurer all sums paid by the Insurer which the Insurer would not have been liable to pay but for the provisions of such law.

### Section Exceptions

These apply in addition to the General Exceptions

The Insurer shall not indemnify the Insured under this Section against liability

- a) for Injury sustained by any Employee of the Insured whilst
  - (i) carried in or upon entering leaving ascending descending mounting or alighting from any vehicle on a road as defined designated or specified in any road traffic legislation
  - (ii) Offshore  
(If the Insurer is required by compulsory insurance regulations to make a payment in respect of Injury occurring Offshore then the Limit of Indemnity of £5,000,000 any one occurrence shall apply)
  - (iii) working upon, repairing, decorating or cleaning any external work above ground level.
  - (iv) working on any structural building work.

### Limit of Indemnity

The maximum liability of the Insurer payable under this Section in respect of any one claim against the Insured or series of claims against the Insured arising out of one occurrence inclusive of all costs and expenses shall not exceed in the aggregate the Limit of Indemnity stated in the Schedule

## SUB-SECTION B - PUBLIC LIABILITY

### Scope of Cover

- a) Accidental Injury to any person
- b) Accidental loss of or damage to Property

occurring anywhere within the Geographical Limits during the Period of Insurance

### Section Exceptions

These apply in addition to the General Exceptions

The Insurers shall not indemnify the Insured under this Section against liability

- a) for loss of or damage to Property belonging to the Insured or in the custody or control of the Insured or of any Employee of the Insured other than
  - (i) personal effects of Employees or visitors
  - (ii) any premises including their contents not being premises leased or rented to the Insured which are temporarily occupied by the Insured for the purpose of carrying out work therein or thereon

## Liability (continued)

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- b) arising from the ownership possession or use under the control of the Insured or of any Employee of the Insured of
  - (i) any mechanically propelled vehicle including anything attached to it used in circumstances where insurance or security is required by any road traffic legislation or where indemnity is provided by any other Certificate or security
  - (ii) any craft intended to travel through air or space or other aerial devices hovercraft or watercraft (other than hand propelled watercraft or sailing craft not exceeding six metres in length)
- c) caused by any Goods after they have ceased to be in the custody or control of the Insured other than food or drink supplied primarily for the use of Employees or for entertainment purposes.
- d) arising from professional advice given separately for a fee or other remuneration by the Insured or by anyone on the Insured's behalf or in circumstances where a fee would normally be charged.

### Geographical Limits

Great Britain Northern Ireland the Channel Islands or the Isle of Man.

### Limit of Indemnity

The maximum liability of the Insurers payable under this Section in respect of damages in respect of any one claim against the Insured or series of claims against the Insured arising out of one occurrence shall not exceed in the aggregate the Limit of Indemnity stated in the Schedule

Any costs and expenses which may be the subject of indemnity under this Insurance will be payable in addition to the Limit of Indemnity

## GENERAL EXTENSIONS

### Contractual Liability and Indemnity to Principal

The Insurers will subject otherwise to the terms exceptions conditions and endorsements of this Insurance indemnify the Insured against liability in respect of Injury or loss of or damage to Property as follows: -

To the extent that any contract or agreement entered into by the Insured with any principal so requires the Insurers will

- a) indemnify the Insured against liability assumed by the Insured
- b) indemnify the principal in like manner to the Insured in respect of the liability of the principal arising out of the performance by the Insured of such contract or agreement Provided that
  - (i) the conduct and control of claims is vested in the Insurers
  - (ii) the principal shall observe fulfil and be subject to the terms conditions and endorsements of this Insurance so far as they can apply
  - (iii) the indemnity shall not apply to liability in respect of liquidated damages or under any penalty clause
  - (iv) the indemnity granted under sub-section 1 shall only apply in respect of liability to any person who is an Employee of the Insured.

Where any indemnity is provided to any principal the Insurers will treat each principal and the Insured as though a separate insurance had been issued to each of them provided that nothing in this clause shall increase the liability of the Insurers to pay any amount in respect of any one claim or during any one Period of Insurance in excess of the amount stated in the Limits of Indemnity.

