



Network Motor Trade

Policy Wording

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To make a claim, call: 0345 415 0495

For claims in relation to the Road Risks section,
call 0345 125 8833.

For claims in relation to broken windscreens or
windows, call the Ageas Glassline on 0800 587 6899.

Please save these numbers to your mobile phone

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Motor Trade Policy

This **policy** is a contract of insurance between **you** and **us** by which **we** agree to cover **you** in respect of the risks set out in the sections and sub-sections of this **policy** shown as insured on the **schedule**, subject to the terms, conditions and exclusions of this **policy** and in consideration of **you** paying or agreeing to pay the premium.

This **policy** is made up of a number of documents which must be read together. **You** should read carefully all documents that **we** have provided and contact **your agent** immediately if this **policy** does not meet **your** needs.

In this **policy**:

- Any reference to the singular will include the plural and vice versa
- Any reference to any statute or statutory instrument will include any modifications or re-enactment thereto
- Any heading in this **policy** is for ease of reference only and does not affect its interpretation.

This **policy** has been signed for and on behalf of **us**.

Signed



François-Xavier Boisseau - CEO, Insurance
Ageas Insurance Limited

Important Notice

You have a duty to make a fair presentation of all material facts and circumstances to **us**. Providing **us** with inaccurate information or failing to tell **us** of anything which may increase the risk may invalidate this **policy** or lead to claims not being paid or being paid in part only.

To assist **your** understanding of which facts and circumstances are material to **us**, here are some key examples:

- **Who you are** – the legal entity that owns the **business**
- **Business status** – sole proprietor, partnership, limited liability partnership or a limited company
- **Business premises** – the type of construction, security protections and also rebuilding or replacement values
- **Vehicles** – the vehicles **you** own and type of vehicles **you** work on
- **What you do** – the description of the **business** as shown on the **schedule**
- **Personal and business history** – the previous history relating to proprietors, **partners** or **directors** or their business that is provided to **us** e.g. previous bankruptcies, company liquidations, convictions, claims etc.

Other material facts will be shown on the statement of fact or proposal form. If **you** are in any doubt or require clarification of what must be declared to **us**, please discuss this with **your agent**.

This **policy** does not cover maintenance of **your property**. That means **we** will not cover the cost of wear and tear or routine maintenance. **We** expect **you** to properly maintain **your property**, but the cost of this remains **your** responsibility. **You** have a duty to keep **your property** safe, secure and in good repair, and take all practical steps to avoid loss or **damage**.

You should also take all reasonable care to prevent accidents or disease. In particular **you** should:

- keep all work equipment and premises in good and safe condition
- exercise care in the selection and management of **employees**
- comply with all statutory obligations and regulations imposed by any authority.

In addition, **you** should take all reasonable care to prevent the sale or supply of goods which are defective in any way.

How to make a claim

For all claims except those under the Road Risks Section:

Please contact **our** commercial claims department on **0345 415 0495**. The line is open 24 hours a day, 365 days a year. Alternatively, **you** can write to **us** at:

Commercial Claims Department
Ageas Insurance Limited
1 Port Way
Port Solent
Portsmouth
Hampshire
PO6 4TY

The claims handler will take full details of the claim and guide **you** through the next steps. Depending on the value and type of claim, the claims handler may seek help from a loss adjuster. Loss adjusters are independent claims experts who will visit **you** or a third party claimant to assist with the assessment of the claim.

Once **we** have been notified of a claim, **we** will tell **your agent**. The notification letter gives **your agent** the opportunity to become involved in the claim if either **you** or they wish. Once the claim has been settled, a letter is sent to **your agent** confirming settlement and the amounts paid.

Do

- Have details of **your** policy number ready when notifying **us**. **You** can find the policy number on the **schedule**.
- Report any incidence of loss of **money**, theft, attempted theft or **damage** by malicious persons to the police immediately. **You** should obtain a crime reference number (not an incident reference number) from them if a crime has been committed.
- Carry out temporary repairs to **your property** to prevent further loss. Please retain all invoices for work carried out. Remember, if **you** do not have **your** own contractor, call Business Emergency Assistance on **0345 122 8935** to arrange for an approved contractor to effect repairs, any time of the day or night.
- Notify **us** of any claim or any incident which may lead to a claim as soon as possible. The sooner **we** are involved, the more opportunity **we** have to resolve the claim to **your** satisfaction. **You** must notify **us** within seven days if the incident relates to **damage** by riot, civil commotion, labour or political disturbances, malicious persons, theft or attempted theft.
- Ensure that any letter or notice received is sent to **us** immediately unanswered and unacknowledged. **You** must also send **us** unanswered and unacknowledged any written claim, writ, summons or other document relating to a claim

and tell **us** of any pending prosecution, coroner's inquest or fatal accident inquiry and give **us** full details of any verbal claims made against **you**.

- Any **injury** to an **employee** should be reported to **us** regardless of whether a formal claim has been made against **you**. **We** can then decide whether **we** need to investigate and provide advice to **you**.

Don't

- Dispose of any evidence or damaged items - **we** may wish to see them.
- Wait for estimates to be obtained for work to be carried out before notifying **us** of a claim.
- Admit or deny responsibility for any incident involving **injury** to others or **damage** to their **property**.

Replacement Service

We have a number of suppliers that can repair **your property** or replace items lost, stolen or damaged beyond repair. If one of **our** suppliers is used **you** will not need to obtain estimates and **we** will settle directly with the supplier. **You** will be responsible for the payment of any applicable **excess**. **You** will only be responsible for payment of the VAT element if **you** are VAT registered. **You** will be invoiced accordingly.

What we will need

If **your property** is lost, damaged or stolen, to consider the claim **we** will typically need:

- Proof of ownership i.e. original purchase invoices, bank account statements or other similar evidence
- Any available photographs, taken before and after the event, showing the **property** would be useful
- If **you** are not using **our** replacement service **we** will also need:
 - i at least two estimates for the replacement of lost, damaged or stolen items
 - ii if the item cannot be repaired, a letter or a report from an independent expert confirming this and the cause of the **damage**.

For some types of claim **we** may require the following:

- Customer disclaimers (treatment risk cover)
- Evidence of bona-fide subcontractors' own public liability insurance.

How to make a claim - continued

For claims under the Road Risks Section:

What to do if you have a Motor Accident

The Law

- **You** must stop if **you** are involved in any incident involving an injury to any person or certain animals, or if other vehicles or roadside property are damaged. If **you** own the **vehicle**, **you** must give **your** name, address and insurance details to anyone who has a good reason for asking. If **you** do not own the **vehicle**, **you** must give the owner's name and address and the registration number of the **vehicle**.
- If there is an injury or **you** do not give **your** details to anyone at the scene, **you** must report the incident to the police within 24 hours and present **your certificate** within five days.

To help with the claims process

- Do not apologise or admit fault
- Try to collate the following information to give to the claims helpline. This will help **us** to speed up **your** claim:
 - i Full details of the other drivers, including their phone numbers, and the registration numbers of all vehicles involved. This will allow **us** to contact anybody else involved straight away and, if **you** are not at fault endeavour to recover any money **we** pay
 - ii Injuries caused
 - iii Property **damage**
 - iv Witnesses (if there are any)
 - v Police officers and report references
 - vi Full details of what happened
 - vii Taking photos with a camera or mobile phone can help to confirm certain accident details
 - viii Full details of the **driver** of **your vehicle** or the last person in charge of the **vehicle**.

Next steps

- Call the 24 hour claims helpline on **0345 125 8833**. If **you** are calling from outside the UK, please call **+44 2380 352943**.
- The helpline will collate the information and send **you** a report form to fill in if required.
- There will be a phone number on all correspondence from **our** claims department for **you** to call if **you** need to contact **us**. Please remember to have **your** claim number ready when **you** call.
- Please remember to remove all personal belongings from the **vehicle** before it is taken for assessment or repair.

Broken windscreens or windows

If **you** have windscreen cover call **0800 587 6899** to arrange for the glass to be repaired or replaced. If **you** phone this number and use one of **our** chosen glass companies, cover is unlimited, subject to any policy excess. Repairing a windscreen or window instead of replacing will save **you** paying any applicable policy excess. Ask when calling the Ageas Glassline on the number above.

If **you** are registered for VAT then **you** will be responsible for the payment of the amount direct to the repairer.

If **you** do not have windscreen cover, **you** can still phone the number above but **you** will have to pay the cost of replacing or repairing the windscreen or window.

Legal and business helpline services

As an Ageas policyholder with a current policy, if the Material Damage or Liability Sections are operative **you** are automatically entitled to the following helpline services. To help **us** to check and improve **our** service standards, calls are recorded.

Business legal advice – 0345 122 8931

This helpline is available 24 hours per day, 365 days a year to provide confidential legal advice over the phone on legal problems, under the laws of the countries of **Europe**.

UK tax advice – 0345 122 8931

This helpline is available between 9.00am and 5.00pm from Monday to Friday to provide confidential advice over the phone on any tax matters under the laws of England, Scotland, Wales and Northern Ireland.

Redundancy approval – 0345 322 0176

This service is available between 9.00am and 5.00pm Monday to Friday (except bank holidays) to provide specialist advice if **you** are planning redundancies. This will assist **you** to implement a fair selection process and ensure that the redundancy notices are correctly served. If **you** opt to use this service a charge will be payable by **you**.

Confidential counselling helpline – 0345 122 8934

This helpline is available 24 hours per day, 365 days a year for an **employee** (including family members permanently living with them) needing confidential help and advice. **Our** qualified counsellors are available to provide telephone support on any matter that is causing **your employee** upset or anxiety, from personal problems to bereavement. Due to their sensitivity, counselling calls are not recorded.

Business emergency assistance – 0345 122 8935

This helpline is available 24 hours per day, 365 days a year to arrange help straight away if an unforeseen emergency causes **damage** to the **premises** or creates a health and safety hazard. **We** will contact a suitable repairer or contractor and arrange assistance on **your** behalf. All costs of assistance provided are **your** responsibility, although if the **damage** is insured **you** will be able to make a claim for repair of the **damage**.

Please do not phone the helpline service numbers to report an insurance claim.

The helpline services are provided on **our** behalf but not by **us**. **We** take no responsibility for the advice or assistance given or for the failure of the helpline which may result from an exceptional event that is beyond the control of **us** and the helpline service provider.

What to do if you have a complaint

Should there ever be an occasion where **you** need to complain, **we** will sort this out as quickly and fairly as possible.

If **your** complaint is about the way this **policy** was sold to **you**, please contact **your agent** to report **your** complaint.

If **you** have a complaint regarding **your** claim, please telephone **us** on the number shown in **your** claims documentation.

Alternatively, for claims or any other type of complaint, **you** can also write to **us** at the address shown below or email **us** through **our** website at www.ageas.co.uk/complaints (please include **your** policy number and claim number if appropriate).

Customer Services Adviser
Ageas Insurance Limited
Ageas House
Hampshire Corporate Park
Templars Way
Eastleigh
Hampshire
SO53 3YA

We will try to resolve **your** complaint by the end of the next working day. If **we** are unable to do this, **we** will write to **you** within five working days to either:

- tell **you** what **we** have done to resolve the problem; or
- acknowledge **your** complaint and let **you** know when **you** can expect a full response.

We will also let **you** know who is dealing with the matter. **We** will always aim to resolve **your** complaint within four weeks of receipt. If **we** are unable to do this **we** will give **you** the reasons for the delay and indicate when **we** will be able to provide a final response. If **we** cannot resolve the differences between **us**, **you** may refer **your** complaint to the Financial Ombudsman Service if:

- **you** have an annual turnover of less than EUR 2 million and fewer than 10 employees and,
- if for any reason **you** are still dissatisfied with **our** final response, or
- if **we** have not issued **our** final response within eight weeks from **you** first raising the complaint.

The Financial Ombudsman Service is an independent organisation and will review **your** case. **You** can contact them on telephone number **0800 023 4567**. **You** can also write to them at the address below, however they will only consider **your** complaint once **you** have tried to resolve it with **us**.

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Alternatively, more information can be found at www.financial-ombudsman.org.uk

Following the complaints procedure does not affect **your** rights to take legal proceedings.



Financial Services Compensation Scheme

Should **we** be unable to meet **our** liabilities **you** may be entitled to compensation from the Financial Services Compensation Scheme. This depends on the type of insurance, the size of **your** business and the circumstances of the claim.

Further information is available from the Financial Services Compensation Scheme. Their telephone number is **0800 678 1100** or **020 7741 4100**. Alternatively, more information can be found at **www.fscs.org.uk**

Privacy Notice

We are Ageas Insurance Limited and are part of the Ageas group of companies. The details provided here are a summary of how **we** collect, use, share, transfer and store **your** information. For **our** full Privacy Policy please visit **our** website www.ageas.co.uk/privacy-policy or contact **our** Data Protection Officer at: Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA or by emailing thedpo@ageas.co.uk.

Your agent will have their own uses for **your** personal data. Please ask **your agent** if **you** would like more information about how they use **your** personal information.

Collecting your information

We collect a variety of personal information about **you** including **your** name, address, contact details, date of birth, credit history, criminal offences, claims information and IP address (which is a unique number identifying **your** computer). Where relevant, **we** also collect special categories of personal information (which was previously known as sensitive personal information) such as details regarding **your** health.

We also collect information from a number of different sources for example: publically available sources such as social media and networking sites; third party databases available to the insurance industry; firms, loss adjusters and/or suppliers appointed in the process of handling a claim.

Using your information

The main reason **we** collect **your** personal information and/or special categories of personal information is because **we** need it to provide **you** with the appropriate insurance quotation, policy and price as well as manage **your policy** such as handling a claim or issuing documentation to **you**. **Our** assessment of **your** insurance application may involve an automated decision to determine whether **we** are able to provide **you** with a quotation and/or the price. If **you** object to this being done, then **we** will not be able to provide **you** with insurance.

We will also use **your** information where **we** feel there is a justifiable reason for doing so for example: to prevent and detect fraud and financial crime (which may include processes which profile **you**); collecting information regarding **your** past policies; carrying out research and analysis (including profiling); and recording and monitoring calls.

If **you** have given **us** such information about someone else, **you** would have confirmed that **you** have their permission to do so.

Sharing your information

We share **your** information with a number of different organisations which include, but are not limited to: other insurers; regulatory bodies; carefully selected third parties providing a service to **us** or on **our** behalf; fraud prevention and credit reference agencies and other companies, for example, when **we** are trialling their products and services which **we** think may improve **our** service to **you** or **our** business processes.

Unless required to by law, **we** would never share **your** personal data without the appropriate care and necessary safeguards being in place.

Keeping your information

We will only keep **your** information for as long as is necessary in providing **our** products and services to **you** and/or to fulfil **our** legal and regulatory obligations. Please refer to **our** full Privacy Policy for more information.

Use and storage of your information overseas

Your information may be transferred to, stored and processed outside the European Economic Area (EEA). **We** will not transfer **your** information outside the EEA unless it is to a country which is considered to have equivalent data protection laws or **we** have taken all reasonable steps to ensure the firm has suitable standards in place to protect **your** information.

Your rights

You have a number of rights in relation to the information **we** hold about **you**, these rights include but are not limited to: the right to a copy of **your** personal information **we** hold; object to the use of **your** personal information; withdraw any permission **you** have previously provided and complain to the Information Commissioner's Office at any time if **you** are not satisfied with **our** use of **your** information. For a full list of **your** rights please refer to the full Privacy Policy.

Please note that there are times when **we** will not be able to delete **your** information. This may be as a result of fulfilling **our** legal and regulatory obligations or where there is a minimum, statutory, period of time for which **we** have to keep **your** information. If **we** are unable to fulfil a request, **we** will always let **you** know **our** reasons.

Definitions

Words which appear in bold within this **policy** will have the meaning defined below. The Legal Expenses section has its own set of definitions within the Business Legal Guard policy wording.

Accessories and Spare Parts

Parts or products specifically designed to be fitted to or used with the **vehicle** including spare parts entertainment systems, communications, navigation or other electronic equipment only if permanently fitted to the **vehicle** excluding electronic equipment temporarily sited in and removable from the **vehicle** being powered from a cigarette lighter or accessory socket.

Accident

Direct, physical loss or **damage** as follows:

- a electrical or mechanical **breakdown**, including rupture or bursting caused by centrifugal force
- b artificially generated electrical current, including electric arcing, that damages electrical devices, appliances or wires
- c **explosion** or **collapse** of **covered equipment** operating under steam or other fluid pressure
- d **damage** to hot water boilers or other water heating equipment, oil or water storage tanks or other **covered equipment** operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such boilers or equipment
- e **damage** caused by operator error that results in the overloading of **covered equipment**.

Additional Increase in Cost of Working

The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** beyond that recoverable as **increase in cost of working**.

Agent

A person or company who advises **you** on insurance and represents **you** and acts on **your** behalf when arranging insurance policies.

Airside

On or in a place used for the take-off, landing, parking or movement of aircraft or aerial devices including the associated service roads, refuelling areas, ground equipment parking areas and the areas of passenger terminals of international airports which come within the customs examination area of any part of airport premises to which the public does not have vehicular access.

Biomass or Biogas Installation

Any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant, including anaerobic digesters, storage tanks, augers, screeners, scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors.

Breakdown

Breakdown of **covered equipment** consisting of:

- a the actual breaking, failure, distortion or burning out of any part of the **covered equipment** whilst in ordinary use arising from defects in the **covered equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- b fracturing of any part of the **covered equipment** by frost when such fracture renders the **covered equipment** inoperative
- c the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.

Buildings

The buildings at the risk address shown on the **schedule** and unless otherwise stated, any item for the insurance of buildings includes:

- a outbuildings within the boundaries of the **premises**
- b aerials, satellite dishes, security cameras and lights fixed to the exterior of the buildings
- c plant fixed to the exterior of the buildings providing air conditioning or climate control to the buildings
- d solar water heating and solar photovoltaic panels fitted to the buildings
- e heating fuel tanks and septic tanks connected to the buildings or in the open with the **premises**
- f ducting, pipes, cables, wires and control equipment incorporated in the buildings and extending to the public mains
- g walls, gates and fences around the **premises** and belonging to them
- h car parks, yards, **roads**, pavements and paths
- i permanently fixed lighting, seating and other external structures within the confines of the **premises**
- j landlord's fixtures and fittings excluding carpets all belonging to **you** or for which **you** are responsible excluding:
 - i glass, blinds and signs
 - ii shop fronts
 - iii **tenants' improvements**.

Business

The business as shown on the **schedule** including:

- a the ownership, repair and maintenance of the **premises**
- b the provision of fire and security services at the **premises**
- c the provision of first aid but excluding any first aid provided by any qualified medical practitioner or nurse
- d the performance of private work undertaken by **employees** for **you**, or with **your** consent, for any **director**, **partner** or senior executive of **yours**
- e participation in exhibitions, trade shows and conferences.

Business Hours

The period during which the **premises** are occupied by **you** or a **director**, **partner** or authorised **employee** or family member for **business** purposes.

Business Money

Money held in connection with the **business** belonging to **you** or for which **you** are responsible.

Car

Any private car, estate car or utility car.

Certificate

The proof of the motor insurance **you** need by law. The **certificate** shows:

- a what **vehicle** is covered
- b who is allowed to drive the **vehicle**
- c what the **vehicle** can be used for.

If **your certificate** allows driving by any driver, please refer to **your schedule** for any restrictions that may apply

Claimants' Costs and Expenses

The costs incurred by someone making a claim against **you** which **you** are legally liable to pay.

Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the **covered equipment** caused by crushing stress, by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).

Commercial vehicle

A motor **vehicle** other than a **car**, **motorcycle** or **minibus**.

Computer Equipment

- a electronic, computer or other data processing or storage equipment
- b projectors, printers, scanners and other peripheral devices used in conjunction with equipment described in a above
- c software and programs licensed to **you** and installed on equipment described in a above
- d **portable computer equipment**
- e motor vehicle diagnostic equipment used for the purposes of the **business**, owned by **you** or for which **you** are responsible.

Contract

Any contract or agreement entered into by **you** with a **principal** for the purpose of carrying out work in connection with the **business**.

Contract Works

The permanent and temporary works carried out or to be carried out under any **contract** entered into by **you** with a

principal for the purpose of carrying out work in connection with the **business** including materials for incorporation therein to the extent that **you** are responsible under the contract or agreement excluding:

- a plant, machinery, equipment or tools
- b site huts or other temporary site buildings and contents therein.

Consequential Loss

Consequential or indirect loss (that is any **damage** or additional expense, which happens as a result of, or is a side effect of, the event for which **you** are insured). This includes but is not limited to the following:

- a loss of revenue
- b loss of earnings
- c additional travel costs
- d loss assessor fees
- e the cost of preparing a claim
- f compensation for stress or inconvenience.

Costs and Expenses

- a **claimants' costs and expenses**
- b costs and expenses incurred with **our** consent in defending any claim
- c costs incurred with **our** consent for:
 - i solicitors' fees for representation at any coroner's inquest, fatal accident inquiry or court of summary jurisdiction (including a court of equal status in any country within the **territorial limits**)
 - ii legal costs for defending a charge of manslaughter or causing death by dangerous or careless driving or any equivalent charge within the **territorial limits** arising from an incident covered under the Road Risks Section.