## Liability (continued)

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### General Exceptions

These apply only to Section 3 of the Insurance unless otherwise stated

The Insurers shall not indemnify the Insured in respect of

1. any judgement award or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or part) unless the Insured has requested that there shall be no such limitation and has accepted the terms offered by the Insurers in granting such cover which offer and acceptance must be signified by specific endorsement to the Insurance.
2. any liability which is assumed by the Insured by agreement (other than liability arising out of a condition of warranty of goods implied by law) unless such liability would have attached in the absence of such agreement
3. any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
  - (i) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

but as far as concerns Injury to any Employee which arises out of and in the course of his employment or engagement by the Insured this exception shall apply only in respect of

- (i) liability of any principal
  - (ii) liability assumed by the Insured by agreement and which would not have attached in the absence of such agreement
4. any liability for punitive multiplied or exemplary damages
5. any liability for Terrorism but as far as concerns Injury to any Employee of the Insured which arises out of and in the course of employment or engagement by the Insured the Limit of Indemnity under Sub-Section A shall not exceed £5,000,000
6. the Insurers shall not indemnify the Insured under this Insurance against liability
  - (i) in respect of Injury sustained by an Employee which arises out of and in the course of his employment or engagement by the Insured
  - (ii) in respect of loss of or damage or legal liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
  - (iii) in respect of loss of or damage to or any costs or expense incurred in repairing replacing removing, rectifying recalling or making any refund in respect of the Goods
  - (iv) in respect of loss of or damage arising from the failure of Goods to perform their intended function
  - (v) in respect of liability arising from Goods used with the Insured's knowledge in connection with aircraft watercraft or offshore structures
  - (vi) in respect of liability directly or indirectly caused by or arising out of pollution or contamination of buildings or other structures or of water or land or the atmosphere but this exception shall not apply in respect of pollution or contamination caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place during the Period of Insurance.
  - (vii) in respect of injury loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any component building material that must be removed encapsulated or otherwise abated because its presence or release is a hazard to human health
  - (viii) in respect of injury loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any fungus of any kind including but not limited to mildew mould spores or allergens

## Liability (continued)

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### Conditions

These apply only to Section 3 of the Insurance unless otherwise stated

1. the Insured shall
  - (a) give immediate notice to the Insurers of anything which may give rise to a claim being made against the Insured and for which there may be liability under this Insurance
  - (b) advise the Insurers in writing immediately the Insured has knowledge of any impending prosecution inquest or fatal accident inquiry in connection therewith
2. the Insured shall provide the Insurers with such particulars and information as the Insurers may require and shall forward to the Insurers immediately on receipt every letter writ summons and process The Insurers shall be entitled at their discretion to take over and conduct in the name of the Insured the defence or settlement of any claim and to prosecute at their own expense and for their benefit any claim for indemnity or damages against any other persons and the Insured shall give all information and assistance required. No admission of liability or offer promise or payment shall be made without the written consent of the Insurers
3. the Insurers may at any time at their sole discretion pay to the Insured the maximum sum payable under this Insurance or any lesser sums for which any claim or claims can be settled and the Insurers shall not be under any further liability except for the payment of costs and expenses of litigation incurred prior to such payment Provided that in the event of a claim such costs and expenses shall not exceed an amount being in the same proportion as the Insurer's payment to the Insured bears to the total payment made by or on behalf of the Insured in settlement of the claim or claims
4. the Insured shall take all reasonable care to prevent accidents and to maintain his premises plant and everything used in the Business in proper repair and to employ only competent Employees and to act in accordance with all statutory obligations and regulations The Insured shall forthwith make good or remedy any defect or danger which becomes apparent or take such additional precautions as the circumstances may require
5. if at the time of any claim there is or but for the existence of this Insurance would be any other Certificate of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such claim the Insurers shall not be liable under this Insurance to indemnify the Insured in respect of such claim except beyond the amount which would be payable under such indemnity or insurance had this Insurance not been effected
6. this Insurance including the schedule definitions sections exceptions extensions conditions and endorsements shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Insurance shall bear that meaning wherever it may appear
7. where the premium is calculated on the statements and estimates furnished by the Insured the Insured shall keep an accurate record of all relevant particulars and shall at any reasonable time allow the Insurers to inspect such record and shall within one month of the expiry of each Period of Insurance furnish to the Insurers such information as the Insurers requires for such expired period and the premium for such period shall thereupon be adjusted by the Insurers and the difference be paid by or allowed to the Insured as the case may be subject to any agreed minimum premium
8. the Insurers may cancel this Insurance by sending seven days notice by registered letter to the Insured at his last known address and in such event the Insured shall become entitled to the return of a proportionate part of the premium corresponding to the unexpired portion of the Period of Insurance
9. the Insured shall give the Insurers immediate notice in writing of any alteration which materially affects the risk insured
10. the due observance of the terms provisions conditions and endorsements of this Insurance by the Insured in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers and information supplied or in connection with the said proposal shall be a condition precedent to any liability of the Insurers to make any payment under this Insurance.

## Contents

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In the event of Damage by Insured Perils 1 to 10 described under Section 1 we will indemnify you against Damage to the Property Insured

### **PROPERTY INSURED**

Contents in the common parts of the Building and in any areas of the Building used by you for office reception show or storage purposes belonging to you or for which you have accepted responsibility including:

- a) furniture furnishings and carpets
- b) documents manuscripts business books plans and designs but only for the value of the materials and the cost of clerical labour expended in reproducing such records and not for the value to you of the information contained therein
- c) pictures prints and works of art for an amount not more than £500 in respect of any one item and £1,000 in total in respect of any claim unless otherwise specifically insured hereby
- d) in so far as they are not otherwise insured the personal effects belonging to you your Partners Directors or Employees for an amount not exceeding £250 any one person

but excluding property referred to in the Exclusions

### **Limit of Liability**

Our liability under this Section is limited to the respective Sum Insured shown in the Schedule

### **EXTENSION**

This Section extends to include

### **Contents Temporarily Removed**

Property Insured (other than property described in c) and d) above) provided the same are not otherwise insured whilst temporarily removed from the Premises for cleaning renovation repair or similar purposes and whilst in transit thereto and therefrom anywhere within Great Britain Northern Ireland Ireland the Isle of Man or the Channel Islands for an amount not exceeding 15% of the Sum Insured but excluding Damage by theft or attempted theft to property whilst in transit

### **Debris Removal**

The cost necessarily incurred and with our consent in the removal of debris of the damaged parts of the Property Insured from the Premises or the area immediately adjacent thereto provided always that our liability under this clause and this Section in respect of any item shall in no case exceed the Sum Insured hereby

## Contents (continued)

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### EXCLUSIONS

This Section does not cover:

- 1 damage to Property Insured caused by its undergoing any heating process or process involving the application of heat
- 2 damage to electrical equipment caused by its short circuiting or overrunning not resulting in fire
- 3 damage due to theft or attempted theft by or in collusion with any member of your family or Employees
- 4 property more specifically insured by you or on your behalf
- 5 damage to
  - a) jewellery precious stones precious metals bullion furs or rare books
  - b) glass china earthenware marble or other fragile or brittle objects other than works of art specifically insured as part of the Property Insured to the limits specified therein
  - c) computers or data processing equipment or computer systems records
  - d) money cheques stamps bonds credit cards or securities of any description unless specifically mentioned as insured by this Section
- 6 the Excess stated in the Schedule
- 7 consequential loss of any kind or description

### SPECIAL PROVISIONS

#### 1 Basis of Claims Settlement

In the event of Damage to the Property Insured we will pay the full cost of repair replacement or reinstatement to a condition equal to but not better or more extensive than its condition when new provided such repair replacement or reinstatement is undertaken without delay and such cost has been incurred.