Covered Equipment

Equipment (owned by **you** or for which **you** are responsible) at the **premises** and which:

- a is built to operate under vacuum or pressure (other than the weight of its contents) or
- b generates, stores, transmits or converts energy
- c is **computer equipment** excluding:
 - i any supporting structure, foundation, masonry, brickwork or cabinet
 - ii any insulating or refractory material
 - iii any vehicle, aircraft, floating vessels or any equipment mounted thereon (other than vehicle recovery cranes or equipment which is included but not the actual vehicle)
 - iv self propelled plant and equipment (other than fork lift trucks and pallet trucks used by **you** at the **premises**), dragline excavation or construction equipment
 - v equipment manufactured by **you** for sale
 - vi safety or protective devices due to their functioning
 - vii tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands or any part requiring periodic renewal
 - viii any electronic equipment (other than **computer equipment**) used for research, diagnostic equipment (other than motor vehicle diagnostic equipment), treatment, experimental or other medical or scientific purposes with a replacement value in excess of £30,000
 - ix any **manufacturing, production or process equipment** including linked **computer equipment**
 - x any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw

- xi any kitchen and food preparation, laundry and cleaning equipment, audio-visual equipment and **computer equipment** whilst in a private dwelling or private dwelling quarters (unless such equipment is owned by **you** or for which **you** are responsible)
- xii any **biomass or biogas installation**
- xiii any **hydroelectric installation**.

Customer's Vehicle

Any **vehicle** held in **your** custody or control (not being a **vehicle** temporarily on site for fuel sales or similar passing trade) for which **you** have accepted responsibility.

Damage

Loss, destruction or **damage**.

Data

Information represented or stored electronically including but not limited to code, or series of instructions, operating systems, software, programs and firmware.

Defined Peril

- a Fire
- b Lightning
- c Explosion
- d Riot, civil commotion, labour or political disturbances
- e **Damage** by malicious persons
- f Earthquake or subterranean fire
- g Impact by:
 - i aircraft and other flying objects or articles dropped from them
 - ii vehicles, trains or trams
 - iii animals or birds
 - iv falling aerials, masts or satellite dishes
 - v falling trees and branches
- h Storm
- i Flood
- j Escape of water from any water, drainage or heating system
- k Escape of oil from any fixed oil fired heating installation.

Denial of Service Attack

Any actions or instructions constructed or generated with the ability to **damage**, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of service attacks include, but are not limited to, the generation of excessive traffic into network addresses, the exploitation of system or network weaknesses and the generation of excessive or non-genuine traffic between and amongst networks.

Derangement

Electrical or mechanical malfunction arising from a cause internal to **computer equipment** unaccompanied by visible **damage** to or breaking of any parts of the equipment.

Director

A **director** of **you** where **you** are a limited company.

Driver

Any person driving the **vehicle** and entitled to do so under the terms of the **certificate**.

Employee

Any:

- a person under a contract of service or apprenticeship with **you**
 - b prospective **employee** who is being assessed as to their suitability for employment
 - c labour master (or labour only subcontractor) or person supplied by them
 - d self-employed person used for labour only
 - e person hired or borrowed by **you** from another employer including agency workers
 - f volunteer or voluntary worker
 - g trainee or person undertaking work for **you** under a work experience placement
- whilst engaged by **you** in the course of the **business** and under **your** direct control or supervision.

Endorsement

A clause, detailed on the **schedule**, that alters the cover provided by this **policy**.

Europe

The member countries of the European Union, the Channel Islands, Iceland, the Isle of Man, Norway and Switzerland.

Excess

The first amount of a claim **you** must pay. Sometimes more than one **excess** can apply, in which case **we** add them together.

Explosion

The sudden and violent rending of **covered equipment** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **covered equipment** together with forcible ejection of the contents.

Family

You and **your** spouse or domestic partner and **your** or their relatives or dependants (including foster children) who usually live with **you** at the home but not:

- a tenants, lodgers, house or flatmates
- b paying guests
- c domestic **employees**.

For the purposes of this definition, **you** also means a **director** or **partner**.

General Contents

The contents of the **buildings** (used in connection with the **business**, owned by **you** or for which **you** are responsible), including:

- a machinery, plant, equipment, trade utensils, tools, implements, fixtures and fittings (excluding **computer equipment**)
- b **patterns**, models or moulds
- c computer records, business books, manuscripts, plans and designs or other documents for an amount not exceeding £25,000 in respect of any one loss
- d unless specified as a separate item on the **schedule**, **computer equipment** together with other peripheral devices which are designed to be used in conjunction with such equipment for an amount not exceeding £25,000 or the general contents sum insured whichever is lower
- e wines, spirits, tobacco and cigarettes kept for entertainment purposes up to a limit of £500 in respect of any one loss

- f **directors', partners' or employees' personal belongings**, clothing and pedal cycles subject to a limit of £500 per person unless specified as a separate item on the **schedule**
- g vending machines including their contents for which **you** are responsible but excluding **money** up to a limit of £500 excluding:
 - i **landlords' contents** or landlords' fixtures and fittings
 - ii **tenants' improvements**
 - iii glass, blinds and signs
 - iv **money**
 - v **computer equipment** (other than as provided by d above)
 - vi **stock or target stock**.

Gross Profit

The amount by which the sum of the **turnover** and the amount of the closing **stock** shall exceed the sum of the amount of the opening **stock** and the amount of the **specified working expenses**.

Ground Heave

Upward movement of the ground beneath the **buildings** as a result of the soil expanding.

Hacking

Unauthorised access to any computer or other equipment or component or **system** or item which processes, stores, transmits or receives **data**, whether owned by **you** or not.

Hydroelectric Installations

Any equipment, machinery, dam and weir used in connection with running a hydroelectric-power station, including turbines, sluice gates, screens, screeners, pumps, motors, generators, gearboxes, engines, alternators and associated equipment together with any substation and distribution transformer, switchgear, meter, cabling, telecommunication and monitoring device, building and converter housing (including fixtures and fittings), and security equipment.

Increase in Cost of Working

The additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period**.

Indemnity Period

The period beginning with the occurrence of the **damage** and ending not later than the last day of the maximum indemnity period shown on the **schedule** during which the results of the **business** shall be adversely or positively affected in consequence of the **damage**.

Injury

Bodily injury, death, illness or disease.

Insured Person

You, a **director**, **partner** or **employee**.

For the purpose of the Road Risks Section the definition of **insured person** is extended to include:

- a the **driver**
- b any person using (but not driving) the **vehicle**, with **your** permission, for social, domestic and pleasure purposes provided that such use is permitted under the terms of the **certificate**.
- c if **you** ask **us** any **passenger**.

In Transit

- a being loaded on or into a **vehicle**
- b being carried by a **vehicle**
- c contained in or on a **vehicle** whilst parked or stationary during transit for a period not exceeding 24 consecutive hours
- d being unloaded off or from a **vehicle** but not including positioning, installation, commissioning or erection subsequent to unloading.

Intruder Alarm System

The component parts of intruder alarm systems including the means of communication used to transmit signals.

Landslip

Downward movement of sloping ground.

Licence

A current licence to drive a motor **vehicle** of the same class as the **vehicle** as required by relevant legislation within the **territorial limits**.

Loss of Limbs, Eyes, Hearing or Speech

- a Loss of Limbs:
 - i In the case of a leg or legs:
 - a loss by permanent physical severance at or above the ankle or
 - b permanent and total loss of use of an entire foot or leg.
 - ii In the case of an arm or arms:
 - a loss by permanent physical severance of the four fingers at or above the metacarpophalangeal joints (where the fingers join the palm of the hand) or
 - b permanent and total loss of use of an entire hand or arm.
- b Loss of Eyes:
 - Irrecoverable loss of sight:
 - i in both eyes if an **insured person** is registered as severely sight impaired
 - ii in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen Scale (seeing at 3 feet what a person with standard vision should see at 60 feet).
- c Loss of Hearing:
 - Total and permanent loss of hearing.
- d Loss of Speech:
 - Total and permanent loss of speech.

Manufacturing, Production or Process Equipment

Any machine or apparatus (other than boilers, lifts, fork lift trucks, dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by **you** and any equipment which exclusively serves such machinery or apparatus.

Market Value

In relation to a **customer's vehicle market value** shall mean the cost of replacing the **vehicle** with one of a similar age, type, mileage and condition, immediately before the loss or **damage** happened.

In relation to any other **vehicle market value** shall mean the price **you** would pay at the time of loss or **damage** to buy a replacement **vehicle** of a similar age, type, mileage and condition with the intention of selling it, for a profit, at a later date.

Media

All forms of electronic, magnetic and optical tapes and discs for use in any **computer equipment**.

Minibus

A motor **vehicle** with between 9 and 16 (inclusive) **passenger** seats.

Money

Coins, bank and currency notes, bankers drafts, postal and money orders, cheques, bills of exchange, warrants, travellers cheques, prepaid travel money cards, unused current postage stamps, holiday with pay stamps, stamped holiday with pay cards, National Savings Certificates, Premium Bonds, luncheon vouchers, credit and debit card sales vouchers, gift tokens, activated gift cards, consumer redemption vouchers, lottery and other prize scratch cards, top up cards, telephone cards and vouchers, prepaid travel cards, unexpired units in franking machines and VAT purchase invoices belonging to **you** or for which **you** are responsible.

MOT Licence

The licence granted by the Driver and Vehicle Standards Agency or any successor or government agency to carry out tests on motor **vehicle(s)** under Section 45 of the Road Traffic Act 1998 issued to **you** as an authorised examiner or to a nominated tester employed by **you** in connection with the **business**.

Motorcycle

Any motorcycle, motorcyle and sidecar or moped.

Outstanding Debit Balances

The total amount of the outstanding debit balances in customers' credit accounts including hire purchase and credit sales accounts at the date of the **damage** adjusted for bad debts.

Partner

A partner of **you** where **you** are a partnership or a member of **you** where **you** are a limited liability partnership but not any member also deemed to be in **your** employment.

Passenger

Any person other than the **driver** travelling in or on or getting into or out of the **vehicle** or any **trailer** or broken down **vehicle** attached to the **vehicle**.

Period of Insurance

The period of time this **policy** is effective as shown on the **schedule** or until this **policy** is cancelled. Each renewal represents the start of a new **period of insurance**.

Permanent Total Disablement

Physical injury not resulting in death, **loss of limbs, eyes, hearing or speech** which has lasted for at least one year and which solely and directly results in the permanent, total and absolute inability of the **insured person** to attend to any part whatsoever of their occupation or profession.

Personal Belongings

Items worn, used or carried in daily life, but not **money**, credit cards or items held or used for business purposes.

Phishing

Any access or attempted access to **data** or information by means of misrepresentation or deception.

Physical Injury

Bodily injury by accidental, external, violent and visible means sustained by **you**, a **director**, **partner** or **employee** in the course of the **business** where such bodily injury arises directly from assault with the intent of theft of **property**, **money** and/or **vehicle** insured by this **policy**.

Policy

This policy is made up of a number of documents. These documents are the:

- a policy wording
- b **schedule**
- c **endorsements**
- d notice to policyholders
- e statement of fact or proposal form
- f **certificate**.

Polluting or Contaminating Substance

Any solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapour, fumes, acids, alkalis, chemicals, dust, legionella bacteria and other micro-organisms or pathogens and waste including material to be recycled, reconditioned or reclaimed.

Pollution or Contamination

- a all pollution or contamination of buildings or other structures or of water or land or the atmosphere
- b all **injury**, **damage** or liability directly or indirectly caused by such pollution or contamination arising from any **polluting or contaminating substance**.

Portable Computer Equipment

- a laptops, palmtops and notebooks
- b personal digital assistants (PDAs)
- c projectors, printers, scanners and other peripheral devices which are designed to be carried and used in conjunction with other portable computer equipment
- d removable satellite navigation systems
- e digital cameras.

Portable Hand Tools

A tool, either manual or power driven:

- a that is designed so that the entire tool (other than any power supply lead, hose or cable) is held and applied to the work by hand whilst in use and
- b that is capable of being carried by one person without assistance of any kind

excluding any generator, compressor or similar power supply equipment required to operate such tool, which are the **property of you** or belonging to **employees** for which **you** are responsible.

Premises

The buildings and the land inside the boundaries of the risk address shown on the **schedule** that are occupied or used by **you** in connection with the **business**.

Principal

Any person, firm, company, ministry or authority for whom **you** undertake work or provide **products supplied** under a contract or agreement in the course of the **business**.

Products Supplied

Any goods (including containers) sold, supplied, erected, repaired, serviced, altered, treated, installed, processed, manufactured or tested by **you** in the course of the **business**.

Property

Material **property** which shall not include **data**.

Racetrack

Any track field circuit or **road** including toll **roads** which is being used for racing rallies pace making competitions speed trials or track days.

Repair Servicing or Maintenance

Repair servicing or maintenance of vehicle(s), includes,

- the pre-delivery check of new vehicles as required by the manufacturers and the fitting of additional accessories to such vehicles.
- the examination of vehicles in accordance with The Motor Vehicle(s) (Tests) (Amendment) Regulations 2012.

Road

Anywhere within the **territorial limits** where compulsory motor insurance legislation is operative.

Schedule

The document that shows:

- your** name and address
- the **business**
- the **period of insurance**
- the sections and sub-sections of this **policy** which are operative
- the **excesses** which apply
- the premium **you** must pay
- the **property** that is insured
- the limits of indemnity, sums insured and **indemnity periods**
- details of any extensions or **endorsements** to the cover.

Secure Compound

An area that is fully enclosed by a secure perimeter wall or fence and securely locked gates.

Servicing of Goods

The repair, testing, servicing, maintenance, alteration, cleaning or inspection of any **vehicle**.

Settlement

Downward movement as a result of the soil being compressed by the weight of the **buildings**.

Specified Working Expenses

- Purchases of **stock**, raw materials and consumables (less discounts received)
- Discounts allowed
- Carriage, freight and packaging
- Bad Debts.

Stock

Stock in trade (not being **vehicles**) which is **your property** or held in trust or commission for which **you** are responsible excluding **target stock**

Subsidence

Downward movement of the ground beneath the **buildings** and its foundations other than by **settlement**.

System

Computers, other computing and electronic equipment linked to computer hardware, electronic data processing equipment.

Target Stock

Stock comprising cigarettes (including e-cigarettes), cigars, tobacco, wines and spirits, clothing and helmets, entertainment systems, communication equipment, navigation equipment, non ferrous metals and tyres.

Temporary Total Disablement

Physical injury which solely and directly results in the total and absolute inability of the **insured person** to attend to any part whatsoever of their occupation or profession.

Tenants' Improvements

Fixtures, fittings, decorations or improvements which are fixed to and form part of the structure or fabric of the **building** and for which **you** are responsible as the tenant and not the owner of the **building** excluding:

- buildings**
- landlords' contents** or landlords' fixtures and fittings
- general contents**
- glass, blinds and signs
- computer equipment**
- money**
- stock or target stock**
- contents of common areas.**

Territorial Limits

Unless otherwise stated in the **schedule** or elsewhere in this **policy**, the following **territorial limits** apply:

Applicable to the Road Risks, Material Damage, Loss of Income and Property in Transit Sections

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

Applicable to the Employers' Liability Section

- England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- Rest of the world but only in respect of temporary work as provided by Extension 8 - Temporary Work Overseas.

Applicable to the Public and Products Liability and Defective Workmanship Section

Public Liability

- England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- Rest of the world but only in respect of temporary work as provided by Extension 9 - Overseas Personal Liability and Extension 10 - Temporary Work Overseas.

Products Liability

- England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- Rest of the world (but excluding **products supplied** knowingly to the United States of America or any territory within its jurisdiction or Canada).

Defective Workmanship

- England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- Rest of **Europe**.

Terrorism Extensions to the Material Damage and Loss of Income Sections

England, Scotland and Wales but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor Northern Ireland, the Isle of Man or the Channel Islands.

Terrorism

For all Sections other than the Road Risks Section terrorism is defined as:

Any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence.

For the Road Risks Section terrorism is defined as:

Terrorism as defined in the Terrorism Act 2000 for any incident occurring in the United Kingdom or if the incident occurs in any other territory which has an equivalent legislation to the Terrorism Act 2000 **terrorism** will follow the definition in that legislation.

Trailer

Any **trailer** which is **your property** or for which **you** are legally responsible. **Trailer** does not include a broken down motor **vehicle**.

Turnover

The money paid or payable to **you** for **products supplied** and services provided in the course of the **business**.

Unoccupied, Unoccupancy

a empty or

b not in use

for more than 30 consecutive days.

Valuables

Jewellery, precious stones, articles made from gold, silver and other precious metals, clocks, watches, furs, photographic equipment, binoculars, telescopes, musical instruments, pictures and other works of art, rare and unusual figurines and ornaments, guns, collections of stamps, coins or medals.

Vehicle

For all Sections other than the Road Risks Section **vehicle** is defined as a mechanically propelled conveyance with or without attached trailers.

For the Road Risks Section **vehicle** is defined as any car, motorcycle, minibus or commercial **vehicle** (excluding steam driven **vehicle**) which is insured under the policy and described in the certificate.

Except when **you** have requested and **we** have agreed to provide cover, the **vehicle** does not include any motor **vehicle** registered outside Great Britain, Northern Island, the Isle of Man or the Channel Islands.

Vehicle Keys

Any key or alternative electronic or mechanical device designed to operate the **vehicle** locks or turn on the ignition (or both).

Virus

Computer viruses or worms, Trojan horses, logic bombs or other malware, programming instructions or any set of instructions designed to achieve an unexpected, unauthorised or undesirable effect or operation or otherwise adversely affect computer programs, data files or operations whether involving self replication or not.

We, Our, Us

Ageas Insurance Limited.

You, Yours, Yourself

The person, persons or corporate body named on the **schedule** as the Insured including subsidiary companies notified by **you** and accepted by **us**.

Young Driver

Any person 24 years of age or under at the time of an event.

Your Vehicle

Any **vehicle** which is the **property** of **you** or held for retail sale, including those leased in or on consignment from manufacturers or distributors or on commission for which **you** are responsible.

General Exclusions

These exclusions apply to the whole **policy**. Additional exclusions may apply to individual sections and sub-sections. Please refer to the section and sub-section wordings for details.

1 Radioactive Contamination

(Not applicable to Sub-Section A – Employers' Liability of the Liability Section)

This **policy** does not cover any **damage, injury** or liability directly or indirectly caused by, contributed to by or arising from:

- a ionising radiations or radioactive contamination from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b the radioactive, toxic, explosive or other dangerous properties of any explosive nuclear equipment or nuclear part of that equipment
- c any weapon employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

2 War

(Not applicable to Sub-Section A – Employers' Liability of the Liability Section)

This **policy** does not cover any **damage, injury** or liability directly or indirectly caused by, contributed to by or arising from war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

3 Northern Ireland

This **policy** does not cover **damage** to any **property** in Northern Ireland directly or indirectly caused by, contributed to by or arising from:

- a riot or civil commotion or
- b labour disturbances or malicious persons except in respect of accidental **damage** caused by fire or explosion.

4 Terrorism

This **policy** does not cover any **damage, injury** or liability directly or indirectly caused by, contributed to by or arising from:

- a **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- b any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**

except as provided by the Employers' Liability Section and the Public and Products Liability & Defective Workmanship Section of this **policy**.

In any action, suit or other proceedings, where **we** allege that by reason of the provisions of this exclusion any **damage, injury** or liability is not covered by this **policy**, the burden of proving that such **damage, injury** or liability is covered shall be upon **you**.

However, where required, **we** will provide the minimum cover needed under compulsory motor insurance legislation.

5 Electronic Risks

This **policy** does not cover any **damage, injury** or liability directly or indirectly caused by, contributed to by or arising from:

- a **damage** to any **system** or item which processes, stores, transmits or receives **data** whether owned by **you** or not and whether tangible or intangible (including any **data** or information or programs or software) where such **damage** is caused by programming or operating error by any person, acts of malicious persons, **virus, hacking, denial of service attack** or failure of any external network
- b the erasure, loss, distortion or corruption of **data** or unauthorised access to or modification of **data** or information on **systems** or other records, programs or software
- c any misinterpretation, use or misuse of **data** or information on **systems** or other records or software
- d unauthorised transmission of **data** to any third party, or transmission of any **virus**
- e **damage** to any other **property** directly or indirectly caused by or arising from **damage** described in a, b, c or d of this exclusion

but this shall not exclude accidental **damage** to insured **property** which results from an Insured Contingency shown on the **schedule** against **general contents** except for acts of malicious persons which do not involve physical force or violence.

6 Pollution

(Not applicable to Employers' Liability Section)

This **policy** does not cover any **damage, injury** or liability directly or indirectly caused by, contributed to by or arising from **pollution or contamination** except for (unless otherwise excluded):

- a **damage** to the **property** insured caused by:
 - i **pollution or contamination** which itself results from a **defined peril**
 - ii any one of the **defined perils** which itself results from **pollution or contamination**
- b any cover provided under this **policy** where the **damage, injury** or liability is shown to come within the exception to Exclusion 18 – Pollution of the exclusions to the Public and Products Liability and Defective Workmanship Section.

7 Asbestos

(Applicable to the Employers Liability and Public and Products Liability and Defective Workmanship Sections only)

This **policy** does not cover any liability of whatsoever nature arising out of mining, processing, manufacturing, removing, disposing of, distributing or storing of asbestos or products made entirely or mainly of asbestos.