#### 2 Reinstatement of Sum Insured

The Sum Insured by this Section will not be automatically reduced as a result of a claim provided that you shall

- 1) pay the appropriate additional premium on the amount of such claim from the date thereof to the expiry of the Period of Insurance
- 2) take immediate steps to effect such additions or variations in protections as we may require

#### 3 Average (Underinsurance)

The Sums Insured by this Section is subject to Average (Underinsurance)

#### 4 Non Invalidation

The insurance by this Section shall not be invalidated by any act omission or by any alteration whereby the risk of Damage is increased unknown to you or beyond your control provided that immediately you become aware thereof you shall give us notice and pay such additional premium as required by us

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## General Exclusions

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Applicable to all Sections unless otherwise stated in this Certificate

### 1. Property Excluded

This Insurance does not cover loss, destruction or damage:

- a) to motor vehicles and accessories in or upon the said vehicles, explosives, livestock, cash currency and/or banknotes, stamps, bonds, bills of exchange, promissory notes, securities for Money, negotiable documents or other documents except as expressly mentioned as insured.
- b) to computer system records, nor any claim whatsoever arising from such loss or damage, except as expressly mentioned as insured herein.

### 2. Invalid Payments

This Insurance excludes all claims in respect of loss of Property Insured where loss has been sustained by the Insured consequent upon handing over such insured Property to any third party against any payment or promise of payment by any means whatsoever and where such payment shall prove to be false, fraudulent or otherwise invalid or uncollectible for any reason whatsoever.

### 3. Consequential Loss

This Insurance does not cover loss of use, delay, consequential loss or loss of market, unless specifically specified herein.

### 4. War

This Insurance does not cover any loss, destruction or damage or Bodily Injury directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or Damage to Property by or under the order of any Government or Public or Local Authority.

### 5. Radioactive Contamination

This Certificate does not cover

loss or destruction of or damage to any Property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

- i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
- ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof or any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter

### 6. Sonic Bang

This Insurance does not cover any loss, destruction or damage occasioned by pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.

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## General Exclusions (continued)

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### 7. Territorial Limits

This Insurance does not cover any loss, destruction or damage occurring outside the limits of Great Britain, Northern Ireland the Channel Islands or the Isle of Man unless otherwise stated herein to the contrary.

### 8. Northern Ireland Override Clause

This Insurance does not cover loss or destruction of or damage to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

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

**Note:**

"Unlawful Association" means any organisation which is engaged in Terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973.

"Terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

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

This overriding exclusion applies to this Insurance and to any extensions thereof, unless such extension expressly cancels this overriding exclusion.

### 9. Terrorism Exclusion Endorsement

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

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

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

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

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

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## General Exclusions (continued)

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### 10. Electronic Data Exclusion

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

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

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

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

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

#### Listed Perils:

- 1) Fire
- 2) Explosion

### 11. Electronic Data Processing Media Valuation

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

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

### 12. Water Table Clause

This insurance does not cover loss destruction or damage attributable solely to change in the water table level.

### 13. Pollution and contamination exclusion clause

This Insurance does not cover loss, destruction or damage caused by or arising from any kind of seepage or any kind of pollution and/or contamination.

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## General Exclusions (continued)

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### 14. Micro-Organism Exclusion

This Insurance does not cover loss, destruction, damage, claim, cost, expenses or other sum directly or indirectly arising out of or relating to:

mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

this Exclusion applies regardless of whether there is (1) any physical loss or damage to Insured Property; (2) any insured peril or cause, whether or not contributing concurrently or in any sequence; (3) any loss of use; occupancy; or functionality; or (4) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation or steps taken to address medical or legal concerns.

### 15. Workmen's Exclusion

This Insurance does not cover loss, destruction or damage arising from building works, renovation or refurbishment.

### 16. Biological Or Chemical Materials Exclusion

This Insurance does not cover loss, destruction, damage, claim, cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

### 17. Asbestos Endorsement

A. This Certificate only insures asbestos physically incorporated in an insured building or structure and then only that part of the asbestos which has been physically damaged during the Certificate period by one of the Insured Perils 1 to 11 described under Section 1

This coverage is subject to all limitations in the Certificate and in addition to each of the following specific limitations:

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

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## General Exclusions (continued)

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### 18.UK Millennium Endorsement Commercial All Risks

This Insurance does not cover any physical loss or damage or any consequential loss directly or indirectly caused by or consisting of or arising from the failure of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the Property of the Insured or not, and whether occurring before, during or after the year 2000,

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

but this shall not exclude:

- (a) any ensuing physical loss or damage to Property Insured;
  - (i) resulting from a listed peril, set out below, as covered under this Insurance but no other for the purposes of this endorsement, and
  - (ii) which is not otherwise excluded;or
- (b) any consequential loss, as covered under this Insurance, which may arise from such ensuing physical loss or damage.

#### Listed Perils

1. Fire and/or Lightning
2. Explosion
3. Aircraft or other aerial devices or articles dropped therefrom
4. Impact by road vehicles or animals
5. Riot or civil commotion
6. Strikers, locked-out workers, or persons taking part in labour disturbances
7. Malicious persons
8. Earthquake
9. Storm
10. Flood
11. Escape of water from any tank apparatus or pipe
12. Theft

If specific perils are defined in this Insurance the listed perils shall be deemed to be amended to follow this Insurance. If any of the above listed perils are specifically excluded by this Insurance they shall be deemed to be deleted from this list.

Provided that nothing in this endorsement or any other provision or extension of this Insurance shall be construed to extend the liability of the Insurers to cover any costs and expenses, whether preventative, remedial or otherwise arising out of or relating to change, alteration or modification of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether the Property of the Insured or not

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## General Conditions

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Applicable to all Sections unless otherwise stated in this Certificate

### 1. Alarm Protections Maintenance Clause

It is a condition precedent to Insurers' liability for loss of or damage to Property following entry or attempted entry into or exit from the Premises by forcible or violent means that :-

- A. in respect of any Alarm System installed at the Premises.
- i) a maintenance contract is maintained in force during the currency of this insurance with the installing company or other such company approved by Insurers.
  - ii) the Premises are not left unattended unless
    - a) The Alarm System is tested and set in its entirety and, where the equipment permits, any central station to which the Alarm System is connected has acknowledged the setting signal.
    - b) As far as the Insured or his representative is aware, the Alarm System is in full and efficient working order.
    - c) The agreement of Insurers is obtained in writing before replacing, extending or otherwise altering the Alarm System.
  - iii) Insurers are notified immediately and in writing if,
    - a) The Insured receives written notification from a Police Authority that they may be withdrawing response to alarm calls or
    - b) The Insured is required to abate a nuisance under Code of Practice on Noise from Audible Intruder Alarms 1983.
- B. whenever the Premises are left unattended
- i) all locks and other protective devices are in full operation.
  - ii) all keys (including those relating to any part of the Alarm System) are
    - a) removed from the Premises or
    - b) placed within a locked safe or strongroom, the keys to which are themselves removed from the Premises.

Definition: Alarm System shall be deemed to include all lines and equipment used to transmit the signals to and from the Premises.

### 2. Fire Appliance Maintenance Clause

It is understood and agreed that

- a) the Insured will maintain all fire extinguishing appliances contained in the Premises in full working order during the currency of this Insurance and
- b) notify the Insurers immediately of any disconnection or failure of the automatic fire alarm installation which is likely to leave any area without protection for 12 hours or more

Nevertheless this Insurance shall not be invalidated by any defect in any of the appliances due to circumstances unknown or beyond the control of the Insured.

### 3. Non-Contribution

This insurance does not cover any loss or liability which at the time of the happening of such loss or liability is more specifically insured elsewhere, except in respect of any excess beyond the amount which would have been payable under such other Insurances had this insurance not been effected.

### 4. Due Diligence

The Insured shall at all times use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss, damage or liability under this insurance.