This exclusion shall not apply to the removal or disposal of asbestos or products made entirely or mainly of asbestos provided:

- a such activity does not form part of **your** usual business
- b the discovery of asbestos is unintentional and accidental and that upon discovery of asbestos or products made entirely or mainly of asbestos all work immediately stops
- c an asbestos removal contractor licensed by the Health and Safety Executive is employed as soon as practicable to make safe the area in which the discovery is made and who has employers' and public liability insurance in force for limits no less than those stated on **your** own such policies and that such work is not excluded by the contractor's own employers' and public liability policy.

8 Depreciation

(Applicable to Road Risks and Material Damage Sections only)

This **policy** does not cover any **damage** directly or indirectly caused by, contributed to by or arising from depreciation, wear and tear, electronic and computer failures, breakage or mechanical or electrical breakdown of a **vehicle** or forecourt facility.

9 Tyres

(Applicable to Road Risks and Material Damage Sections only)

This **policy** does not cover **damage** to tyres by application of brakes or by punctures, cuts or bursts.

General Conditions

These conditions apply to the whole **policy**. Additional conditions may apply to individual sections or sub-sections. Please refer to the section and sub-section wordings for details.

1 Misrepresentation

You must make a fair presentation of the risk to **us**. This means **you** must disclose at inception or variation to this **policy** and prior to each renewal every material circumstance which **you** know or ought to know and not make misrepresentations to **us**. If **you** do not make a fair presentation to **us**, **we** can:

- a avoid this **policy** from inception or renewal if **we** would not have issued it or continued it knowing the true situation
- b avoid a variation to this **policy** if **we** would not have accepted it had **we** known the true situation
- c alter the terms of this **policy** from the date the non-disclosure or misrepresentation was made to those **we** would have applied had **we** known the true situation
- d reduce the payment for a claim
- e cancel this **policy** from the date the non-disclosure or misrepresentation was made.

This may result in claims not being paid or not being paid in full.

2 Subject to Survey

If this **policy** has been issued subject to survey, then continuance of cover shall be subject to:

- a **you** allowing **us** to undertake a survey at each of **your premises** (where required) by a date agreed in writing by **us**. **We** may appoint a surveyor to do the survey for **us**
- b **you** complying with **our** acceptance criteria
- c the completion of any risk improvements required within the time frame advised by **us**.

The cost of completing any risk improvement requirements will be met by **you**.

If **you** do not allow **us** to complete the survey by the agreed date **we** may exercise **our** right to cancel this **policy** in accordance with General Condition 6 - Our Cancellation Rights.

For the period between inception date and the completion date of the survey **we** agree to cover **you** in accordance with the terms, conditions and exclusions of this **policy**.

In the event the survey does not reflect the details supplied to **us** by **you** or on **your** behalf, or any of the risk improvement requirements are not completed by the agreed date **we** give **you** in writing following the survey, **we** have the right to amend the premium, terms, conditions and exclusions of this **policy**, or to cancel this **policy** in accordance with General Condition

6 – Our Cancellation Rights.

3 Reasonable Precautions

You should take all reasonable care:

- a for the safety of the **property** insured
- b to prevent accidents or disease
- c to comply with all statutory obligations and regulations imposed by any authority
- d to prevent the sale or supply of goods which are defective in any way.

4 Fraud

We will not pay for any claim that is deliberately exaggerated or where **you** or anyone acting for **you** uses, or attempts to use, fraudulent means to obtain benefits under this **policy**. If **you** or they do, or attempt to:

- a **we** will cancel this **policy** from the date of the fraudulent act
- b **we** will not refund any premiums
- c all benefit under this **policy** shall be forfeited.

We may inform the police and fraud prevention agencies of the circumstances.

5 Your Cancellation Rights

During the first **period of insurance**, **you** have the right to cancel this **policy** within 14 days of:

- a receipt of the policy wording and **schedule**
- b the inception date of this **policy**

whichever is the later, by writing to **us** or alternatively by contacting **your agent** to confirm cancellation. Cancellation will take effect from the date that **we** or **your agent** receives **your** cancellation instructions. Provided no claim has been made and there has been no incident known to **you** prior to cancellation which may give rise to a claim, **you** will be entitled to a full refund of the premium paid. Should a claim be submitted after such refund has been provided, payment of the premium in full will be required before **we** can deal with the claim. **We** will only deal with claims occurring during the period commencing on or after inception up to the cancellation of this **policy**.

You may cancel this **policy** at any other time by writing to **us** or alternatively by contacting **your agent** to confirm cancellation. **You** will be entitled to the return of a proportionate part of the premium paid in respect of the unexpired **period of insurance** provided no claim has been made during the **period of insurance** in which the cancellation is to take effect. If a claim has been made, **we** will deduct the cost of the claim (or the estimated cost where the claim is outstanding) from the refund due. **You** will not be entitled to any refund if:

- i there has been an incident known to **you** which may give rise to a claim

- ii the cost of the claim (or the estimated cost where the claim is outstanding) is equal to or exceeds the amount of the premium paid.

6 Our Cancellation Rights

The cover provided by this **policy** shall automatically cease from the date that:

- a a liquidator, administrator or insolvency practitioner is appointed to administer the **business**
- b the **business** is permanently discontinued
- c **your** interest ceases other than as a result of **your** death unless **we** agree otherwise in writing.

In addition to a, b and c of this condition and any right to cancel under more specific conditions, **we** also have the right to cancel this **policy** at any other time by sending 14 days' notice in writing to **your** last known address. Reasons for cancellation under this condition may include but are not limited to:

- i a change to the risk which makes it one **we** would not normally accept
- ii **you** failing to co-operate with or provide information to **us** which affects **our** ability to underwrite the risk.

You will be entitled to the return of a proportionate part of the premium paid in respect of the unexpired **period of insurance** provided no claim has been made during the **period of insurance** in which the cancellation is to take effect. If a claim has been made, **we** will deduct the cost of the claim (or the estimated cost where the claim is outstanding) from the refund due. **You** will not be entitled to any refund if:

- a there has been an incident known to **you** which may give rise to a claim
- b the cost of the claim (or the estimated cost where the claim is outstanding) is equal to or exceeds the amount of the premium paid.

7 Renewal

We are not bound to offer renewal of this **policy**.

8 Law Applicable to this Policy

This **policy** will be governed by English Law, and **you** and **we** agree to submit to the non-exclusive jurisdiction of the courts of England and Wales (unless **you** live in Jersey in which case the law of Jersey will apply and the Jersey courts will have exclusive jurisdiction).

9 Language

The contractual terms, conditions, exclusions and other information relating to this **policy** will be in the English language.

10 Contracts (Rights of Third Parties Act) 1999

Except as provided by General Condition 11 – Personal Representatives, no party to this **policy** intends that any term of this **policy** should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person, persons or corporate body who is not a party to this **policy**.

11 Personal Representatives

In the event of the death of any party entitled to indemnity under this **policy**, **we** will cover the deceased's personal representatives in respect of legal liability to pay **your costs and expenses, claimants' costs and expenses** and damages previously incurred by the deceased in respect of accidental:

- a **injury** or
- b **damage to property**

provided that:

- i the personal representatives comply with and are subject to the terms and conditions of this **policy** to the extent that these can apply
- ii the conduct and control of claims is vested in **us**
- iii where more than one party is entitled to indemnity under this condition, **our** total combined liability to all parties will not exceed the applicable limit of indemnity shown on the **schedule**.

12 Motor Insurance Database

(Applicable to Road Risks Section only)

For any changes to the **vehicle**, for example **you** sell the **vehicle**, change the **vehicle** or its registration number, or **you** get another **vehicle**, **you** must supply details of any **vehicle** whose use is insured under this **policy** as required by the relevant law applicable within Great Britain and Northern Ireland for entry on the motor insurance database.

Condition Precedent to Liability

(Applicable to the Material Damage and Loss of Income Sections only)

Notice of Unoccupancy or Occupancy

It is a condition precedent to **our** liability to pay claims that **you** must advise **us** as soon as **you** become aware that:

- a the **premises** or a **building** or self contained unit within a **building** becomes **unoccupied**
- b the **premises** or a **building** or self contained unit within a **building** becomes occupied after a period of being **unoccupied**.

Following notification of **unoccupancy** or occupancy, **we** will have the right to amend the premium, terms, conditions and exclusions of this **policy**, or may exercise **our** right to cancel this **policy** in accordance with General Condition 6 – Our Cancellation Rights.

Claims Conditions

These conditions apply to the whole **policy** unless otherwise stated

1 Claims Procedure – Your Responsibilities

Failure to comply with these responsibilities will affect the payment of any claim.

- a **You** must not negotiate or settle any claims made against **you** by anyone else or admit or deny responsibility for any incident involving **injury** to others or **damage** to their **property** unless **we** agree otherwise in writing.
- b **You** must:
 - i on discovery of any **damage** by theft or attempted theft or by malicious persons give immediate notice to the police and obtain a crime reference number if a crime has been committed and provide it to **us**
 - ii notify **us** within seven days of any **damage** by riot, civil commotion, labour or political disturbances, malicious persons or theft or attempted theft. Any other incident that may give rise to a claim under this **policy** must be reported to **us** and full written particulars of the loss supplied as soon as possible after the event at **your** expense
 - iii immediately send **us** unanswered and unacknowledged any letter or notice received alleging that **you** or anyone working for **you** is responsible for causing an **injury** to any person or **damage** to any **property**. **You** must also send **us** unanswered and unacknowledged any written claim, writ, summons or other document relating to a claim and tell **us** of any pending prosecution, coroner's inquest or fatal accident inquiry and give **us** full details of any verbal claims made against **you**
 - iv take immediate action to minimise loss, prevent further **damage**, **injury** or **physical injury** and avoid interruption of or interference with the **business**
 - v keep all damaged **property** until **we** give permission to dispose of it
 - vi provide at **your** expense all information and assistance as **we** may reasonably require
 - vii provide, if **we** require, a statutory declaration of the truth of the claim.

2 Claims Procedure – Our Rights

We shall:

- a be allowed by **you** to enter the **premises** where **damage** has occurred and take and keep possession of any **property** insured
- b not accept any **property** being abandoned to **us**
- c have complete control of any proceedings and the settlement of any claim.

3 Subrogation

Before or after any payment is made by **us**, **we** can at **our** option:

- a negotiate, defend or settle, in **your** name and on **your** behalf, any claims made against **you**
- b take legal action in **your** name but for **our** benefit to get back any payment **we** have made under this **policy**.

4 Contribution

(Not applicable to the Liability Section or Optional Extension – Personal Accident to the Money Section)

If **you** have any other insurance policies that cover the same **damage** or liability as this **policy**, **we** will only pay **our** share of any claim.

Provided always that nothing in this condition will impose on us any liability from which **we** would be relieved under Sub-Section B or number 4 c of extensions to Sub-Section B to the Road Risk section.

5 Arbitration

(Not applicable to the Liability Sections)

If **we** agree to pay **your** claim, but **you** disagree with the amount to be paid, such difference shall be referred to an arbitrator jointly appointed by **you** and **us** in accordance with the Arbitration Act. **You** may not take legal action against **us** over this disagreement until the arbitrators have made their decision.

6 Discharge of Liability

(Applicable to the Road Risks and Liability Sections only)

We may, at any time, pay **you** in connection with any claim or series of claims:

- a the amount of the limit of indemnity
- b any lower amount for which such claim or claims can be settled

less any sum or sums already paid as damages, **claimants' costs and expenses** and **your costs and expenses**.

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

7 Automatic Reinstatement

(Applicable to Material Damage, Specified Property and Deterioration of Refrigerated Stock and Loss of Income Section only)

Upon notification of a claim to **us**, unless **we** or **you** give written notice to the contrary, the sums insured shall be reinstated to their full amount provided that:

- a **you** shall pay the appropriate additional premium from the date of the loss or **damage** to the expiry of the **period of insurance** if **we** request the additional premium
- b the total of the amounts reinstated during any one **period of insurance** will not exceed the sum insured shown on the **schedule**.

8 Hiring or other Agreement

If **we** know that **property** or a **vehicle** is hired leased or loaned to **you** under a hire purchase leasing or other agreement **we** may pay the finance company first.

9 Compulsory insurance

If the law of any country says **we** must make a payment that **we** would not otherwise have paid, **you** must repay the amount to us.

Insured Contingencies

Applicable to Material Damage, Money, Specified Property and Loss of Income Sections. The following Insured Contingencies are operative where stated in the **schedule**

1 All Risks excluding subsidence, ground heave or landslip

Damage by any cause (not otherwise excluded) but not **damage** caused by:

- a Subsidence, ground heave or landslip or any of its detailed exclusions whether insured or not
- b or resulting from any process of production, packing, treatment, dyeing, cleaning, testing, commissioning, maintenance, alteration, restoration, servicing or repair but not excluding **damage** caused by a **defined peril** and not otherwise excluded
- c inherent vice, latent defect, gradual deterioration, wear and tear, frost, faulty or defective design, faulty or defective workmanship or materials, operational error or omission, but not excluding **damage** caused by a **defined peril** and not otherwise excluded
- d collapse or cracking of any **building** or structure unless it results from a **defined peril** and is not otherwise excluded
- e corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, condensation, atmospheric or climatic conditions, dampness, dryness, chipping, marring or scratching, vermin or insects
- f change in temperature, colour, flavour, texture or finish
- g joint leakage, the failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
- h the bursting of:
 - i any boiler not used for domestic purposes only
 - ii any economiser or other vessel machine or apparatus owned by **you** or under **your** control in which internal pressure is due to steam only but this will not exclude subsequent **damage** which itself results from a cause not otherwise excluded
- i mechanical or electrical breakdown or derangement in respect of the particular machinery or equipment in which such breakdown or derangement occurs but not excluding:
 - i the subsequent **damage** which itself results from an Insured Contingency that is otherwise operative
 - ii **damage** caused by artificially generated electrical current, including electric arcing, that damages electrical devices, appliances or wires
- j acts of fraud or dishonesty including any collusion by **you**, **directors**, **partners** or **employees**
- k disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- l or consisting of distortion, erasure or corruption of computer records or **media**
- m theft or attempted theft:
 - i that does not involve entry to or exit from a **building** by forcible and violent means or that does not involve actual

- or threatened assault or violence, or the use of force against **you** or any person lawfully on the **premises**
- ii from any garden or from any yard or open space
- iii arising while the **premises** are **unoccupied**
- iv by any **employee** or any person lawfully on the **premises**
 - v to a **building** except as provided by Extension 5 – Theft of Building of the Material Damage Section
- n wind, rain, hail, sleet, snow, flood or dust to any fences, gates or moveable **property** in the open
- o changes in the water table level
- p spontaneous heating or fermentation of the **property** insured or fire caused by its undergoing any process involving the application of heat
- q escape of water or oil from any pipe, tank or apparatus, **damage** by malicious persons, theft or attempted theft in any building which is **unoccupied**.

2 Theft or attempted theft

Theft or attempted theft but not theft or attempted theft:

- a that does not involve entry to or exit from a **building** by forcible and violent means or that does not involve actual or threatened assault or violence, or use of force against **you** or any person lawfully on the **premises**
- b from any garden or from any yard or open space
- c arising while the **premises** are **unoccupied**
- d by any **employee** or any person lawfully on the **premises**
- e **damage** to a **building** except as provided by Extension 5 – Theft of Building of the Material Damage Section.

3 Subsidence, ground heave or landslip

Damage caused by **subsidence**, **ground heave** or **landslip** of the site on which the **property** described on the **schedule** stands but not **damage**:

- a to outbuildings, aerials, satellite dishes, security cameras, lights, air conditioning or climate control equipment, solar panels, fuel tanks and septic tanks, ducting, pipes, cables, wires, control equipment, walls, gates and fences, swimming pools, car parks, yards, roads, pavements, footpaths and children's play areas, unless the structure of the building which they are ancillary to is damaged at the same time by the same cause
- b to solid floor slabs or **damage** from solid floor slabs moving, unless the foundations underneath the outside walls of the main building are damaged at the same time and by the same cause
- c caused by or consisting of:
 - i **settlement** (including the normal **settlement** or bedding down of new structures)
 - ii compaction or movement of infill or made up ground
 - iii coastal or river erosion

- iv defective design or faulty workmanship or the use of defective materials or inadequate foundations
- d which originated before this Insured Contingency was effective
- e resulting from:
 - i demolition, construction, structural alteration or repair of any **property** at the **premises**
 - ii groundwork or excavation at the same **premises**
- f for which compensation is provided under or by contract or legislation
- g due to loss of market value after repairs.

Road Risks Section

The extent of cover is as stated on the **schedule** and the following definitions apply to this section.

Comprehensive

The full insurance as written in this section and the terms, conditions and exclusions of the **policy**

Third Party Fire and Theft

The insurance as written in this section and the terms, conditions and exclusions of the **policy** but cover under sub-section A is restricted to loss or **damage** caused by fire, lightning, self-ignition, explosion, theft or attempted theft.

Third Party Only

Sub-Section A is not operative.

Sub-Section A – Loss of or Damage to Vehicles

Cover

We will pay for **damage** to the **vehicle** occurring in the **territorial limits** but excluding any **vehicle** whilst in, or on:

- a any **premises** owned or occupied by **you** for **business** purposes
- b any other place at which **you** are undertaking any **business**.

We will not pay more than the **market value** or the value limit shown on the **schedule**, whichever is the lower, in respect of loss of or **damage** to the **vehicle** except under the Replacement Vehicle extension below.

Extensions to Sub-Section A – Loss of or Damage to Vehicles

1 Replacement Vehicle

We will not pay more than the **market value** of the **vehicle** unless the **vehicle** is a **car** or goods carrying commercial vehicle with a gross vehicle weight of less than 3.5 tonnes and:

- a the loss or **damage** happens within one year of first registration as new
- b the cost to replace the **vehicle** with a new vehicle (including taxes) is lower than the value limit shown on the **schedule**
- c the cost of repair is valued at more than 60% of the UK list price (including taxes) of the **vehicle** at the time of its first registration as new
- d the **vehicle** was supplied as new within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- e the **vehicle** is insured for **comprehensive** cover.

In these circumstances, if **you** ask **us** to, **we** will replace the **vehicle** (and pay the delivery charges to the address shown on **your** current **schedule** or any other address **we** agree with

you) with a new **vehicle** from the same manufacturer and of the same type and specification.

We will only do this if:

- i **we** can buy a vehicle straight away within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- ii **we** have permission from any other interested party known to **us**.

2 Vehicle held for Sale

If a new **vehicle** held for sale by **you** sustains **damage** as a result of an incident covered by this sub-section to the extent that it necessitates:

- a a declaration of such **damage** to a prospective purchaser
- b a discount to effect a sale

we will consider such discount as forming part of the claim provided that:

- i **we** have agreed the level of discount necessary to effect the sale
- ii the total payment in respect of such discount will be limited to a maximum of £5,000 any one **vehicle**.

3 Loss of Use – Customers' Vehicles

We will indemnify **you** for **your** legal liability to pay for compensation arising from the loss of use of **customer's vehicles** following **damage** to the **vehicle** whilst in **your** custody or control which is insured under this sub-section.

Provided that **we** will only pay for costs and expenses incurred during a period of one month immediately following the **damage** to allow the repair or replacement of the **vehicle** and up to a maximum payment any one claim, or series of claims arising out of one event of £50,000.

4 Vehicles with Sub-Contractors

Notwithstanding anything to the contrary contained in section 5 of the **certificate** **we** will indemnify **you** in respect of **damage** to a **vehicle** whilst in the possession of a sub-contractor to **you** for the purpose of work being carried out on that **vehicle** on **your** behalf.

Provided that:

- a **we** shall not be liable if the **damage** to the **vehicle** is covered by any other insurance
- b **we** shall not be liable whilst the **vehicle** is on the business premises of the sub-contractor
- c the **vehicle** is insured for **comprehensive** cover.

5 Contract Price

In respect of any **vehicle** sold but not delivered, for which **you** are responsible, subject to a sale contract which, following **damage** to the **vehicle** as a result of an incident covered by this sub-section is cancelled by reason of its conditions wholly or to the extent of the **damage**, **our** liability will be based on

the contract price subject to this not exceeding the **market value** of the **vehicle** or the **vehicle** value limit stated in the **schedule** for any one **vehicle**.

Provided that once the payment is accepted the **vehicle** will belong to **us**.

6 Personal Belongings

We may at **your** request provide cover for **personal belongings** in the **vehicle** that are **damaged** as a result of an incident covered by this sub-section up to a maximum of £500 after allowance for wear and tear and loss of value for the items.

Provided that **we** shall not be liable for:

- a any goods, tools or samples that are carried as part of any trade or business
- b loss of or **damage** to telephone or other communication equipment
- c money, credit, debit or charge cards, stamps, cheques, tickets, documents and securities (such as share or bond certificates)
- d **damage** to any radar or laser detection equipment
- e **damage** arising when no one is in the **vehicle** unless all its windows, doors, roof openings or hood are closed and locked and all ignition keys or other removable ignition devices and all keys or devices needed to lock the **vehicle** are removed from the **vehicle**.

7 Contents of Customers Vehicles

We will pay for **damage** to the contents of **customers' vehicles** as a result of an incident covered by this sub-section provided:

- a the total payment will be limited to £1,000 in respect of any one loss or series of losses arising from the one event
- b the **customer's vehicle** is insured for **comprehensive** cover.

Provided that **we** shall not be liable for:

- a any goods, tools or samples that are carried as part of any trade or business
- b loss of or **damage** to telephone or other communication equipment
- c money, credit, debit or charge cards, stamps, cheques, tickets, documents and securities (such as share or bond certificates)
- d **damage** to any radar or laser detection equipment
- e **damage** arising when no one is in the **vehicle** unless all its windows, doors, roof openings or hood are closed and locked and all ignition keys or other removable ignition devices and all keys or devices needed to lock the **vehicle** are removed from the **vehicle**.

8 Vehicle Keys and Locks

We will pay for the cost of replacing locks or lock mechanism and **vehicle keys** necessary to maintain the security of the **vehicle** following theft of the **vehicle keys** by forcible and violent means subject to a maximum payment of £5,000 in respect of any one loss or series of losses arising from the one event and £5,000 in total in any one **period of insurance**.

Provided that:

- a the loss is reported to the police immediately on discovery that the **vehicle keys** have been stolen
- b any relevant **excess** on the **schedule** or elsewhere in the **policy** shall apply.

9 Recovery and Redelivery

Following **damage** to a **vehicle** that is covered by this sub-section **we** will pay for the costs of protecting the **vehicle**,

transporting it to the nearest approved repairer when necessary and delivering it to **your** address after repair.

10 Young and Inexperienced Drivers

We will not pay the following **excess** in respect of each and every claim or series of claims arising from one event while the **vehicle** is being driven by or is in the charge of any person:

	Excess
under the age of 19	£500
aged 19 or over but under 22	£350
aged 22 or over but under 25	£250
aged 25 or over but has not held a full licence issued within the European Union for at least one year.	£250

These **excesses** are additional to any other **excess** that applies under this **policy**. Where more than one **vehicle** is concerned in one incident then this condition shall apply to each **vehicle** separately.

11 Vehicles being transported on a vehicle

Following **damage** to a **vehicle** that is covered by this sub-section **we** will pay for **damage** to a **vehicle** being transported on the **vehicle** or **trailer** attached to the **vehicle** in connection with **your business**.

We will not pay more than the **market value** or the value limit shown on the **schedule**, whichever is the lower, in respect of **damage** to the **vehicle**.

Provided that **we** will not provide any cover under this extension when there is more than one **vehicle** on the **vehicle** or on the **vehicle** and attached **trailer**.

12 Disabled Mechanically Propelled Vehicles

Following **damage** to a **vehicle** that is covered by this sub-section **we** will pay for **damage** to a disabled mechanically propelled **vehicle** attached to the **vehicle** for the purpose of being towed in connection with **your business**.

We will not pay more than the **market value** or the value limit shown on the **schedule**, whichever is the lower, in respect of **damage** to the **vehicle**.

Provided that **we** will not provide any cover under this extension when the disabled mechanically propelled **vehicle** is being towed otherwise than in accordance with the law.

Exclusions to Sub-Section A – Loss of or Damage to Vehicles

1 Excess

Any **excess** or combination of **excesses** shown on the **schedule** or in the **policy**. **You** must pay these amounts for every incident that **you** claim for under this sub-section.

2 Value Added Tax (VAT)

Any VAT **you** are able to recover on the cost of repairs and replacement goods, to the extent allowed by law. **You** must pay these amounts for every incident that **you** claim for under this sub-section.

3 Unattended Vehicles

We will not pay for **damage** to the **vehicle** when no one is in the **vehicle** unless all its windows, doors, roof openings or hood are closed and locked and all ignition keys or other removable ignition devices and all keys or devices needed to lock the **vehicle** are removed from the **vehicle**.

4 Loss of Use

We will not pay for loss of use of the **vehicle** other than provided by extension 3 Loss of Use - **Customers' Vehicle**.

5 Wear and Tear and Depreciation

We will not pay for wear and tear or depreciation.

6 Mechanical and Electrical Breakdown

We will not pay for mechanical, electrical, electronic and computer failures or breakdowns or breakages.

7 Tyres

We will not pay for **damage** to tyres caused by braking, punctures, cuts or bursts.

8 Accessories and Parts

We will not pay:

- a the costs of importing parts or **accessories and spare parts** or storage costs caused by delays, where the parts or **accessories and spare parts** are not available from current stock within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- b any amount in excess of the cost shown in the manufacturer's latest parts guide, plus fitting costs, for any lost or damaged parts or **accessories and spare parts** if such parts or **accessories and spare parts** are not available
- c for **damage** to telephone or other communication equipment, audio, navigational and entertainment equipment unless this equipment is permanently fitted to the **vehicle**.

9 Loss of Value

We will not pay for the **vehicle** losing value after, or because of, repairs.

10 Loss of Vehicle

We will not pay for:

- a **damage** to the **vehicle** resulting from deception by a person pretending to be a buyer or acting on behalf of a buyer
- b the **vehicle** being confiscated or destroyed by or on behalf of any government or public or local authority
- c loss from taking the **vehicle** and returning it to its legal owner
- d **damage** to any radar or laser detection equipment.

Sub-Section B – Liability to Third Parties

Cover

We will cover the legal liability of an **insured person** for the death of or injury to any person or **damage to property** caused by or arising from using the **vehicle** within the **territorial limits** but excluding any **vehicle** whilst in, or on:

- a any **premises** owned or occupied by **you** for **business** purposes
- b any other place at which **you** are undertaking any **business**.

We will also pay **costs and expenses**.

Extensions to Sub-Section B – Liability to Third Parties

1 Disabled Mechanically Propelled Vehicle

We will cover the legal liability of an **insured person** for the death of or injury to any person or **damage to property** caused by or arising out of any disabled mechanically propelled **vehicle** while attached to the **vehicle**. This section will also apply to any disabled mechanically propelled

vehicle detached from the **vehicle** and not attached to any other **vehicle** and being used by **you** but only to the extent necessary to meet the requirements of any compulsory motor insurance legislation operative within the **territorial limits**.

2 Movement of Third Party Vehicles

In respect of legal liability for the death of or injury to any person and **damage to property** we will indemnify **you** or any **director, partner or employee** when liability is caused by or arises out of the driving or movement of any **vehicle** with or without the authority of the owner:

- a when the vehicle is parked in a position which obstructs the legitimate passage or the loading or unloading of the **vehicle**
- b for movement of a vehicle within the vicinity of any premises owned or occupied by **you**.

In these circumstances the **vehicle** will not be regarded as **property** in **your** care.

We will not pay for:

- a liability if the vehicle is:
 - i moved by any person other than **you** or any **director, partner or employee**
 - ii **your** property or in your custody or control or held by **you** under a hire purchase agreement or hired by or loaned or leased to **you**
 - iii driven by any person who does not hold a **licence** unless such person has held and is not disqualified from holding or obtaining such a **licence**.
- b loss or **damage to property** in or on the vehicle.

However, **we** will provide the minimum cover needed under compulsory motor insurance legislation.

3 Third Party Contingency

In respect of legal liability for the death of or injury to any person and **damage to property** we will indemnify **you** when liability is caused by or arises out of the use of or in connection with any **vehicle** while being used in connection with **your business**.

Provided always that:

- a such vehicle is not **your** property or in **your** custody or control or held by **you** under a hire purchase agreement or hired by or leased to **you**
- b **you** have taken all reasonable steps to ensure that there is in force in respect of such vehicle an insurance that is valid for such use
- c if any claim covered by this clause is covered by any other insurance then notwithstanding claim condition 4 **we** will not be liable to make any contribution to such claim
- d vehicle does not include any vehicle registered outside Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

4 Foreign Use

The **territorial limits** are extended to provide the minimum indemnity required in:

- a any other member country of the European Union
- b any other country which has agreed to follow Article (8) of the EU Directive on Insurance of Civil Liabilities arising from the use of motor vehicles (number 2009/103/EC) and while the **vehicle** is being transported by land or sea between any of these countries.

5 Medical Expenses

If **you** or anyone in the **vehicle** is injured in an accident involving the **vehicle**, **we** will pay up to £250 for medical expenses for each injured person.

6 Unauthorised Use

We will indemnify **you** in the event of any accident occurring while the **vehicle** is being used or driven by any person without **your** knowledge or consent for any purpose not permitted provided always that **you** will take all reasonable precautions to ensure that all persons who may use or drive the **vehicle** are made aware of the permitted purposes of use as stated in this policy.

If the provision above is complied with then Road Risks Section exclusion 1d will not apply.

Exclusions to Sub-Section B – Liability to Third Parties

1 Pollution and Contamination

Any amount over £1,200,000 for one **pollution or contamination** event.

2 Damage to Property

Any amount over £5,000,000, inclusive of **costs and expenses**, for any one claim or series of claims arising from one event that causes **damage to property**, including any indirect **damage**. Provided that this amount will reduce to £1,200,000, inclusive of **costs and expenses**, when the **vehicle** is carrying any goods that have to be carried in accordance with the Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2005, the Carriage of Dangerous Goods by Road Regulations 1996, the Radioactive Materials (Road Transport) (Great Britain) Regulations 1996 or any other legislation of similar intent.

3 Excluded Payments

We will not pay any amount **we** have not agreed to in writing.

4 Employers' Liability

We will not pay for death of or injury to any of **your employees** during the course of their work, if insurance cover in respect of liability for such death or injury is provided as a requirement of any compulsory employers' liability legislation within the **territorial limits**.

5 Damage to Property

We will not pay for:

- a **damage to property** owned by or in the care of the **insured person**
- b **damage to a vehicle, trailer** or disabled mechanically propelled vehicle
- c **damage to premises** or to the fixtures and fittings therein which are not **your property** but are occupied by **you** under a lease or rental agreement
- d **damage to property** in or on the **vehicle, trailer** or disabled mechanically propelled vehicle.

6 Defective Product or Packaging

We will not pay for any claim for death of or bodily injury to any person or **damage to property** caused by or attributed to:

- a any defect in or the action of any commodity or goods or anything including any packaging, container and label transported by or disposed of from the **vehicle** or any vehicle not **your property** or provided by **you**
- b treatment given or services provided at or from the **vehicle** or any other vehicle.

7 Loading and Unloading

We will not pay for any claim for death of or bodily injury to any person or **damage to property** caused by or occurring beyond the limits of any **road** in connection with:

- a the bringing of the load to the **vehicle** for loading thereon

- b the taking away of the load from the **vehicle** after unloading therefrom
by any person other than the **driver** or attendant of such **vehicle**.

8 Wrongful Delivery

We will not pay for any claim for death of or bodily injury to any person or **damage to property** directly or indirectly caused by:

- a delivery of a load where such delivery was not authorised, not ordered or unlawful
- b delivery whether correctly or incorrectly carried out to **your** customer of goods which do not conform strictly to the specification of the order for the goods made by such customer.

9 Other Insurance

We will not pay for any person other than **you** if that person is entitled to indemnity under any other insurance.

10 Licence

We will not pay for any liability if to the knowledge of the **insured person** the **driver** does not hold a **licence** unless the **driver** has held and is not disqualified from holding or obtaining such a **licence**.

11 Pollution or Contamination

We will not pay for any claim for **pollution or contamination**, unless it is caused by a sudden, identifiable event which was unintended and unexpected and happened at one specific time and place.

12 Terrorism

We will not pay for any claim for death of or bodily injury to any person or **damage to property** caused by or attributed to any act of **terrorism**.

13 Airside

We will not pay any claims arising directly or indirectly from any motor **vehicle** being **airside**.

14 Vibration and Weight of Vehicle

We will not pay for any **damage** to any bridge, viaduct, weighbridge, or **road**, or anything above, beneath or fixed to them, by vibration or by the weight of the **vehicle** and its load if the **vehicle** exceeds the maximum gross **vehicle**, plated or train weight permitted by the relevant law.

15 Excluded Compensation

We will not pay for:

- a liquidated damages, fines or penalties
- b exemplary, punitive or multiplied damages (these are damages in excess of normal compensation awarded to punish **you**).

However, **we** will provide the minimum cover needed under compulsory motor insurance legislation.

Extensions to Road Risks Section

1 Trailers

The cover applicable to the **vehicle** applies to any **trailer** attached to the **vehicle**. Sub-Section B will also apply to a **trailer** detached from the **vehicle** (and not attached to any other **vehicle**) and being used by **you** but only to the extent necessary to meet the minimum cover needed under compulsory motor insurance legislation.

We shall not be liable for:

- a any liability if the **trailer** is being towed otherwise in accordance with the law

- b loss of or **damage** to **property** being carried in or on the **trailer**
- c any loss of or **damage** to any **trailer**, horsebox, or caravan belonging to any **director**, **partner** or **employee**.

2 Foreign Use – additional cover over the minimum requirement

The **territorial limits** under the Road Risks Section are extended to provide cover in:

- a any other member country of the European Union
- b any other country which has agreed to follow Article (8) of the EU Directive on Insurance of Civil Liabilities arising from the use of motor vehicles (number 2009/103/EC)
- c any other country but only during any period for which **you** have requested and **we** have agreed to extend cover for the use of the **vehicle** in that country

and while the **vehicle** is being transported by land or sea between any of these countries.

We will also pay customs duty if the **vehicle** is damaged and **we** decide not to return it after a valid claim on the Road Risk Section.

3 Joint Liabilities

If **you** comprises more than one party **we** will indemnify each party as though a separate policy had been issued to each of them provided always that the total indemnity to all such parties will not exceed the amount payable if **you** comprised only one party and in any event will not exceed the limit of indemnity stated in the **policy** or on the **schedule**.

Optional Extension to Road Risks Section

The following extensions are only operative if shown as insured on the **schedule** and **we** have issued a **certificate** to cover such extension.

1 Accompanied Demonstration

We will indemnify **you** and any **employee** to enable a prospective purchaser of a **vehicle** to drive such **vehicle** before deciding on purchase provided that all **drivers**:

- a hold a full **licence** issued by a member country of the European Union
- b are not a **family** member of **yours** or any of the declared **drivers**
- c are not an **employee**
- d do not reside at the same address as any declared **driver**
- e observe, fulfil and are subject to the terms and conditions of this **policy**, and are accompanied at all times by **you** or any **driver** declared to **us** for **business** use. With regard to **motorcycles** accompanied is defined as accompanied by **you** or any **driver** declared to **us** for **business** use who accompanies the prospective customer by following on a separate motorcycle with more power than the **motorcycle** being demonstrated.

2 Loan or Hire

The insurance provided is extended to cover use of a **vehicle** by a customer, or any person with **your** permission, provided that:

- a the **vehicle** has been lent or hired to such customer by **you** whilst the **customer's vehicle** is in **your** possession for the purpose of **repair servicing or maintenance**
- b no indemnity is afforded to **you** by other insurance
- c **you** shall pay the first £500 of any claim or the **excess** shown on the **schedule** whichever is greater.

Exclusions to Road Risks Section

1 Excluded Cover

We will not pay claims arising directly or indirectly from any of the following:

- a the **vehicle** being driven by, or being in the charge of, someone who is not described in **your certificate** as entitled to drive
- b the **vehicle** being driven, with **your** permission, by anyone who **you** know does not hold a **licence** or is disqualified from driving. However, **we** will still give cover if the person used to hold a **licence** and is allowed to hold one by law
- c the **vehicle** being driven by someone who does not meet all the conditions of their **licence**
- d the **vehicle** being used for a purpose that is not shown as covered in **your certificate**.

However, exclusion 1a will not apply when the **vehicle** is in the possession of a sub-contractor to **you** for the purpose of work being carried out on that **vehicle** on **your** behalf.

2 Car Share

If **you** receive any payment for giving people lifts in a **car**, the **policy** is not valid if:

- a the **car** is made or altered to carry more than eight people excluding the driver or
- b **you** are carrying the **passengers** as part of a business of carrying **passengers** or
- c **you** are making a profit from the payments **you** receive.

3 Excluded Events

We will not pay claims arising directly or indirectly from any of the following:

- a pressure waves caused by aircraft (and other flying objects) travelling at any speed
- b nationalisation, confiscation, requisition, seizure or destruction by any government or public or local authority.

4 Earthquakes

We will not pay claims arising directly or indirectly from earthquakes outside Great Britain, the Isle of Man or the Channel Islands, except under Sub-Section B.

5 Contract

We will not pay for any liability **you** accept under an agreement or contract, unless **you** would have been legally liable anyway. However **we** will not pay for any liability in respect of liquidated damages or under any penalty clause.

6 Courts

Any decision or action of a court which is not within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands is not covered by this **policy** unless the proceedings are brought or a judgement is given in a court of another country because the **vehicle** was used in that country and **we** had agreed to cover it there.

7 Trailers

We will not pay for:

- a any liability if the **trailer** is being towed otherwise in accordance with the law
- b any loss of or **damage** to any **trailer**, horsebox, or caravan belonging to any **director**, **partner** or **employee**.

However, **we** will provide the minimum cover needed under compulsory motor insurance legislation.

Conditions to Road Risks Section

1 Reasonable Precautions

It is a condition precedent to **our** liability that anyone covered by this policy must take all reasonable steps they can to protect the **vehicle**, and anything in or attached to it, against loss or **damage**. This includes making sure that the **vehicle** has all its windows, doors, roof openings or hood closed and locked, and all ignition keys or other removable ignition device and all keys or devices needed to lock the **vehicle** are removed from the **vehicle** when no-one is in it.

The **vehicle** must be kept in good working order. **We** may examine the **vehicle** at any time.

2 Keeping to the terms of the policy

It is a condition precedent to **our** liability that **we** will only pay claims if:

- a any person claiming cover has met with all the terms of the policy, as far as they apply
- b the information given on the **proposal** on which this contract is based on is complete and correct as far as **you** know.

Material Damage Section

This section is only operative if shown as insured on the **schedule**

Cover

We will pay for accidental **damage** to the **Property** insured described in the **schedule** occurring during the **period of insurance** by any of the Insured Contingencies shown as operative on the **schedule**.

Extensions

(Subject to the terms, conditions and exclusions of this section and this **policy**)

1 Contracting Purchaser

Where **you** contract to sell **your** interest in any item of **property** insured (other than vehicles), the contracting purchaser, who has not, but will complete the purchase, has the benefit of the insurance by this section up to the date of completion, to the extent that such **property** are not otherwise insured and provided the purchaser shall comply with and be subject to the terms, conditions and exclusions of this **policy** in so far as they can apply.

2 Mortgagees

The interest of any mortgagee shall not be prejudiced by any act or neglect of the mortgagor or occupier of any **buildings** insured by this **policy** provided the mortgagee immediately upon becoming aware of such act or neglect shall give notice to **us** and pay any additional premium required.

3 Underground Services

If cover is operative in respect of **buildings** or **general contents** we will pay for accidental **damage** by any of the Insured Contingencies to underground tanks, water pipes, drains, sewers, gas pipes, electricity and telephone cables extending from the public mains to the **buildings** to the extent to which **you** are responsible for repair.

4 Public Authorities

We will pay for the additional cost of:

- a reinstating the damaged parts of the **buildings**
- b upgrading any undamaged parts of the **buildings** for an amount not exceeding 15% of the amount that would have been payable if the **buildings** had been totally destroyed incurred solely by reason of the necessity to comply with any legislation, statutory requirements or regulations or public authority byelaw, excluding:
 - i any such cost resulting from a notice served on **you** prior to the date of the **damage**

- ii the amount of any rate, tax, duty, development or other charge arising out of capital appreciation which may be payable in respect of the **buildings**.

The work of reinstatement or upgrading must be completed within 12 months of the date of the **damage** or such further period as **we** may in writing during the 12 months allow.

Our liability for **damage** to such **property** including such costs and expenses will not exceed the sum insured shown on the **schedule** (adjusted in accordance with Extension 32 – Index Linking to the material **damage** section).

5 Theft of Building

If Theft cover is operative in respect of a **building**, **we** will pay for accidental **damage** to that **building** as a result of theft or attempted theft of any item or part forming part of the fabric or structure of the **building**.

Our liability under this extension will not exceed £25,000 in respect of any one loss.

6 Theft of Keys

We will pay for the cost of replacing locks and keys to the **buildings** or **intruder alarm systems** following accidental **damage** to keys by theft or attempted theft up to £1,000 in any one **period of insurance** provided that:

- a the keys are stolen from the **buildings** or **your** private residence or the private residence of any **director**, **partner** or authorised **employee**
- b keys are not left in an unattended room during **business hours** unless locked in a safe, cupboard or drawer the key to which is held in the personal custody of **you**, a **director**, **partner** or an authorised **employee**.

7 Theft Damage to Buildings

We will pay for accidental **damage** to the **buildings** which **you** are responsible for repairing, and which is not otherwise insured, arising out of theft or attempted theft involving entry to or exit from the **buildings** by forcible and violent means.

8 Seasonal Increase

The **vehicle** sums insured are automatically increased by 30% during the months of February, March, August and September.

9 Temporary Removal of General Contents

We will pay for accidental **damage** by any of the Insured Contingencies shown on the **schedule** against **general contents** to:

- a computer records, business books, manuscripts, plans and designs or other documents whilst temporarily removed from the **premises**

- b other **general contents** whilst temporarily removed from the **premises** for cleaning, renovation, repair or similar purposes

including whilst in transit within the **territorial limits** and travelling between the specified territories provided that **we** shall not be liable for:

- i **property** held by **you** in trust other than **general contents**
- ii theft or attempted theft from a building that does not involve entry to or exit from the building by forcible and violent means or that does not involve actual or threatened assault or violence, or use of force against **you** or any person lawfully in the building.