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## General Conditions (continued)

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### 5. Claims Notifications

It is a condition precedent to the liability of Insurers that following any happening likely to give rise to a claim the Insured will:

- a) as soon as is practicable notify in writing the Insurers
- b) provide such information and assistance as Insurers may reasonably require
- c) in the event of theft, loss of Money, riot or malicious damage immediately inform the Police, and offer them all reasonable assistance in the apprehension of the person(s) responsible and the recovery of any Property stolen.
- d) in respect of Claims arising under Section C, every letter claim writ summons and process shall be notified or forwarded to Insurers immediately on receipt. Notice shall also be given in writing to the Insurers immediately the Insured shall have notice of any impending prosecution inquest or fatal accident inquiry in connection with any such occurrence.

All such matters shall be referred immediately to the Broker through whom this Certificate has been issued.

### 6. Handling Of Claims

The Insured shall not incur any expense in making good any damage without the consent of the Insurers and shall not admit liability for or offer or agree to settle any claim without the written consent of the Insurers, who shall be entitled to take over and conduct in the name of the Insured the defense of any claim and to prosecute in the Insured's name for Insurers benefit any claim for indemnity or damage or otherwise against any third party and shall have full discretion in the conduct of any negotiations and proceedings and the settlement of any claim.

### 7. Alterations

This Insurance shall be avoided with respect to any part thereof in regard to which there be any alteration after the commencement of this Insurance

- a) by removal or
- b) whereby the risk of loss, destruction, damage, accident or injury is increased or
- c) whereby the interest of the Insured ceases except by will or operation of law unless such alteration be admitted by Insurers in writing.

### 8. Warranties

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

### 9. Premium Adjustment

Where the premium is calculated on the statements and estimates furnished by the Insured the Insured shall keep an accurate record of all relevant particulars and shall at any reasonable time allow the Insurers to inspect such record and shall within one month of the expiry of each Period of Insurance furnish to the Insurers such information as the Insurers require for such expired period and the premium for such period shall thereupon be adjusted by the Insurers and the difference be paid or allowed to the Insured as the case may be subject to any agreed minimum premium.

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## General Conditions (continued)

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### 10. Duties of The Insured

The Insured shall

- a) maintain the Premises, machinery, plant and equipment in a satisfactory state of repair
- b) take all reasonable precautions to prevent loss or destruction or damage, accident or injury
- c) take all reasonable precautions for the safety and protection of the Property Insured including the selection and supervision of Employees and not do or permit anything whereby the risk of Insurers shall be increased
- d) comply with all statutory requirements and other safety regulations imposed by any authority
- e) keep books with a complete record of purchases and sales
- f) make good any defect or danger which becomes apparent and take additional precautions as circumstances require.

### 11. Salvage

On the happening of any loss, destruction or damage, the Insured shall give the Insurers or their agent or representative leave and licence to enter the building where the loss, destruction or damage has occurred and take and keep possession of any of the Property hereby Insured and deal with the salvage in a reasonable manner.

### 12. Fraudulent Claims

If the Insured shall make any statement, claim or representation knowing the same to be false or fraudulent as regards amount or otherwise, this insurance shall become void and all claims hereunder shall be forfeited.

### 13. Cancellation

This insurance may be cancelled at any time at the request of the Insured in writing to the Broker who effected the Insurance, and the premium hereon shall be adjusted on the basis of Insurers receiving or retaining the customary short term premium, details of which are available on request. This Insurance may also be cancelled by or on behalf of Insurers by 30 days' notice given in writing, and sent by registered or recorded delivery mail, to the Insured at his last known address, and the premium hereon shall be adjusted on the basis of Insurers receiving or retaining pro-rata premium for the unexpired period.

If this insurance does not meet the Insured's particular requirements the Insured may cancel it by sending the Insurer written notice and returning the policy documents, including the certificate of insurance, within 14 days of receipt or within 14 days of inception, whichever is later. The Insurer will return any premium paid less a charge equal to the period of cover the Insured has had.