Our liability under this extension will not exceed:

- a 10% of the sum insured for **general contents** shown on the **schedule** or
 - b £100,000
- whichever is lower in respect of any one loss.

10 Exhibitions, Trade Shows or Conferences

We will pay for accidental **damage** to **general contents**, **stock** and **your vehicles** by any of the Insured Contingencies shown on the **schedule** whilst in any buildings being used for an exhibition, trade show or conference, in which **you** are a participant, anywhere within the **territorial limits** including whilst in transit to and from such buildings provided that **we** shall not be liable for theft or attempted theft:

- a from an unattended **vehicle**
- b from any display or stand that has been left unattended by **you**, a **director**, **partner** or **employee** during exhibition, trade show or conference hours
- c from a building outside exhibition, trade show or conference hours that does not involve entry to or exit from the buildings by forcible and violent means or that does not involve actual or threatened assault or violence, or use of force against **you** or any person lawfully in the building.

Our liability under this extension will not exceed:

- i the sum insured on the **schedule**
- ii £10,000 in respect of any one loss or in the aggregate during any one **period of insurance** in respect of **general contents** and **stock**
- iii £250,000 in respect of any one loss or in the aggregate during any one **period of insurance** in respect of **your vehicles**.

11 Expediting Expenses

We will pay for the extra cost to make temporary repairs and expedite permanent repairs to, or permanent replacement of **property** which is the subject of a valid claim under this sub-section.

Our liability under this extension will not exceed £20,000 for any one loss.

12 Costs of Reinstating Data

We will pay for costs incurred in recreating or reinstating onto **media**, **data** damaged as a result of accidental **damage** to insured **computer equipment**.

Our liability under this extension will not exceed £50,000 in respect of any one loss.

13 Third Party Storage Locations

If **general contents** or **stock** are shown as insured on the **schedule**, **we** will pay for accidental **damage** to such **general contents** or **stock** by any Insured Contingency shown against this item whilst temporarily stored inside any building (except

exhibition venues) within the **territorial limits** provided that **we** shall not be liable for theft or attempted theft from a building that does not involve entry to or exit from the building by forcible and violent means or that does not involve actual or threatened assault or violence, or use of force against **you** or any person lawfully in the building.

Our liability under this extension will not exceed £10,000 at any one location and £20,000 in respect of all locations unless otherwise shown on the **schedule**.

14 Portable Hand Tools

If cover is operative for **portable hand tools** **we** will pay for accidental **damage** to **portable hand tools** used in connection with the **business** whilst temporarily removed from the **premises** within the **territorial limits**.

Providing that **we** shall not be liable for theft or attempted theft:

- a that does not involve entry or exit from any building by forcible and violent means or that does not involve actual or threatened assault or violence, or the use of force against **you** or any person lawfully in the building
- b any garden or from any yard or open space
- c from any unattended **vehicle** unless:
 - i all windows, sunroofs or other openings are securely shut
 - ii all doors to the **vehicle** must be securely shut and locked
 - iii all keys or electronic devices to lock and unlock the **vehicle** must be removed from the **vehicle**
- d any amount in excess of £1,500 from an unattended **vehicle** during the period 7pm to 7am.

15 New Vehicle Concession

If within one year of registration as new any **vehicle** insured under this **section** and not held for sale is:

- a stolen and not recovered within 28 days of the date from when the theft is discovered
- b damaged to the extent that the cost of repairs will exceed 60% of the manufacturer's recommended retail price plus taxes immediately prior to such **damage** and the claim is settled as a total loss **we** will pay for the cost of purchasing a new replacement **vehicle** of the same make and model.

Provided that:

- a **you** request it
- b such a replacement **vehicle** is available in the **territorial limits**
- c any party with a financial interest in the **vehicle** agrees to the replacement of such **vehicle**.

16 New Vehicle Held for Sale

If a new **vehicle** held for sale by **you** sustains **damage** to the extent that it necessitates:

- a a declaration of such **damage** to a prospective purchaser
 - b a discount to effect a sale
- we** will consider such discount as forming part of the claim.

Provided that:

- a **we** have agreed the level of discount necessary to effect the sale
- b in respect of the total payment in respect of such discount will be limited to a maximum of £5,000 any one **vehicle**
- c any party with a financial interest in the **vehicle** is in agreement.

17 Vehicle Keys and Locks

If cover is operative **we** will pay for the cost of replacing locks or lock mechanisms, and all keys of any legitimate format necessary to maintain the security of the **vehicle** following **theft** of such keys by forcible and violent means subject to a maximum payment in any one **period of insurance** of £1,000.

Provided that:

- a the **vehicle** keys were not left in or on the **vehicle** when they were lost or stolen
- b the loss is reported to the police immediately on discovery that the **vehicle** keys have been stolen.

Subject to the **excess** shown in the **schedule**.

18 Temporary Removal of Vehicles

If cover is operative in respect of **vehicles** **we** will pay for accidental **damage** not otherwise excluded to **your vehicle** and **customers' vehicle** whilst such **property** is temporarily removed from the **premises** for the purposes of cleaning renovation repair or other similar purposes to the premises of your sub contractor anywhere within the **territorial limits**.

Our liability under this extension will not exceed £25,000 in respect of any one loss.

19 Stock at Home

If cover is operative in respect of **stock** **we** will pay for accidental **damage** to **stock** at **your** private residence or the private residence of any **director**, **partner** or authorised **employee** subject to a limit of 20% of the **stock** sum insured.

20 Non Invalidation

The insurance under this section shall not be invalidated by any act or omission or alteration unknown to **you** or beyond **your** control whereby the risk of **damage** to insured **property** is increased as long as immediately **you** become aware of the increase in risk **you** inform **us**. **We** will have the right to vary the terms or invoke the cancellation of this **policy** as detailed in General Condition 6 – Our Cancellation Rights.

21 Professional Fees

The sum insured on each item insured by this section includes an amount in respect of architects', surveyors', legal and consulting engineers' fees. **We** will pay for fees incurred solely in connection with the repair or reinstatement of **property** excluding **stock** or **target stock**.

22 Removal of Debris

(Not applicable to extension 36 – Machinery and Computer Equipment Breakdown)

We will pay for the cost of:

- a removal of debris of insured **property** or
 - b dismantling, demolishing, or shoring or propping of the insured **building**
- resulting from accidental **damage** to **property** or **buildings** as shown on the **schedule** by the any of the Insured Contingencies shown on the **schedule** against each item of **property** or **buildings** occurring during the **period of insurance** within the **territorial limits** excluding:
- a costs incurred in removing debris except from the site of such **damage** and the area immediately adjacent to such site
 - b costs arising from **pollution** or **contamination** of **property** or **buildings** not insured by this section.

Our liability for **damage** under this extension will not exceed the sum insured shown on the **schedule** against each item of **property** or **buildings**.

23 Parent and Subsidiary Companies

In the event of a claim arising under this section **we** agree to waive any rights, remedies or relief to which **we** become entitled by subrogation against any company standing in the relation of parent or subsidiary to **you** or any company which is a subsidiary of a parent company of which **you** yourself are a subsidiary in each case as defined in current legislation.

24 Damage by Emergency Services

We will pay for costs and expenses incurred by **you** with **our** prior consent in repairing, reinstating or making good, **damage** to **property** and grounds at the **premises** caused by emergency services equipment and personnel in the course of effecting a rescue of persons within the **buildings** where there is believed to be a threat to their lives, or combating or reducing **damage** to **property**.

Our liability under this extension will not exceed £10,000 in respect of any one loss.

25 Capital Additions

Where **buildings** and **general contents** are shown as insured on the **schedule**, **we** will pay for **damage** by the Insured Contingencies shown against such items on the **schedule** to:

- a alterations and additions to, but not appreciation in value of, the **buildings** and **general contents** insured by this **policy**
 - b any newly acquired **buildings**
 - c any newly acquired **general contents**
- within the **territorial limits** so far as they are not otherwise insured provided that:
- a **you** tell **us** of the alteration, addition or acquisition within 30 days of it occurring
 - b **you** request a change in the **policy** to cover the alteration, addition or acquisition or arrange specific insurance
 - c **you** will then pay an additional premium and **we** will tell **you** of any changes to the terms, conditions and exclusions of this **policy**.

Our liability under this extension at any one location will not exceed:

- a in respect of **buildings**, 10% of the total sum insured on **buildings**
- b in respect of **general contents**, 10% of the total sum insured on **general contents**
- c in respect of **buildings** and **general contents** combined, a maximum amount of £250,000.

26 Trace and Access

We will pay for the costs incurred with **our** prior written consent in:

- a locating the source of an escape of water or fuel oil from any fixed pipe or apparatus on the **premises**
- b removing any walls, floors or ceilings for access and repairing or replacing them after repair of such pipe or apparatus has been completed

provided that **we** will not pay the cost of repairs to the actual pipes or apparatus.

Our liability under this extension will not exceed £5,000 in respect of any one loss.

27 Clearing of Drains

We will pay for costs and expenses incurred in cleaning, clearing or repairing drains, gutters or sewers at the **premises**, for which **you** are responsible, as a consequence of **damage** by any of the Insured Contingencies shown as being operative for **general contents** on the **schedule**.

Our liability under this extension will not exceed £10,000 in respect of any one loss.

28 Workmen

You can engage workmen to carry out repairs and general maintenance to the **premises** but if the work they are engaged for or are required to do involves:

- a structural alteration
- b demolition or partial demolition
- c compromising the security protections to the **premises** that you have told us about and which we require as a condition of your insurance
- d the closure of the **premises** or the occupant being required to vacate them

you must provide us with full details, and obtain our agreement, before work is commenced and we may advise you of restrictions to be imposed or the additional terms we require in order for cover to continue.

29 Loss of Oil and LPG

We will pay you for the cost to replace oil or LPG accidentally lost from a fixed heating installation as a result of accidental **damage** to the fixed heating installation at the **premises** by any of the Insured Contingencies shown on the **schedule** against **general contents** provided that we shall not be liable for:

- a any loss not discovered within 180 days
- b any loss occurring when the **building** or self contained unit within a **building** in which the loss occurs is **unoccupied**.

Our liability under this extension will not exceed £2,500 in respect of any one loss.

30 Metered Water and Gas Charges

We will pay for metered water or gas charges you are responsible for following accidental **damage** by any of the Insured Contingencies shown on the **schedule** against **general contents** to the apparatus after the point of the service feed to the **premises** provided that we shall not be liable for:

- a any **damage** not discovered within 180 days
- b any **damage** occurring when the **building** or self contained unit within a **building** in which **damage** occurs is **unoccupied**.

Our liability under this extension will not exceed £5,000 in respect of any one loss.

31 Fire Extinguishment Expenses

We will pay for the cost of:

- a replacing, recharging or refilling extinguishment materials or appliances used in an attempt to extinguish fire or minimise **damage**
 - b replacing used sprinkler heads
- provided that we will not be liable for costs other than as a direct result of accidental **damage** insured by this section.

Our liability under this extension will not exceed £25,000 in respect of any one loss.

32 Index Linking

The sums insured in respect of **buildings, general contents, computer equipment** and all other **property** (other than **stock** or **target stock**) will be adjusted at monthly intervals in accordance with the index drawn up or used by us and we waive all right to additional premium arising out of such adjustment prior to renewal. At each renewal of this **policy**, the premium will be adjusted to take account of the effect of indexation in the preceding **period of insurance**.

33 Other Interested Parties

The interest of other parties leasing or hiring any item of **general contents** to you under a lease agreement or written contract of hire is noted in the insurance provided in respect of **general contents** provided that in the event of a claim the nature and extent of such interest is disclosed to us together with the full name and address of such interested parties.

34 Fraud, Trick or False Pretence

We will pay for theft of **vehicle** during business hours by fraud trick or pretence not arising from

- a the wilful parting of title for such **vehicle** or
- b unaccompanied demonstration.

Our liability under this extension will not exceed £10,000 in any one **period of insurance**.

35 Loss of Use – Customers' Vehicles

We will pay for costs and expenses incurred by any customer with your consent in being deprived of the use of a customer **vehicle** following **damage** at the **premises** by any of the Insured Contingencies shown on the **schedule** but only during a reasonable period necessary to allow for repair or replacement thereof.

Our liability under this extension will not exceed £50,000 in respect of any one loss.

36 Machinery and Computer Equipment Breakdown

We will pay for loss caused by:

- a an **accident** to **covered equipment**
- b an **accident** to or **derangement** of **computer equipment**

All **accidents** that are the result of the same event will be considered one **accident**.

Our liability for each item under this extension in respect of one occurrence or all occurrences of a series consequent on or attributable to one source or original cause will not exceed the amount of the limit stated for that item on the **schedule**.

Our liability in respect of **portable computer equipment** for any one claim will not exceed £5,000.

Extensions to Machinery and Computer Equipment Breakdown

a Expediting Expenses

We will pay for the extra cost to make temporary repairs and expedite permanent repairs to, or permanent replacement of, damaged **covered equipment** which is the subject of a valid claim under this sub-section.

Our liability under this extension will not exceed £20,000 for any one **accident**.

b Hire of Substitute Item

We will pay the hire charges incurred by you for the necessary hire, following an **accident** to **covered equipment** during the **period of insurance** which is the subject of a valid claim under this sub-section, of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged.

Our liability under this extension will not exceed £10,000 for any one **accident**.

c Costs of Reinstating Data

We will pay for the costs incurred in recreating or reinstating onto **media, data** lost or damaged in consequence of an **accident** to, or **derangement** of, **computer equipment**. In addition, **we** will pay costs incurred with **our** prior consent in minimising or preventing the resulting interruption of or interference with **your** computer operations.

Our liability under this extension will not exceed £50,000 for any one **accident**.

We will not pay for loss of or **damage** to software.

d Hazardous Substances

We will pay for the additional cost to repair or replace **covered equipment** because of contamination by a hazardous substance, other than ammonia, that has been declared hazardous to health by a governmental agency including any additional expenses incurred to clean up or dispose of such **covered equipment**.

Our liability under this extension will not exceed £10,000 for any one **accident**.

e Storage Tanks and Loss of Contents

We will pay for **damage** caused by an **accident** to oil storage tanks or water tanks including connected pipework belonging to **you** or for which **you** are responsible at the **premises** including the loss of the contents of oil storage tanks caused by:

- i leakage, discharge or overflow from the oil storage tanks caused by or resulting from an **accident**
- ii contamination of the contents of oil storage tanks caused by or resulting from an **accident** including cleaning costs incurred as a result of such loss.

Our liability under this extension will not exceed £10,000 for any one **accident**.

f Damage to Own Surrounding Property

We will pay for **damage** to **property** at the **premises** belonging to **you** or in **your** custody and control and for which **you** are responsible directly resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure.

Our liability under this extension will not exceed £1,000,000 for any one **accident**.

g Debris Removal

We will pay for costs incurred in the removal of debris and protection of **covered equipment** following an **accident**.

Our liability under this extension will not exceed £25,000 for any one **accident**.

h Repair Costs Investigation

We will pay for costs incurred with **our** consent relating to repair, investigations and tests by consulting engineers for **damage** to **covered equipment** following an **accident**.

Our liability under this extension will not exceed £25,000 for any one **accident**.

i Public Authorities

If an **accident** to **covered equipment** causes **damage** to **buildings** insured by this **policy**, **we** will pay for the additional cost of:

- i reinstating the damaged parts of the **buildings**
- ii upgrading any undamaged parts of the **buildings**

for an amount not exceeding 15% of the amount that would

have been payable if the **buildings** had been totally destroyed incurred solely by reason of the necessity to comply with any legislation, statutory requirements or regulations or public authority byelaw, excluding:

- i any such cost resulting from a notice served on **you** prior to the date of the **damage**
- ii the amount of any rate, tax, duty, development or other charge arising out of capital appreciation which may be payable in respect of the **buildings**.

The work of reinstatement or upgrading must be completed within 12 months of the date of the **damage** or such further period as **we** may in writing during the 12 months allow.

Our liability for **damage** to such **property** including such costs and expenses will not exceed the sum insured shown on the **schedule** for **buildings** (adjusted in accordance with 32 – Index Linking to the Property Section).

Exclusions to Machinery and Computer Equipment Breakdown

a Pressure Testing and Insulation Testing

We will not pay for **damage** caused by or resulting from a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment.

b Damage to Data and Media

We will not pay for **damage** to **data** or **media** of any kind caused by:

- i programming error or programming limitation
- ii computer **virus**
- iii introduction of malicious code
- iv loss of data (other than as provided for under Extension 3 – Costs of Reinstating Data)
- v loss of access
- vi loss of use
- vii loss of functionality.

c Gradually Operating Causes

We will not pay for **damage** caused by or resulting from depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions but if **damage** results from an **accident**, **we** will be liable to pay for that resulting **damage**.

d Resetting

We will not pay for **damage** caused by any condition which can be corrected by resetting, calibrating, realigning, tightening, adjusting or cleaning or by the performance of maintenance but if the **damage** is caused by an **accident**, **we** will be liable for that resulting **damage**.

e Maintenance Agreements

We will not pay for **damage** recoverable under a maintenance agreement or any warranty or guarantee.

Conditions to Machinery and Computer Equipment Breakdown

a Precautions

You shall take reasonable care to:

- i comply with any statute or order
- ii ensure that insured items are properly maintained and used in accordance with the manufacturer's recommendations
- iii prevent loss or **damage**.

b Back-up Procedures

You shall maintain a minimum of two generations of back-up computer records. These must be checked for accuracy

and integrity to ensure a precise match with the source data, be capable of restoration and be taken at intervals no less frequently than every 48 hours. **You** must take all reasonable precautions to store and maintain records in accordance with the makers' recommendations of the storage devices used.

Conditions Precedent to Liability Material Damage Section

1 Cellars and Basements Condition

It is a condition precedent to **our** liability to provide cover in respect of accidental **damage** caused by storm, flood or escape of water that all **stock, target stock** or customers' goods contained in any cellar, basement or sub-basement must be kept on racks or shelves at least 30 centimetres above floor level.

2 Minimum Security Requirements

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire, theft or attempted theft or malicious persons that the following protections are in place and in full operation at the **premises** outside of **business hours** or when the **premises** are left unattended by **you, any director, partner or employee**:

- a all external doors (including wicket gates) or internal doors which access parts of the building that are not occupied by **you** for the **business** must be secured as follows:
 - i a mortice deadlock conforming to BS3621 or BSEN1303 with matching steel box striking plate, or locking metal bars with a close shackle padlock conforming to BSEN12320 security grade 5
 - ii for manually operated roller shutters key operated bullet locks securing the shutter to its guide, or the operating chain of the roller shutter must be secured to the internal frame by a padlock conforming to BSEN12320 security grade 4, or for electrically operated roller shutters a key operated isolation switch to the electricity supply to the controls, or as noted in item i of this condition
 - iii for doors officially designated fire exits by **your** written fire risk assessment, appropriate internally operated mortice deadlocks conforming to BS8621 or panic bars/latches conforming to BSEN1125
 - iv all aluminium and UPVC doors must have an integral cylinder key operated mortice deadlock certified to BSEN1303
 - v double leaf doors must be secured by bolts top and bottom on the first closing leaf with the second closing leaf secured by one of the means noted in i to iv of this condition
 - vi all outward opening doors, with the exception of aluminium or UPVC doors with multiple locking points, must be fitted with hinge bolts top and bottom
 - vii other security devices if agreed by **us** in writing to **you**.
- b all windows and skylights not protected by bars or grilles that are on the ground floor or basement level or are easily accessible from adjoining roofs, porches or downpipes must be fitted with:
 - i key-operated locks with the keys removed and stored out of sight, or
 - ii locking bars with a padlock conforming to BSEN12320 security grade 4, or
 - iii screwed or fixed permanently shut on the inside, or for windows officially designated fire exits by **your** written fire risk assessment, panic bars or latches conforming to BSEN1125, or other security devices if agreed by **us** in writing to **you**.

The glass in any louvre windows must be fixed to its runners with contact adhesive.

3 Fire Extinguisher Requirements

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that a CO2 or dry powder fire extinguisher of at least 2kg, which is the subject of an annual maintenance contract, is installed at the **premises**.

4 Felt Roof Inspection Condition

It is a condition precedent to **our** liability to provide cover for **damage** caused by storm under this section that **buildings** with a felt roof or section thereof where the mineral felt surface has not been replaced for 10 years or longer must be inspected annually by a competent roofing contractor prior to the month of October each year and any necessary works identified should be completed within 60 days of receipt of the inspection report by **you**. If **we** so request, **you** shall provide **us** with documentary evidence of such inspection and any remedial work identified following such inspection.

5 Intruder Alarm Condition

(This condition is only operative if shown on the **schedule**)

For the purposes of this condition 'responsible person' is **you, a partner or director** or any other person authorised by **you** to be responsible for the security of the **premises**

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire, theft or attempted theft or malicious persons that the following minimum standards are in place:

- a the **premises** are protected by an **intruder alarm system** installed as agreed with **us**
- b the **intruder alarm system** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company, as agreed with **us**
- c no alteration to or substitution of:
 - i any part of the **intruder alarm system**
 - ii the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**
 - iii the maintenance contractshall be made without **our** written consent
- d the **premises** shall not be left without at least one responsible person in them without **our** prior consent:
 - i unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals in full operation
 - ii if the police have withdrawn their response to alarm calls
- e all keys or devices to deactivate the **intruder alarm system** are removed from the **premises** when the **premises** are left unattended
- f **you** shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm company. For the purposes of this condition, 'keyholder' is **you, a partner or director** or any other responsible person or professional key holding company authorised by **you** who is available at all times to accept notification of any activation of the **intruder alarm system** or interruption of the means of communication to attend and allow access to the **premises**
- g **you** shall maintain the secrecy of codes for the operation of the **intruder alarm system** and share them only with keyholders. No details of codes are to be left on the **premises**

- h in the event of notification of any activation of the **intruder alarm system** or interruption of the means of communication during any period that the **intruder alarm system** is set a keyholder shall:
 - i attend the **premises** as soon as reasonably possible
 - ii enter the **premises** if it is safe to do so
 - iii remain in the **premises** until the **intruder alarm system** has been re-set or an engineer has attended to repair or re-set the **intruder alarm system**
 - iv remain at the **premises** until they are fully secure
- i In the event of **you** receiving any notification:
 - i that police attendance in response to alarm signals or calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
 - ii from a local authority or magistrate imposing any requirement for abatement of nuisance relating to the **intruder alarm system**
 - iii that the **intruder alarm system** cannot be returned to or maintained in full working order
you shall advise **us** as soon as possible and in any event not later than 10.00am on **our** next working day and comply with any reasonable subsequent requirements stipulated by **us**.

6 Wet Cell Battery Charging Condition

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that whenever the charging of wet cell vehicle batteries is undertaken (other than by trickle charge equipment):

- a the battery charging area is kept clear of all combustible materials
- b wooden or other combustible benches on which charging equipment and/or batteries stand must be lined with non-combustible material
- c all electrical cables and clips must be maintained in sound condition inspected frequently and any **damage** rectified immediately
- d the battery is removed from the **vehicle** unless the **vehicle** is attended and the period of charging does not exceed 30 minutes
- e batteries are never charged whenever the **premises** are left unattended.

7 Dry Cell Vehicle Battery Charging Condition

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that whenever the charging of dry cell vehicle batteries is undertaken:

- a an isolated area of the **premises** is used for charging
- b the battery charging area is kept clear of all combustible materials
- c A survey of the electrical system has been undertaken by a qualified electrician to ensure the wiring of the **premises** is in a condition satisfactory to handle the high electrical draw
- d proprietary branded charging equipment is used in accordance with the manufacturer's instructions
- e all electrical cables and clips must be maintained in sound condition inspected frequently and any **damage** rectified immediately
- f extension cables are not used.

8 Motor Trade Waste

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that:

- a all oily and/or dirty waste and greasy cloths be kept in metal receptacles with metal lids and removed outside the **buildings** every night and completely removed from the **premises** at least once a week

- b no woodworking by power be undertaken
- c no motor spirit with a flashpoint below 32 degrees centigrade other than a maximum of 45 litres in closed tins be kept except under the following conditions:
 - i in or on any **vehicle** for the use of such **vehicle** only
 - ii in closed 9 litre tins within a compartment the sides of which are constructed of brickwork masonry or concrete including any supports of incombustible material in no part less than 8 centimetres thick and having a closely fitting door constructed of incombustible material or hardwood to each opening
 - iii in an enclosed underground tank filled and emptied by hose connection or pump only.

9 Paint Spraying

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that no spraying of cellulose or other paint with flash points below 32 degrees centigrade be done unless:

- a all paint spraying is undertaken in a purpose built spray booth to Loss Prevention Council approved standards
- b such paint spraying booth be provided with self-closing doors and a ventilating fan extracting to the outside of the building
- c the ventilating fan shall be kept running for a period of at least 5 minutes after work has ceased
- d a 9 litre foam type fire extinguisher is kept in the booth at all times
- e the booth be thoroughly cleaned at least once a week and whenever a change from cellulose paints to synthetic paints is made the booth is cleaned with stiff fibre or non-ferrous metal brushes or scrapers and the residue placed in water
- f only the paint in actual use be kept in the booth and all other stocks of paint and thinners be kept in a designated paint store in sealed tins
- g all switches and electrical apparatus have flameproof fittings.

10 Welding

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that the following precautions are complied with whenever welding or flame cutting equipment is used:

- a all flammable trim upholstery and other loose combustible material is removed from the areas to be cut or welded to a place of safety
- b tyres are removed from any **Vehicle** which is to be cut or welded
- c fuel lines and other combustible materials which cannot be removed are adequately shielded using a suitable incombustible heat resistant material
- d any fuel tanks which may be affected by hot work repairs are to be emptied and removed provided that:
 - i Condition 11 Drainage of **Vehicle** Fuel Tanks is adhered to completely, and
 - ii the **vehicle** ignition switch is turned off and there are no ignition sources in the vicinity during including unsealed electrical fittings
- e welding screens are used at all times
- f effective non-return valves and flame arresters are used on oxyacetylene welding equipment
- g a suitable multi-purpose fire extinguisher is kept available for immediate use within close proximity of the area in which the equipment is to be used
- h all welding and cutting equipment is kept in an effective condition and maintained on a regular basis

- i a thorough examination is made in and about the area in which the work has been undertaken immediately after each period of work to ensure that there is no smouldering or damaged combustible material.

11 Storage of Vehicle Keys

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by theft or attempted theft that during **business hours** all keys to unattended **vehicles** must be kept in a securely locked place out of sight of the public.

Outside **business hours** all keys to unattended **vehicles** are to be removed from the **premises** or retained within a locked safe or proprietary built key cabinet and the key to such cabinet removed from the **premises**.

Unattended **vehicle** means any **vehicle** that is not being worked on by an **employee** and the **employee** is not within 5 metres of the **vehicle**.

12 Vehicles in the Open

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by theft or attempted theft that all:

- a **your vehicles**
 - b **customers' vehicles**
- not stored in a locked **building** or locked compound during working hours are:
- i securely locked at all points of access and all windows and similar openings are tightly closed
 - ii any alarm immobiliser or other additional security device fitted to the **vehicles** are in operation.

13 Drainage of Vehicle Fuel Tanks

It is a condition precedent to **our** liability to pay claims in respect of **damage** by fire or explosion that in respect of drainage of **vehicle** fuel tanks:

- a the procedure is carried out in a safe position in the open or in a well ventilated area away from pits and ignition sources using a proprietary retriever fitted with adaptors suitable for that type of **vehicle**
- b all **employees** in the vicinity must be advised that a hazardous procedure is taking place.

14 No Smoking

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that smoking must be prohibited in any enclosed area of the **premises** and suitable no smoking signs displayed.

15 Electrical Inspection

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that:

- a the electrical system at the **premises** is inspected and tested by a member of the National Inspection Council for Electrical Installation Contracting (NICEIC) Electrical Contractors Association (ECA) or Electrical Contractors Association of Scotland (SELECT) or National Association of Professional Inspectors and Testers (NAPIT) in accordance with IEE Regulations for electrical installations and a Periodic Inspection Report is issued following such an inspection
- b any work that is shown as Requiring Urgent Attention (shown as Code 1 in the Observation and Recommendations part of the report) shall be carried out within 28 days of the inspection
- c any work that is shown as "Requirement Improvement" (shown as Code 2 in the Observation and Recommendations part of the report) shall be carried out within 6 months of the inspection

- d any work that is shown as "Requiring Further Investigation" (shown as Code 3 in the Observation and Recommendations part of the report) shall be carried out within 6 months of the inspection
- e a copy of each "Periodic Inspection Report" shall be made available to **us** upon request.

16 Portable Hand Tools Security

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by theft or attempted theft that outside working hours **portable hand tools** are kept in locked purpose built tool cabinets chained securely to the fabric of the **building** or a fixed **vehicle** lifting platform using closed shackle padlocks.

17 Portable Heaters

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire that no form of portable heating appliance is used in the **premises** where flammable atmospheres are habitually or intermittently present.

Where such portable heating appliances are used **you** must ensure that:

- a combustible goods are not kept within 1 metre of the heater
- b a guard to maintain a clear space of at least 1 metre is fitted
- c it will not be sited in passageways or other places where it is liable to be overturned or subject to mechanical **damage**
- d gas bottles are changed in accordance with the manufacturer's instructions
- e cleaning and maintenance is carried out in accordance with manufacturer's instructions
- f 1 X 2 gallon foam extinguisher or 1 X 10lb dry powder extinguisher is installed nearby.

18 Waste Tyre Removal

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire and malicious **damage** that all waste tyres are removed from the **premises** at least once every 4 weeks.

19 Theft of Motorcycles

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by theft that all **motorcycles** at the **premises** must be securely stored within a locked **building** outside of working hours.

Optional Extension – Glass, Blinds and Signs

The cover described below is only operative if shown as insured on the **schedule**.

Cover

We will pay for accidental **damage** occurring at the **premises** during the **period of insurance** by insured contingency All Risks to:

- a any glass fitted to the exterior of the **buildings**
- b **property** insured by this section, within any display windows caused by breakage of any glass
- c fixed glass, (including interior showcases and mirrors), inside the **buildings** up to an amount not exceeding £2,500 in respect of any one loss
- d external signs up to an amount not exceeding £1,500 in respect of any one loss
- e sanitary ware, if the cost of replacement has to be paid by **you**, up to an amount not exceeding £1,500 in respect of any one loss

- f external blinds up to an amount not exceeding £2,500 in respect of any one loss
- g framework following breakage of fixed glass
- h lettering on glass
- i alarm foil for which **you** are responsible.

We will also pay for the cost of boarding up prior to the replacement of any glass insured by this sub-section and the cost of reinstating **intruder alarm systems** at the **premises** damaged as a result of glass breakage covered under this sub-section.

For the purposes of this sub-section, 'glass' will also mean any glass substitute material.

Exclusions to Optional Extension – Glass, Blinds and Signs

We will not pay for:

- a **damage** arising:
 - i from repairs or alterations to the **premises**
 - ii in **unoccupied premises**
- b **damage** which occurred prior to the commencement of cover under this sub-section
- c **damage** to any glass or sanitary ware comprising samples or display materials held in connection with the **business**
- d scratching or chipping of glass
- e **damage** to electrical signs by:
 - i rust or other gradually operating cause
 - ii mechanical or electrical breakdown
- f **damage** to tubes within electrical signs unless the surrounding glass is fractured at the same time
- g **damage** arising from repair, removal or erection of glass, blinds, signs or sanitary ware
- h scratching, chipping or cracking of sanitary ware unless there is breakage or complete fracture of such a nature as to render such article totally unserviceable.

Exclusions to the Material Damage Section

1 Excess

We will not pay for the amount of the **excess** shown on the **schedule**.

2 Excluded Damage

We will not pay for:

- a **damage** which is not identifiable with a specific event
- b **damage** to **property** more specifically insured.

3 Fraud

We will not pay for **damage** arising out of acts of fraud or dishonesty of any person to whom **property** insured has been entrusted including any collusion by **you**, any **director**, **partner** or **employee** (except as provided by Extension 34 – Fraud, Trick or False Pretence).

4 Media

We will not pay for **damage** caused by or consisting of distortion, erasure or corruption of computer records or **media**.

5 Excluded Losses

We will not pay for **damage** due to any delay, loss of market, strikes, reduction in value or **consequential loss** of any kind.

6 Government or Public Authorities

We will not pay for **damage** caused by or resulting from confiscation, destruction, requisition or detention by order of any government or public authority.

7 Excluded Property

We will not pay for **damage** to:

- a railway locomotives, rolling stock, watercraft or aircraft
- b firearms, ammunition, explosives, fireworks, promissory notes, securities, bonds or deeds
- c **valuables** unless otherwise specified
- d buildings or structures in the course of construction at the **premises** or erection and materials or supplies in connection therewith
- e land (other than item h of the **buildings** definition if **buildings** are insured)
- f piers, jetties, bridges, culverts or excavations
- g animals, birds, fish or any living thing
- h growing crops, plants or trees.

8 Other Insurances

We will not pay for **damage** to **property** which at the time of **damage** is insured by, or would but for the existence of this **policy** be insured by, any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

Basis of Settlement – Material Damage Section

We will pay **you** the value of **property** insured at the time of the **damage** or, at **our** option, reinstate, replace or repair such **property** or any part of such **property** in accordance with the following basis of settlement. **We** shall not be bound to reinstate exactly, but only as circumstances permit. **We** will not pay for the costs of preparing any claim.

The maximum amount **we** will pay for **damage** is the sum insured shown on the **schedule** in respect of such **property** (adjusted in accordance with Extension 32 – Index Linking to the Material Damage Section).

A Reinstatement or New for Old

Unless stated on the **schedule** to the contrary any claims for **buildings**, **tenant's improvements**, fuel tanks and their contents, **general contents**, **portable hand tools** and diagnostic equipment will be settled on this basis of settlement.

Buildings, fuel tanks, **general contents**, **portable hand tool and diagnostic equipment** (excluding **computer equipment**, **personal belongings**, computer records, business books, manuscripts, plans and designs or other documents).

The basis of settlement of any claim shall be the full cost of replacement as new which shall be:

- a where **property** is damaged, the repair of the **damage** and the restoration of the damaged portion to a condition substantially the same but not better or more extensive than its condition when new
- b where **property** is lost, destroyed or damaged beyond repair, its replacement by similar **property** in a condition equal to but not better or more extensive than its condition when new.

Computer Equipment

The basis of settlement shall be:

- a where **computer equipment** is damaged, the repair of the **damage** and the restoration of the damaged portion of the **computer equipment** to a working condition, substantially the same but not better or more extensive than its condition when new
- b where **computer equipment** is lost, destroyed or damaged beyond repair its replacement by similar **computer equipment** of equal performance and capacity or if that is impossible, replacement by new **computer equipment** having the nearest higher performance and capacity to the item lost, destroyed or damaged.

Contents of fuel tanks

The basis of settlement of any claim shall be the full cost of replacement at the time of **damage**.

Vehicles

The basis of settlement shall be the **market value** of the **vehicle**.

The **vehicle** will only be replaced if **you** and anyone else with a financial interest in the **vehicle** agrees

We will not pay more than the **market value** of the **vehicle** unless the vehicle is a car or goods carrying **commercial vehicle** with a revenue weight of less than 3.5 tonnes and:

- i the loss or **damage** happens within one year of first registration as new and
- ii the cost of repair is valued at more than 60% of the UK list price (including taxes) of the vehicle at the time of its first registration as new and
- iii the vehicle was supplied as new within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

In these circumstances, if **you** ask us to, **we** will replace the **vehicle** (and pay the delivery charges to the address shown on **your** current **schedule** or any other address **we** agree with **you**) with a new **vehicle** from the same manufacturer and of the same or like type and specification.

We will only do this if:

- a **we** can buy a vehicle straight away within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and
- b **we** have permission from any other interested party known to **us**.

Special Provisions

The following special provisions apply when a claim is dealt with on this basis:

- a if replacement does not happen within 12 months of the **damage**, or longer period if agreed in writing by **us**, **we** will settle the claim in accordance with basis of settlement B Indemnity
- b when any **property** insured under this section is damaged in part only, **our** liability shall not exceed the sum representing the cost which **we** could have been called upon to pay for the replacement if such **property** had been wholly destroyed
- c the basis of settlement for customers' goods shall be as per B Indemnity
- d no payment beyond indemnity shall be made until the cost of replacement has actually been incurred.

Underinsurance

(Not applicable to extension 36 – Machinery and Computer Equipment Breakdown)

If at the time of replacement of any item the sum representing 85% of the cost which would have been incurred in replacement if the whole of the **property** covered by such item had been destroyed exceeds the sum insured or limit on that item at the time of the **damage**, **you** shall be considered as being **your** own insurer for the difference between the sum insured or limit and the sum representing the cost of reinstatement (or replacement) of the whole of the **property** and shall bear a rateable proportion of the **damage** accordingly.

B Indemnity

Unless stated on the **schedule** to the contrary any claims for **stock**, **target stock**, **personal belongings**, contents of **customers vehicles**, computer records and documents and any other item not otherwise mentioned will be settled on this basis of settlement.

Stock and **target stock** which has been sold, but not delivered, for which **you** are responsible under the terms of the sale contract. **We** will make payment on the basis of the contract price if following insured **damage** the contract is cancelled, due to the contract conditions, either wholly or to the extent of the **damage**.

Unsold **stock** and **target stock**, customers' goods, clothing or any other item not specified above. The amount **we** will pay is the cost of repair or replacement (less a reduction for wear, tear and depreciation) up to the market value of the item in a condition equal to but not better or more extensive than its condition immediately prior to the **damage**.

Underinsurance

If at the time of **damage**, the sum insured or limit shown on the **schedule** for any item is less than its value, **you** shall be considered as being **your** own insurer for the difference and shall bear a rateable proportion of the **damage** accordingly.

Computer Records and Documents

The basis of settlement of any claim for computer records, business books, manuscripts, plans and designs or other documents shall be their value as materials or stationery together with the cost of clerical labour expended in their reproduction or restoration if more economical.

Designation

For the purpose of determining where necessary the item under which any **property** is insured **we** agree to accept the designation under which such **property** has been entered in **your** accounting books.

Money Section

The cover described below is only operative if shown as insured on the **schedule**

Cover

Business Money

We will pay for accidental **damage** by Insured Contingencies to **business money** occurring during the **period of insurance** as shown on the Table of Cover.

Safes, Strongrooms, Tills and Stamp Franking Machines

We will pay for accidental **damage** by Insured Contingencies occurring during the **period of insurance** to any safe or strongroom or till or any stamp franking machine owned by **you** or for which **you** are responsible as shown on the Table of Cover.

Table of Cover

Cover description and locations	Limit (any one loss)
1 Business money – other than crossed cheques, crossed warrants, crossed postal and money orders, credit and debit card sales vouchers and Value Added Tax purchase invoices:	
a in the buildings during business hours	See schedule
b in transit to and from the premises whilst in your custody or in the custody of any director, partner or authorised employee or whilst in a bank night safe	See schedule
c whilst at your private residence or the private residence of any director, partner or authorised employee	£500
d in the buildings whilst the business money is left unattended or outside business hours and not secured in a locked safe or strongroom	£500
e in the buildings outside business hours and secured in a locked, unspecified safe or a locked strongroom	£2,500
f in the buildings outside business hours and secured in a locked, specified safe, if shown on the schedule	See schedule
g in cash operated machines at the premises	£500
h in automated teller machines (ATMs) at the premises	£500
2 Crossed cheques, crossed warrants, crossed postal and money orders, credit and debit card sales vouchers and Value Added Tax purchase invoices	£250,000
3 Safes, strongrooms, tills and stamp franking machines	Cost of repair or replacement

Basis of Settlement – Money Section

For items 1 a, b and f, the most **we** will pay is the limit shown on the **schedule** at the time of the **damage**.

For items 1 c, d and e, and 2, the most **we** will pay is the limit shown in the Table of Cover at the time of the **damage**.

For item 3 the most **we** will pay is the cost of repair or replacement at the time of the **damage**.

Extensions – Money Section

(Subject to the terms, conditions and exclusions of this section and this **policy**)

1 Theft without Force and Violence

For **property** insured by this section, theft or attempted theft is covered whether or not the theft or attempted theft involves entry to or exit from a **building** by forcible and violent means or actual or threatened assault or violence, or use of force against **you** or any person lawfully on the **premises**.

2 Theft by Directors, Partners or Employees

We will pay for **damage** to **business money** arising from theft by, or the fraud or dishonesty of, another **partner** or **director** or any **employee** (excluding sole **directors**) provided discovery occurs within seven days of the event.

3 Holidays

Items 1a and 1b are doubled during the week immediately prior to any annual holiday shutdown observed by the **business**.

Exclusions to Money Section

1 Excess

We will not pay for the amount of the **excess** shown on the **schedule**.

2 Fraud

We will not pay for **damage** arising out of acts of fraud or dishonesty of any person to whom **property** insured has been entrusted including any collusion by **you**, any **director**, **partner** or **employee** (except as provided by Extension 2 – Theft by Directors, Partners or Employees).

3 Employees

We will not pay for any **damage** to **business money**:

- a arising from theft by, or the fraud or dishonesty of, any **employee** or **director** which is covered by any other insurance policy
- b caused by any act of any **employee** not resident within the **territorial limits**
- c caused by any act of any labour master or labour only subcontractor or person hired or borrowed by **you** from another employer.

4 Transit by Employees

We will not pay for any loss of or **damage** to **business money** whilst in the possession of **employees** delivering or collecting **business money** other than delivery or collection by authorised **employees** to or from the **premises** and **your** bank.

5 Error or Omission

We will not pay for shortage of **business money** due to error or omission.

6 Unattended Vehicles

We will not pay for **damage** to **business money** left unattended by **you**, a **director**, **partner** or **employee** in a **vehicle**.

7 Forgery and Fraud

We will not pay for any **damage**:

- a resulting directly or indirectly from forgery, fraudulent alteration or substitution or fraudulent use of a computer or electronic transfer
- b resulting from use of any form of payment which proves to be counterfeit, false, fraudulent, invalid, uncollectable or irrecoverable for any reason.