The Insured may cancel this policy at any time by telling the Insurer in writing and returning policy documents, including the certificate of insurance. If a claim has not been made in the current period of insurance the Insurer will return any premium less a charge equal to the period of cover the Insured has had. If a claim has been made the Insurer will not give the Insured a refund.

### 14. Automatic Reinstatement of Loss

Upon the occurrence of a loss hereunder, the Sum Insured shall be immediately and automatically reinstated, and the Insured undertake to pay the Additional Premium on the amount of loss at the rate applicable pro-rata from the date of the loss to the expiration of this Certificate

### 15. Regulations and Health & Safety Requirements

It is a condition precedent to the liability of Insurers that all applicable current regulations, inspections and certifications applicable to both property owners and property occupiers must be complied with.

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## Endorsements (Operative only when stated in the Schedule)

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### 1 'Day One' Reinstatement

The Insured having stated in writing the Declared Value (shown in the Schedule) for each of the Items the premium has been calculated accordingly

'Declared Value' means the Insured's assessment of the cost of reinstatement of the Property Insured arrived at in accordance with the 'Basis of Claims Settlement' at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for Fees Debris Removal and Local Authorities (as defined within Section 1)

General Definitions - Average (Underinsurance) is amended to read 'if at the time of Damage the Declared Value of the Property Insured be less than the cost of reinstatement at the inception of the Period of Insurance our liability for any loss shall be limited to the proportion of the loss that the Declared Value bears to such cost of reinstatement

At inception of each Period of Insurance you shall notify us of the Declared Value of each Item and in the absence of such declaration the last amount declared by you shall be taken as the Declared Value for the ensuing Period of Insurance

### 2 Accidental Damage

The Insured Perils by Section 1 are extended to include Accidental Damage excluding

- a) wear tear depreciation or diminution in value
- b) damage caused by or arising from
  - i) subsidence ground heave or landslip
  - ii) normal settling cracking shrinkage bulging expansion or collapse of buildings roadways paths yards car parks or swimming pools
  - iii) faulty workmanship defective design plan or specification or the use of faulty materials
  - iv) scratching denting mechanical or electrical defect failure breakdown or derangement
  - v) atmospheric or climatic conditions or any other gradually operating cause rot fungus rust corrosion woodworm moths insects vermin or pests
  - vi) any process involving cleaning dyeing staining repairing restoring renovating fitting alteration or maintenance of any property
  - vii) use of any article with disregard to manufacturers instructions
  - viii) the Insured voluntarily parting with title or possession of any property if induced to do so by fraudulent scheme trick device or false pretence
  - ix) the insertion of counterfeit coins or other foreign articles in vending machines and the like
- c) damage resulting from any exclusions to Insured Perils 1-10 above
- d) damage to moveable property in the open and to fences walls gates and hedges

### 3 Subsidence

The Insured Perils by Section 1 are extended to include subsidence ground heave or landslip of the site on which the Building stands excluding

- a) damage to such Building or any part thereof whilst in course of erection or undergoing demolition structural alteration or structural repair
- b) damage to fences walls and gates unless the Buildings are damaged at the same time
- c) damage resulting from the bedding down of newly erected structures or the settlement or movement of made up ground or the compaction of infill
- d) damage due to defective design or workmanship or the use of defective materials
- e) the first £1,000 of any claim

It is further declared that you shall give us notice immediately on becoming aware of building demolition or excavation operations on any site adjoining the Premises and will pay such additional premium as we may require

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## Endorsements (continued)

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**It is warranted by you that after making reasonable enquiry you have no knowledge of any actual or suspected subsidence ground heave or landslip affecting the Premises or the immediate vicinity thereof during the five years prior to the effective date of this Endorsement.**

### **4. Unoccupancy Warranty**

It is a condition precedent to liability that when any building (or part thereof) are untenanted or unoccupied