Conditions Precedent to Liability – Money Section

1 Key Security

It is a condition precedent to **our** liability to pay claims for theft or attempted theft of **business money** from a locked safe, strongroom or till that the keys to such safes, strongrooms or tills are:

- a held in the personal custody of **you**, a **director**, **partner** or authorised person
- b locked in a safe, cupboard or drawer the key to which is held in the personal custody of **you**, a **director**, **partner** or authorised person.

2 Money in Transit

Where the limit shown in respect of item 1b on the **schedule** exceeds £3,000, it is a condition precedent to **our** liability to pay claims for theft or attempted theft of **business money** in transit, that all transits of **business money**:

- a where the amount carried is above £3,000 at any one time but no more than £5,000, must be undertaken by at least two persons together
- b where the amount carried is above £5,000 at any one time but no more than £8,000 must be undertaken by at least three persons together
- c where the amount carried is above £8,000 at any one time, must be undertaken by a specialist security carrier.

3 Minimum Security Requirements

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire, theft or attempted theft or malicious persons that the following protections are in place and in full operation at the **premises** outside of **business hours** or when the **premises** are left unattended by **you**, any **director**, **partner** or **employee**:

- a all external doors (including wicket gates) or internal doors which access parts of the building that are not occupied by **you** for the **business** must be secured as follows:
 - i a mortice deadlock conforming to BS3621 or BSEN1303 with matching steel box striking plate, or locking metal bars with a close shackle padlock conforming to BSEN12320 security grade 5
 - ii for manually operated roller shutters key operated bullet locks securing the shutter to its guide, or the operating chain of the roller shutter must be secured to the internal frame by a padlock conforming to BSEN12320 security grade 4, or for electrically operated roller shutters a key operated isolation switch to the electricity supply to the controls, or as noted in item i of this condition

Money Section - continued

- iii for doors officially designated fire exits by **your** written fire risk assessment, appropriate internally operated mortice deadlocks conforming to BS8621 or panic bars/latches conforming to BSEN1125
- iv all aluminium and UPVC doors must have an integral cylinder key operated mortice deadlock certified to BSEN1303
- v double leaf doors must be secured by bolts top and bottom on the first closing leaf with the second closing leaf secured by one of the means noted in i to iv of this condition
- vi all outward opening doors, with the exception of aluminium or UPVC doors with multiple locking points, must be fitted with hinge bolts top and bottom
- vii other security devices if agreed by **us** in writing to **you**.
- b all windows and skylights not protected by bars or grilles that are on the ground floor or basement level or are easily accessible from adjoining roofs, porches or downpipes must be fitted with:
 - i key-operated locks with the keys removed and stored out of sight, or
 - ii locking bars with a padlock conforming to BSEN12320 security grade 4, or
 - iii screwed or fixed permanently shut on the inside, or for windows officially designated fire exits by **your** written fire risk assessment, panic bars or latches conforming to BSEN1125, or other security devices if agreed by **us** in writing to **you**.

The glass in any louvre windows must be fixed to its runners with contact adhesive.

4 Intruder Alarm Condition

(This condition is only operative if shown on the **schedule**)

For the purposes of this condition 'responsible person' is **you**, a **partner** or **director** or any other person authorised by **you** to be responsible for the security of the **premises**.

For the purposes of this condition, 'keyholder' is **you**, a **partner** or **director** or any other responsible person or professional key holding company authorised by **you** who is available at all times to accept notification of any activation of the **intruder alarm system** or interruption of the means of communication to attend and allow access to the **premises**.

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire, theft or attempted theft or malicious persons that the following minimum standards are in place:

- a The **premises** are protected by an **intruder alarm system** installed as agreed with **us**.
- b The **intruder alarm system** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company, as agreed with **us**.
- c No alteration to or substitution of:
 - i any part of the **intruder alarm system**
 - ii the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**
 - iii the maintenance contract shall be made without **our** written consent.
- d The **premises** shall not be left without at least one responsible person in them without **our** prior consent:

- i unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals in full operation
- ii if the police have withdrawn their response to alarm calls.
- e All keys or devices to deactivate the **intruder alarm system** are removed from the **premises** when the **premises** are left unattended.
- f **You** shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm company.
- g **You** shall maintain the secrecy of codes for the operation of the **intruder alarm system** and share them only with keyholders. No details of codes are to be left on the **premises**.
- h In the event of notification of any activation of the **intruder alarm system** or interruption of the means of communication during any period that the **intruder alarm system** is set a keyholder shall:
 - i attend the **premises** as soon as reasonably possible
 - ii enter the **premises** if it is safe to do so
 - iii remain in the **premises** until the **intruder alarm system** has been re-set or an engineer has attended to repair or re-set the **intruder alarm system**
 - iv remain at the **premises** until they are fully secure.
- i In the event of **you** receiving any notification:
 - i that police attendance in response to alarm signals or calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
 - ii from a local authority or magistrate imposing any requirement for abatement of nuisance relating to the **intruder alarm system**
 - iii that the **intruder alarm system** cannot be returned to or maintained in full working order
you shall advise **us** as soon as possible and in any event not later than 10.00am on **our** next working day and comply with any reasonable subsequent requirements stipulated by **us**.

Optional Extension – Personal Accident Assault

The cover described below is only operative if shown as insured on the **schedule**

Cover

We will pay **you** the appropriate benefits shown in the Table of Benefits if during the **period of insurance** an **insured person** is assaulted during theft or attempted theft of **property** or **money** insured by this **policy** and:

- a suffers **physical injury** which, independently of any other cause and within two years of the **physical injury**, results in death, **temporary total disablement**, **loss of limbs**, **eyes**, **hearing or speech**
- b sustains **damage** to their **personal belongings**.

Table of Benefits	Benefit
1 Temporary Total Disablement (payable up to 104 weeks)	£100 per week
2 Loss of Limbs, Eyes, Hearing or Speech	£10,000
3 Permanent Total Disablement	£10,000
4 Death	£10,000
5 Personal belongings	Up to £500 per insured person

Payment of Benefits

Unless **we** agree otherwise in writing any claim under this sub-section will commence with payment of Benefit 1. If during the progress of a claim **we** agree with **you** that it is more appropriate to progress to Benefits 2 or 3, all amounts paid or payable under Benefit 1 will be deducted from any sum paid under Benefits 2 or 3 in respect of the same **physical injury**.

If a payment is made under Benefit 4, all amounts paid or payable under Benefits 1, 2 or 3 will be deducted from any sum paid under Benefit 4 in respect of the same **physical injury**.

Payment under Benefit 1 will be made when the total amount payable has been agreed or, if **you** request and **we** agree, at intervals of 4 weeks in arrears.

The maximum period for which payments will be made under Benefit 1 for any one incident or series of incidents occurring in any one **period of insurance** in respect of any one person is 104 weeks from the commencement of the disablement.

For **personal belongings**, **we** will pay the full cost of replacement as new which shall be:

- where any item of **personal belongings** is damaged, the repair of the **damage** and the restoration of the damaged portion to a condition substantially the same but not better or more extensive than its condition when new
- where any item of **personal belongings** is lost, destroyed or damaged beyond repair, its replacement by similar **property** in a condition equal to but not better or more extensive than its condition when new.

For **personal belongings** the maximum amount **we** will pay for **damage** is the amount shown in the Table of Benefits.

Extension to Optional Extension – Personal Accident Assault

Medical Expenses

When a payment is made under Benefits 1, 2, 3 or 4 **we** will also pay for medical expenses incurred and arising from treatment following **physical injury** to an **insured person** during the **period of insurance** up to a maximum limit of £250 in respect of any one incident.

Conditions to Optional Extension – Personal Accident Assault

1 Medical Consultation

If **you**, a **director**, **partner** or **employee** sustains a **physical injury** which may result in a claim under this extension such person shall consult a duly qualified medical practitioner and follow any medical advice given.

2 Discharge of Liability

When a payment is made to **you**, a **director**, **partner** or **employee** under Benefits 2, 3 or 4 **our** liability under this section shall then cease in respect of that person.

3 Evidence of Bodily Injury

Where a claim is made for Benefits 1, 2 or 3 all certificates, information and evidence **we** reasonably require shall be provided to **us** at **your** expense. **You**, a **director**, **partner** or **employee** will agree to medical examination, when reasonably required, at **our** expense during the period of incapacity. If the requirement for documents or attendance at examinations at **our** request is not complied with, **we** will stop all payments under this extension and rights to benefit will be forfeited until the requested documentation is provided in its entirety or such person submits to examination within 30 days of being asked or a longer period mutually agreed by **you** and **us**.

Where a claim is made for Benefit 4 **we** may require a post mortem at **our** expense.

Optional Extension - Wrongful Conversion

Cover

We will pay for a loss sustained by **you** resulting from any **vehicle** purchased by **you** during the **period of insurance** being subject to a breach of implied warranty of title, where:

- the rightful and lawful owner thereof substantiates a valid claim for the return of the **vehicle** or its equivalent value
- the person to whom **you** have purported to have sold the **vehicle** substantiates a valid claim for damages in lieu of the **vehicle** being returned to its rightful owner, **we** will pay **you** up to the single vehicle limit shown in the **schedule**

provided that:

- all payments for **vehicles** purchased or allowances for part exchange shall be settled by cheque or credit against the purchase of a new vehicle
- no payment must be made until HPI Limited or Experian Limited confirm the **vehicle** is not the subject of hire purchase interest. Such confirmation in writing will be required by **us** in the event of a claim
- our** liability under this extension will not exceed £100,000 in any one **period of insurance**
- we** shall not be liable for the first 20% of each and every claim under this extension.

Optional Extension - Wrongful Conversion

Cover

We will pay for a loss sustained by **you** resulting from any **vehicle** purchased by **you** during the **period of insurance** being subject to a breach of implied warranty of title, where:

- the rightful and lawful owner thereof substantiates a valid claim for the return of the **vehicle** or its equivalent value
- the person to whom **you** have purported to have sold the **vehicle** substantiates a valid claim for damages in lieu of the **vehicle** being returned to its rightful owner, **we** will pay **you** up to the single vehicle limit shown in the **schedule**

provided that:

- all payments for **vehicles** purchased or allowances for part exchange shall be settled by cheque or credit against the purchase of a new vehicle
- no payment must be made until HPI Limited or Experian Limited confirm the **vehicle** is not the subject of hire purchase interest. Such confirmation in writing will be required by **us** in the event of a claim
- our** liability under this extension will not exceed £100,000 in any one **period of insurance**
- we** shall not be liable for the first 20% of each and every claim under this extension.

Specified Property Section

Cover

We will pay for accidental **damage** by the Insured Contingencies operative to **property** as shown on the **schedule**, owned by **you** or for which **you** are responsible, occurring during the **period of insurance** and whilst within the **territorial limits** shown on the **schedule**.

Extension to Specified Property Section

(Subject to the terms, conditions and exclusions of this section and this **policy**)

Theft without Force and Violence

For **property** insured by this section, theft or attempted theft is covered whether or not the theft or attempted theft involves entry to or exit from a building by forcible and violent means or actual or threatened assault or violence, or use of force against **you** or any person lawfully on the premises.

Conditions Precedent to Specified Property Section

1 Unattended Vehicles

Whenever a **vehicle** containing **property** is left unattended by **you**, any **director, partner** or **employee** it is a condition precedent to **our** liability to pay claims that:

- a all doors, windows, sunroofs or other openings must be securely shut
- b all doors to the **vehicle** or any other lockable openings (including the boot) must be securely locked
- c any immobiliser and alarm must be set to be fully operational
- d all keys or electronic devices to lock or unlock the **vehicle** or to operate any other vehicle security equipment or system must be removed from the **vehicle**.

2 Overnight Vehicle Security

Whenever a **vehicle** being used for the transport of **property** is left unattended by **you**, any **director, partner** or **employee** it is a condition precedent to **our** liability to pay claims that the **vehicle** is, between 21:00hrs and 06:00hrs, stored in a locked and secure building or a **secure compound** with the **vehicle** secured in accordance with Condition 1 - Unattended Vehicles of this sub-section.

3 Minimum Security Requirements

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire, theft or attempted theft or malicious persons that the following protections are in place and in full operation at the **premises** outside of **business**

hours or when the **premises** are left unattended by **you**, any **director, partner** or **employee**:

- a all external doors (including wicket gates) or internal doors which access parts of the building that are not occupied by **you** for the **business** must be secured as follows:
 - i a mortice deadlock conforming to BS3621 or BSEN1303 with matching steel box striking plate, or locking metal bars with a close shackle padlock conforming to BSEN12320 security grade 5
 - ii for manually operated roller shutters key operated bullet locks securing the shutter to its guide, or the operating chain of the roller shutter must be secured to the internal frame by a padlock conforming to BSEN12320 security grade 4, or for electrically operated roller shutters a key operated isolation switch to the electricity supply to the controls, or as noted in item i of this condition
 - iii for doors officially designated fire exits by **your** written fire risk assessment, appropriate internally operated mortice deadlocks conforming to BS8621 or panic bars/latches conforming to BSEN1125
 - iv all aluminium and UPVC doors must have an integral cylinder key operated mortice deadlock certified to BSEN1303
 - v double leaf doors must be secured by bolts top and bottom on the first closing leaf with the second closing leaf secured by one of the means noted in i to iv of this condition
 - vi all outward opening doors, with the exception of aluminium or UPVC doors with multiple locking points, must be fitted with hinge bolts top and bottom
 - vii other security devices if agreed by **us** in writing to **you**
- b all windows and skylights not protected by bars or grilles that are on the ground floor or basement level or are easily accessible from adjoining roofs, porches or downpipes must be fitted with:
 - i key-operated locks with the keys removed and stored out of sight, or
 - ii locking bars with a padlock conforming to BSEN12320 security grade 4, or
 - iii screwed or fixed permanently shut on the inside, or for windows officially designated fire exits by **your** written fire risk assessment, panic bars or latches conforming to BSEN1125, or other security devices if agreed by **us** in writing to **you**.

The glass in any louvre windows must be fixed to its runners with contact adhesive.

4 Intruder Alarm Condition

(This condition is only operative if shown on the **schedule**)

For the purposes of this condition 'responsible person' is **you**, a **partner** or **director** or any other person authorised by **you** to be responsible for the security of the **premises**.

For the purposes of this condition, 'keyholder' is **you**, a **partner** or **director** or any other responsible person or professional key holding company authorised by **you** who is available at all times to accept notification of any activation of the **intruder alarm system** or interruption of the means of communication to attend and allow access to the **premises**

It is a condition precedent to **our** liability to pay claims in respect of **damage** caused by fire, theft or attempted theft or malicious persons that the following minimum standards are in place:

- a The **premises** are protected by an **intruder alarm system** installed as agreed with **us**.
- b The **intruder alarm system** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company, as agreed with **us**.
- c No alteration to or substitution of:
 - i any part of the **intruder alarm system**
 - ii the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**
 - iii the maintenance contract shall be made without **our** written consent.
- d The **premises** shall not be left without at least one responsible person in them without **our** prior consent:
 - i unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals in full operation
 - ii if the police have withdrawn their response to alarm calls.
- e All keys or devices to deactivate the **intruder alarm system** are removed from the **premises** when the **premises** are left unattended.
- f **You** shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm company.
- g **You** shall maintain the secrecy of codes for the operation of the **intruder alarm system** and share them only with keyholders. No details of codes are to be left on the **premises**.
- h In the event of notification of any activation of the **intruder alarm system** or interruption of the means of communication during any period that the **intruder alarm system** is set a keyholder shall:
 - i attend the **premises** as soon as reasonably possible
 - ii enter the **premises** if it is safe to do so
 - iii remain in the **premises** until the **intruder alarm system** has been re-set or an engineer has attended to repair or re-set the **intruder alarm system**
 - iv remain at the **premises** until they are fully secure.
- i In the event of **you** receiving any notification:
 - i that police attendance in response to alarm signals or calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
 - ii from a local authority or magistrate imposing any requirement for abatement of nuisance relating to the **intruder alarm system**
 - iii that the **intruder alarm system** cannot be returned to or maintained in full working order

you shall advise **us** as soon as possible and in any event not later than 10.00am on **our** next working day and comply with any reasonable subsequent requirements stipulated by **us**.

Exclusion to Specified Property Section

1 Excess

We will not pay for the amount of the **excess** shown on the **schedule**.

2 Excluded Damage

We will not pay for:

- a **damage** which is not identifiable with a specific event
- b **damage** to **property** more specifically insured.

3 Fraud

We will not pay for **damage** arising out of acts of fraud or dishonesty of any person to whom **property** insured has been entrusted including any collusion by **you**, any **director**, **partner** or **employee**.

4 Excluded Losses

We will not pay for **damage** due to any delay, loss of market, strikes, reduction in value or **consequential loss** of any kind.

5 Government or Public Authorities

We will not pay for **damage** caused by or resulting from confiscation, destruction, requisition or detention by order of any government or public authority.

6 Other Insurances

We will not pay for **damage** to **property** which at the time of **damage** is insured by, or would but for the existence of this **policy** be insured by, any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

7 Theft of Unattended Property

We will not pay for **damage** caused by theft or attempted theft of **property** left unattended by **you**, any **director**, **partner** or **employee** unless contained in a:

- a **vehicle** and Conditions 1 and 2 of this section have been complied with
- b locked and secure building when away from the **premises**.

Basis of Settlement Specified Property Section

We will pay **you** the value of **property** insured at the time of the **damage** or, at **our** option, reinstate, replace or repair such **property** or any part of such **property** in accordance with the following bases of settlement. **We** shall not be bound to reinstate exactly, but only as circumstances permit. **We** will not pay for the costs of preparing any claim.

Specified Property Section - continued

Portable hand tool and diagnostic equipment

The basis of settlement of any claim shall be the full cost of replacement as new which shall be:

- a where **property** is damaged, the repair of the **damage** and the restoration of the damaged portion to a condition substantially the same but not better or more extensive than its condition when new
- b where **property** is lost, destroyed or damaged beyond repair, its replacement by similar **property** in a condition equal to but not better or more extensive than its condition when new.

Stock and target stock which has been sold, but not delivered, for which you are responsible under the terms of the sale contract.

We will make payment on the basis of the contract price if following insured **damage** the contract is cancelled, due to the contract conditions, either wholly or to the extent of the **damage**.

Unsold stock and target stock, or any other item not specified above

The amount **we** will pay is the cost of repair or replacement (less a reduction for wear, tear and depreciation) up to the market value of the item in a condition equal to but not better or more extensive than its condition immediately prior to the **damage**.

Deterioration of Refrigerated Stock Section

The cover described below is only operative if shown as insured on the **schedule**

Cover

We will pay for accidental **damage** to **stock** occurring at the **premises** during the **period of insurance** whilst contained in freezer or refrigerator cabinets, cold rooms or cold stores by deterioration or putrefaction resulting from:

- a breakdown or failure of a cabinet, cold room or cold store due to its own inherent defect, or **damage** that includes the non-operation of any thermostatic or automatic device controlling the cabinet, cold room or cold store
- b accidental failure of the supply of electricity to the cabinets, cold room or cold store
- c escaping refrigerant or refrigerant fumes due to any accidental cause.

Exclusion to Deterioration of Refrigerated Stock Section

Electricity Supply Failure

We will not pay for **damage** as a result of load shedding or suspension of any electricity company's supply.

Condition to Deterioration of Refrigerated Stock Section

Co-insurance

If the freezer, refrigerator cabinet, cold room or cold store in which the **damage** occurs:

- a is more than 15 years old at the time of the **damage** or
- b is more than two years old and not subject to an annual inspection and maintenance contract

you will be required to pay the first 20% or the first £500, whichever is the greater, of the amount payable in respect of any one claim

If a or b do not apply, **you** will only be required to pay the first £250 provided **you** send **us** the following:

- i in respect of item a, verification of age in the form of an original purchase receipt or manufacturers' warranty or guarantee
- ii in respect of item b, documentary evidence of the annual inspection and maintenance contract.

Basis of Settlement Deterioration of Refrigerated Stock Section

The basis of settlement in respect of any claim under this section shall be the amount paid by **you** for such **stock**.

Employee Dishonesty Section

The cover described below is only operative if shown as insured on the **schedule**

Cover

We will cover **you** in respect of:

- a loss of **money** or **property** belonging to **you** or for which **you** are responsible caused by an act of fraud or dishonesty by an **employee** committed in the course of their employment during the **period of insurance** and discovered within 24 months of the act of fraud or dishonesty
- b auditors' fees incurred with **our** written consent solely to substantiate the amount of a claim under this section
- c the reasonable cost of rewriting or amending the software, programs or systems where such rewriting or amending is necessary to correct the programs or amend the security codes following the fraudulent use of computer hardware or software, programs or computer systems the subject of a valid claim under this sub-section.

Sum Insured

In the event that one claim is caused by two or more **employees** acting in collusion, **our** liability shall be limited to the higher of the individual sums insured applicable to the **employees** involved.

Extension to Employee Dishonesty Section

(Subject to the terms, conditions and exclusions of this section and this **policy**)

Previous Insurance

If this insurance immediately supersedes an **employee** dishonesty or fidelity guarantee insurance effected by **you** (the superseded insurance) **we** will cover **you** in respect of any loss discovered during the continuation of this sub-section but committed during the period of the superseded insurance if the loss is not recoverable under the superseded insurance solely because the period allowed for discovery has expired provided that:

- a such insurance had been continuously in force from the time of the loss until inception of this insurance
- b the loss would have been insured by this insurance had it been in force at the time of the loss.