- a) all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)
- b) all water tanks apparatus pipes and heating systems other than those connected to automatic sprinkler systems must be drained down or the heating must be maintained at a minimum level of 15° centigrade/58° fahrenheit at all times.
- c) all reasonable precautions are taken to ensure that the buildings are secure against entry by intruders including
  - (i) securely locking and fastening all doors and windows
  - (ii) any letter boxes being sealed
  - (iii) setting all security and alarm protections in full operation and ensuring that the protections are in proper working order
- d) all waste refuse and other disused combustible materials will be cleared from the building and removed from the premises at least once a week
- e) tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the buildings becoming unoccupied
- f) the buildings must be inspected at least once every 7 days by the Insured or the Insured's nominee in order to inspect the premises both internally and externally and to carry out any work necessary to maintain the above security arrangements.. A record will be kept of such inspections.
- g) notice is to be given to Insurers when any untenanted or unoccupied building (or part thereof) is again occupied.

Insurers shall not be liable for any damage or injury arising out of or in connection with any works of alteration, demolition, refurbishment or renovation.

### **5. Flat Roof Maintenance Warranty**

It is a condition precedent to liability in respect of damage by storm, tempest and flood, that any flat felted roof portion of the Premises shall have been inspected and a record kept at least once every five years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately.

### **6. Unoccupancy cover level 1**

It is noted that when any building (or part thereof) are untenanted or unoccupied that cover will be restricted to the following insured perils

- a) Peril 1. Fire, lightning, explosion, earthquake and subterranean fire
- b) Peril 8. Aircraft and other aerial devices or articles dropped from them

No other perils will apply

These sections apply subject to complying with endorsement 4 – Unoccupancy Warranty.

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## Endorsements (continued)

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### 7. Unoccupancy cover level 2

It is noted that when any building (or part thereof) are untenanted or unoccupied that cover will be restricted to the following insured perils

- Peril 1. Fire, lightning, explosion, earthquake and subterranean fire
- Peril 5. Storm or flood

#### Excluding

- a) damage by frost subsidence heave or landslip
  - b) damage to gates fences and hedges and moveable property in the open
  - c) damage attributable solely to change in water table level
- Peril 6. Escape of water from any tank apparatus or pipe
  - Peril 7. Leakage of oil from any fixed oil heating installation

#### Excluding

defective vaporisation smoke and smudge

- Peril 8. Aircraft and other aerial devices or articles dropped from them
- Peril 9. Breakage or collapse of television and radio aerials external satellite dishes aerial fittings and masts

#### Excluding

- a) damage to the television and radio aerial fittings and masts themselves unless specifically insured by this Certificate
  - b) damage to external satellite dishes unless specifically insured by this peril
- Peril 10. Impact by
    - a) any vehicle or animal
    - b) falling trees or branches other than if caused by felling or lopping by you or on your behalf

These sections apply subject to complying with endorsement 4 – Unoccupancy Warranty

### 8 Unoccupancy cover level 3

It is noted that when any building or (part thereof) are untenanted or unoccupied that the Perils will remain unrestricted – all sections to apply subject to complying with endorsement 4 – Unoccupancy Warranty

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## Complaints Procedure

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Any enquiry or complaint should be addressed in the first instance to your Broker.

Having contacted your broker, if you are not satisfied with the way a complaint has been dealt with, please write to the Chief Executive of Equity Red Star.

The address is: 52 Leadenhall Street, London, EC3A 2BJ.

After this action, if you are still not satisfied with the way a complaint has been dealt with, you should refer your case to the Policyholder & Market Assistance department at Lloyd's.

The address is:

Policyholder & Market Assistance, Lloyd's Market Services, One Lime Street, London, EC3M 7HA.

If you are still not satisfied, you may refer your complaint to the Financial Ombudsman Service (FOS). Please note that the FOS is only able to help you if you are a private individual or a business with an annual turnover of less than £1,000,000.

The address is:

The Financial Ombudsman Service, South Quay Plaza II, 183 Marsh Wall, London, E14 9SR.

### **Financial Services Compensation Scheme (FSCS)**

If the Insurer is not able to meet its liabilities under this insurance, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS). you can get more information from the FSCS or by visiting the FSCS website at [www.fscs.org.uk](http://www.fscs.org.uk).