Exclusions to Employee Dishonesty Section

We will not pay for:

- a **consequential loss**
- b loss caused by any act of any **employee** committed prior to the commencement of cover applicable to that **employee**
- c any monies which would have been payable by **you** to an **employee** but for the **employee's** dishonesty

- d loss caused by any act of any **employee** not resident within the **territorial limits**
- e loss caused by any act of any:
 - i labour master or labour only sub-contractor
 - ii person hired or borrowed by **you** from another employer
 - iii **director** who controls more than 5% of the issued share capital of **your** company.

Condition Precedent to Employee Dishonesty Section

Minimum Standards of Control

It is a condition precedent to **our** liability to pay claims under this section that the following minimum standards of control are in place.

1 Auditors

Your accounts, including those of all subsidiary companies insured by this **policy**, must be examined by external auditors every 12 months. All recommendations of the auditors must be implemented.

2 Cheque signing

- a All cheques or other bank instruments drawn for more than £5,000 must have two manually applied signatures added after the amount has been inserted
- b No cheque or other bank instrument may be signed until one signatory has examined the supporting documentation
- c **Your** bank has been instructed not to pay cheques or instruments unless signed by two authorised signatories.

3 Payroll

- a Where **employees** are not paid by crossed cheque or credit transfer the cost of the payroll must be subject to an independent check before payment to ensure that the total amount drawn is correct
- b At least quarterly, and independently of persons responsible, the payroll must be checked to minimise the possibility that fictitious names and enhanced payments have been included.

4 Stocktaking

There must be a physical check on all stock and materials held against verified stock records independently of **employees** responsible at least every 12 months.

5 Ordering Goods

Different **employees**, acting independently, must be responsible for the ordering of **stock** and materials, the recording of receipt of such and the authorising of payment for them.

6 Computer Security

Security checks will be built into all computer functions with reconciliations made as necessary.

7 Reconciliation

Bank statements, stamped bank paying in slips, receipts, counterfoils and vouchers must be checked at least monthly against cash book entries and the balance tested with cash and unrepresented cheques. This must be done independently of the **employee**:

- a making the cash book entries
- b signing cheques
- c paying into the bank.

Conditions to Employee Dishonesty Section

1 References

You must obtain satisfactory references to confirm the honesty of each **employee** who will be responsible for **money**, goods, accounts, computer operations or computer programming engaged after commencement of the **policy**. Such references must be obtained directly from former employers for the three years immediately preceding engagement and before the **employee** is entrusted without supervision.

References need not be obtained in respect of **employees** who have satisfactorily and continuously served **you** for at least one year in another capacity before being entrusted with the duties referred to above.

In respect of **employees** joining directly from full time education, government sponsored youth training schemes, or who are returning to work after a gap of more than three years, one character reference shall be obtained.

2 Other Insurances

If at the time of loss of **money** or **property** owned by **you** or for which **you** are responsible or at the time a claim for such **money** or **property** arises **you** are or would but for the existence of this insurance be entitled to indemnity under any other insurance or to recovery under any guarantee or indemnity fund, **we** shall not be liable except in respect of any excess beyond the amount which would have been payable under such other insurance, guarantee or fund had this insurance not been effected.

Loss of Income Section

The covers described below are only operative if shown as insured on the **schedule**

Cover

1 Gross Profit

We will cover **you** for loss of **gross profit** as a result of interruption of or interference with the **business** arising from accidental **damage** by any of the Insured Contingencies shown against this item on the **schedule** occurring during the **period of insurance** to **property** used by the **business** at the **premises**.

2 Loss of Book Debts

We will cover **you** up to the limit shown on the **schedule** for loss if **you** are unable to trace or establish the **outstanding debit balances** as a result of accidental **damage** caused by any Insured Contingency shown as being operative on the **schedule** to **your** books of account or other business books or records at the **premises** or whilst temporarily removed elsewhere within the **territorial limits** provided payment will not exceed:

- a the difference between the **outstanding debit balances** and the total of the amounts received or traced
- b the additional expenditure incurred with **our** prior consent in tracing and establishing the **outstanding debit balances** after the **damage**.

Extensions to Gross Profit

(Subject to the terms, conditions and exclusions of this section and this **policy**)

1 Accountants' and Auditors' Charges

We will pay for charges payable by **you** to **your** accountants or auditors for producing particulars, details, proofs, information or evidence that **we** may require.

2 Documents

We will cover **you** for loss resulting from interruption of or interference with the **business** arising from accidental **damage** caused by any of the Insured Contingencies shown on the **schedule** to computer records, business books, manuscripts, plans and designs or other documents belonging to **you** or held in trust by **you** whilst:

- a temporarily at premises not in **your** occupation
- b whilst in transit within the **territorial limits** and travelling between such territories.

Our liability under this extension will not exceed £25,000 in respect of any one loss.

3 Denial of Access

We will cover **you** up to the limit shown on the **schedule**, for loss resulting from interruption of or interference with the **business** as a direct result of accidental **damage** caused by any of the Insured Contingencies within a radius of 1km of the **premises** which prevents or physically hinders the use of or access to the **premises**, whether or not there has been **damage** to **property** at the **premises**.

The Property Insurance Exclusion does not apply to this extension.

4 Public Utilities

We will cover **you** up to the limit shown on the **schedule**, for loss resulting from the interruption of or interference with the **business** as a direct result of accidental failure of wireless or wired telecommunications services and the public supply of water, electricity or gas at the terminal ends of the supply company's feed to the **premises** caused by any of the Insured Contingencies shown as being operative for on the **schedule** but excluding:

- a the deliberate act of the supplier to restrict or withhold the supply
- b atmospheric, solar or lunar conditions causing interference with transmissions to or from any satellite
- c a fault in any part of the installation **you** are responsible for at the **premises**
- d drought
- e any interruption of or interference with the **business** as a direct result of a failure of wireless or wired telecommunications services or a public supply which lasts less than 24 consecutive hours.

The Property Insurance Exclusion does not apply to this extension.

5 Unspecified Customers

We will cover **you**, up to 15% of the sum insured shown on the **schedule**, for loss resulting from interruption of or interference with the **business** as a direct result of accidental **damage** caused by any of the Insured Contingencies shown as being operative on the **schedule** at the premises, within England, Scotland, Wales, Northern Ireland, the Isle of Man or the Channel Islands of any customers with whom, at the time of the **damage**, **you** have contracts or trading relationships to supply goods or services.

The Property Insurance Exclusion does not apply to this extension.

6 Unspecified Suppliers – Vehicles and Components

We will cover **you**, up to 25% of the limit shown on the **schedule**, for loss resulting from interruption of or interference with the **business** as a direct result of accidental **damage** caused by any of the Insured Contingencies shown as being operative on the **schedule** at the premises of any,

- a motor manufacturers or manufacturers of material or components supplied to such manufacturer
 - b vehicle suppliers or distributors
- within England, Scotland, Wales, Northern Ireland, the Isle of Man or the Channel Islands with whom, at the time of the **damage**, **you** have contracts or trading relationships to purchase goods or services.

The Property Insurance Exclusion does not apply to this extension.

7 Unspecified Suppliers – Fuel

We will cover **you**, up to 15% of the limit shown on the **schedule**, for loss resulting from interruption of or interference with the **business** as a direct result of accidental **damage** caused by any of the Insured Contingencies shown as being operative on the **schedule** at the premises of any company or supplier within England, Scotland, Wales, Northern Ireland, the Isle of Man or the Channel Islands with whom, at the time of the **damage**, **you** have contracts or trading relationships to purchase motor fuels including LPG.

The Property Insurance Exclusion does not apply to this extension.

8 Storage Sites

We will cover **you**, up to 15% of the sum insured shown on the **schedule**, for loss resulting from interruption of or interference with the **business** as a direct result of accidental **damage** by any of the Insured Contingencies shown as being operative on the **schedule** to **vehicles** owned by **you** or for which **you** are responsible whilst temporarily stored inside any building within the **territorial limits** not occupied or owned by **you**.

9 Property in Transit

We will cover **you**, up to 5% of the sum insured shown on the **schedule**, in respect of loss resulting from interruption of or interference with the **business** as a direct result of accidental **damage** caused by any of the Insured Contingencies shown as being operative on the **schedule** to **property** (excluding **vehicles**) owned by **you** or for which **you** are responsible whilst in transit within the **territorial limits** and travelling between such territories.

10 Diseases, poisoning, vermin, defective drains, murder or suicide

We will cover **you** in respect of loss resulting from the interruption of or interference with the **business** as a direct result of:

- a any occurrence of the following diseases, or discovery of an organism which causes the following diseases, at the **premises**:
Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chicken Pox, Cholera, Diphtheria, Dysentery, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Paratyphoid Fever, Plague, Rabies, Rubella, Scarlet Fever, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough, Yellow Fever

- b poisoning attributable to food or drink provided at the **premises**
- c the discovery of vermin or pests at the **premises** which causes restrictions on the use of the **premises** on the order or advice of the local authority
- d any accident causing defects in the drains or other sanitary arrangements at the **premises** which causes restrictions on the use of the **premises** on the order or advice of the local authority
- e any instance of murder or suicide at the **premises**.

We will not pay for:

- i any costs incurred in the cleaning, repair, replacement, recall or checking of **property** or the **premises**
- ii losses resulting from any interruption of or interference with the **business** which exceeds three months in duration either from the date of occurrence, discovery or appliance of restrictions by the local authority, whichever occurs first.

Our liability under this extension will not exceed £25,000 in respect of any one loss.

The Property Insurance Exclusion does not apply to this extension.

11 Machinery and Computer Equipment Breakdown

We will pay for loss, up to the limit shown on the **schedule**, resulting from interruption of or interference with the **business** at the **premises** resulting from an **accident to covered equipment** insured by the Material Damage Section and for which **we** have admitted liability under extension 36 of the Material Damage Section.

We will also pay for:

a Computer Operations

We will pay for costs incurred in minimising or preventing interruption of or interference with **your** computer operations following an **accident to covered equipment** insured by the Material Damage Section for which **we** have admitted liability under extension 36 of the material **damage** section subject to a maximum amount of £50,000 in any one **period of insurance**.

We will not pay for the costs of preparing a claim.

b Additional Access Costs

We will pay for additional costs incurred in order to gain access to repair or replace the **covered equipment** following an **accident** up to an amount not exceeding £20,000 for any one **accident**.

We will not pay for:

1 Back-up Records

We will not pay for loss resulting from a delay in resuming operations due to the need to reconstruct or re-input data or programs on **media** where **you** have not fully complied with Condition 2 – Back-up Procedures to extension 36 of the material **damage** section.

2 Damage to Own Surrounding Property

We will not pay for loss resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure.

Exclusion to Loss of Book Debts

We will not pay for losses resulting from:

- a books or records being mislaid or misfiled

Loss of income Section - continued

- b deliberate falsification of business records
- c distortion, erasure or corruption of information on **media** or other records:
 - i due to the presence of magnetic flux unless such flux results from lightning
 - ii whilst mounted in or on any machine or data processing apparatus unless caused by **damage** to the machine or apparatus
 - iii due to defects in such records.

Exclusion to Loss of Income Section

Property Insurance

We will not pay for any loss unless at the time of the **damage** to **property** resulting in interruption of or interference with the **business** there is in force an insurance policy covering **your** interest in the **property** for the **damage** and:

- a payment has been made or liability admitted for the **damage** or
- b payment would have been made or liability would have been admitted for the **damage** but for the exclusion of losses below a stated amount or percentage in the policy.

Basis of Settlement – Loss of Income Section

1 Gross Profit

We will calculate the loss of **gross profit** as follows:

- a in respect of the reduction in **turnover** due to the **damage**, apply the ratio of **gross profit** earned on the **turnover** during the financial year immediately before the **damage** to the amount by which the **turnover** during the **indemnity period** will fall short of the **turnover** during the corresponding period in the year immediately prior to the date of the **damage**
 - b **increase in cost of working** but not exceeding the reduction in the **gross profit** avoided
- less any sum saved during the **indemnity period** for expenses, charges or for depreciation in the value of stock which would have been paid for by the **business** out of the **gross profit**.

Our liability will not exceed the sum insured shown on the **schedule**.

2 Trends and Variations

Adjustments will be made to the figures representing **gross profit**, ratio of **gross profit** and **turnover** to allow for trends, variations or special circumstances affecting the **business** either before or after the occurrence of **damage**, or which would have affected the **business** had the **damage** not occurred, so that these figures represent as near as possible the results which but for the **damage** would have been obtained during the relative period after the **damage**. However no adjustment will be made for **damage to property** elsewhere than at the **premises**, occurring at the same time or after the **damage** at the **premises**, which might otherwise have reduced or increased the **turnover** of the **business** had the **damage** at the **premises** not occurred.

3 Maximum Amount Payable

The maximum amount **we** will pay under this section will not exceed in any one **period of insurance** the sums insured and limits shown on the **schedule** plus any additional percentage shown in basis of settlement 1 or 2 above if either **gross profit** is shown as being operative.

4 VAT

To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of this tax.

5 Underinsurance

If the sums insured or limits shown on the **schedule** are less than the value of the item insured for the 12 months (or proportionately increased multiples of this if the maximum **indemnity period** exceeds 12 months) immediately prior to the occurrence of the **damage** the amount payable will be proportionately reduced.

6 Departmental Trading

If the **business** is conducted in departments or across a number of **premises**, the separate trading results of which can be ascertained, then any claim settlement under this section will be calculated for each department or **premises**.

7 Alternative Trading

If during the **indemnity period** work is done or services are provided 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 work or services will be brought into account in arriving at the **gross profit** during the **indemnity period**.

Loss of MOT Licence Section

The cover described below is only operative if shown as insured on the **schedule**

Cover

If during the **period of insurance your MOT Licence** is suspended or withdrawn by the Driver and Vehicle Standards Agency and as a consequence the **business** carried out by **you** at the **premises** is interrupted or interfered with **we** will pay to **you** the amount of loss resulting from such interruption or interference as follows:

Basis of Settlement

We will calculate the loss of **MOT Licence** as follows:

- a The reduction in **turnover** as a result of the suspension of the **MOT licence**.
- b Charges payable to parties agreed by **us** for services provided to enable **you** to appeal against a suspension or withdrawal of the **MOT Licence** by the Driver and Vehicle Standards Agency.
- c The loss of **gross profit** due to reduction in **turnover** and **increase in cost of working**:
 - i the amount payable in respect of a reduction in **turnover** shall be the sum produced by applying the rate of **gross profit** to the amount by which the **turnover** shall fall short of the standard turnover during the **period of insurance** as a result of the loss of **MOT Licence**
 - ii the amount payable in respect of the **increase in cost of working** as a result of the loss of **MOT Licence** not exceeding the sum produced by applying the rate of **gross profit** to the amount of any reduction in the **turnover** thereby avoided, less any sum saved during the **period of insurance** in respect of such charges and expenses of the **business** payable out of **gross profit** as may cease or be reduced as a result of the loss of **MOT Licence**.

Our liability will not exceed the indemnity limit shown on the **schedule** for this section.

Exclusions to Loss of MOT Licence Section

We shall not be liable for any loss arising from the loss of an **MOT Licence** due to:

- a a suspension or warning received during the four weeks immediately following inception of cover under this section
- b extension of or actual or proposed compulsory purchase of the **premises**
- c any scheme of town or country planning improvement or development
- d any policy by the Driver and Vehicle Standards Agency to reduce the number of authorised examiners and nominated testers
- e any alteration following inception of cover under this section

- to any relevant law unless **we** confirm in writing that cover will continue
- f failure to maintain the **premises** equipment or machinery in good general repair
 - g failure to keep accurate and up to date documentation as required by the Driver and Vehicle Standards Agency
 - h a criminal conviction
 - i **you** receiving a final warning for the suspension or withdrawal of the **MOT Licence** within the five year period prior to the inception of cover under this section
 - j **you** receiving a warning for the suspension or withdrawal of the **MOT Licence** which is current at the commencement of this section.

Conditions Precedent to Loss of MOT Licence Section

It is a condition precedent to **our** liability to pay claims that if:

- a a formal warning letter from the Driver and Vehicle Standards Agency has been received
- b the **MOT Licence** has been suspended or withdrawn by the Driver and Vehicle Standards Agency

you will:

- i give **us** written notice within 48 hours of **you** being made aware stating the reason why the **MOT Licence** was suspended or withdrawn or state why a formal warning has been issued
- ii provide **us** with all the assistance **we** may require for an appeal against the suspension or withdrawal of the **MOT Licence** and allow **us** full discretion in the conduct of the proceedings
- iii apply if required by **us** to the Driver and Vehicle Standards Agency for the issue of a new **MOT Licence** for the **business**.

Employers' Liability Section

The cover described below is only operative if shown as insured on the **schedule**

Cover

We will pay the amount of damages and **claimants' costs and expenses** which **you** become legally liable to pay in respect of accidental **injury** sustained by any **employee** caused during the **period of insurance**, arising out of and in the course of their employment with **you** and occurring within the **territorial limits**.

We will also pay **your costs and expenses**.

Limit of Indemnity

The maximum amount **we** will pay under this section in respect of one claim or series of claims arising out of one occurrence or all occurrences of a series consequent on or attributable to one original source or cause including all compensation, **claimants' costs and expenses** and **your costs and expenses** will not exceed:

- a in respect of an act of **terrorism**, £5,000,000
- b in respect of other claims, the employers' liability limit of indemnity shown on the **schedule** for this section.

If **we** allege that by reason of the **terrorism** limitation any **injury**, cost or expense is not covered, the burden of proving the contrary shall be upon **you**.

Where more than one party is entitled to indemnity under this section, **our** total combined liability to all parties will not exceed the applicable limit of indemnity shown on the **schedule**.

Extensions to Employers' Liability Section

(Subject to the terms, conditions and exclusions of this section and this **policy**)

1 Indemnity to Principal

We will, at **your** request, treat any **principal** as though they were **you** in respect of accidental **injury** or **damage** arising out of the performance of work by **you** for the **principal** provided that:

- a **you** would have been liable if the claim had been made against **you**
- b the **principal** complies with and is subject to the terms, conditions and exclusions of this **policy** in so far as they can apply
- c the conduct and control of all claims is vested in **us**
- d **our** liability shall be limited to only what is required by the contract between **you** and the **principal**.

2 Indemnity to Directors, Partners and Employees

We will at **your** request treat **directors, partners** or **employees** as though they were **you** in respect of claims made against them provided they comply with and be subject to the terms, conditions and exclusions of this **policy** in so far as they can apply.

3 Cross Liabilities

Where more than one person is shown as the insured on the **schedule**, this section shall apply separately to each person named in the same way as if a separate section had been issued to each of them.

4 Court Attendance

We will pay **you** the amounts shown below for each day such persons are required to attend court in connection with a claim for which **you** are entitled to indemnity under this section:

- a **you** or any **director** or **partner** £500
- b any **employee** £250.

5 Corporate Manslaughter– Legal Defence Costs

We will pay **your costs and expenses** and prosecution costs awarded against **you** incurred in connection with the defence of criminal proceedings brought against **you**, or any appeal against conviction, in respect of a charge, or investigation in connection with a charge, of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007, for an offence committed, or alleged to have been committed, in the course of the **business** during the **period of insurance** provided that **we** shall not be liable:

- a for the payment of fines or penalties
- b for costs and expenses in connection with a charge relating to an incident which was as a result of an intentional or deliberate breach of or reckless disregard for statutory regulations
- c for costs and expenses arising from an offence committed, or alleged to have been committed outside England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- d for costs and expenses in connection with proceedings for which a claim has been admitted under Public and Products Liability and Defective Workmanship Section
- e for the costs and expenses of any appeal against conviction unless in the opinion of counsel, appointed by mutual agreement of **you** and **us**, the appeal is more likely to succeed than not
- f if **you** are entitled to indemnity under any other insurance.

If, in addition to a claim under this extension, **you** also have a claim under any section of this **policy** arising from the same cause or occurrence, any amounts already paid, or incurred but not yet paid, for **your costs and expenses** and prosecution costs will be deducted from the total amount payable under this extension.

6 Health and Safety at Work Act 1974 – Legal Defence Costs

We will cover **you** and, at **your** request, any **director, partner** or **employee**, in respect of **your costs and expenses** incurred in the defence of a prosecution and prosecution costs awarded against **you**, including an appeal against a conviction brought for a breach of:

- a the Health and Safety at Work Act 1974
- b the Health and Safety at Work (Northern Ireland) Order 1978

provided that:

- a the offence under such legislation:
 - i is alleged to have been committed during the **period of insurance** in connection with the **business** and
 - ii does not relate to the health, safety and welfare of an **employee**
- b **we** shall not be liable:
 - i for the payment of fines or penalties
 - ii for costs and expenses in connection with a charge or investigation relating to an incident which was as a result of an intentional or deliberate breach of or reckless disregard for statutory regulations
 - iii for costs and expenses arising from any offence committed, or alleged to have been committed, outside England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
 - iv unless each **director, partner** or **employee** to be indemnified complies with and is subject to the terms, conditions and exclusions of this **policy** in so far as they can apply
 - v if an indemnity is provided by any other insurance.

7 Unsatisfied Court Judgments

If a judgment for damages or costs is obtained by an **employee** or their personal representatives for an **injury** sustained by the **employee** within the **territorial limits** **we** will, at **your** request, pay to the **employee**, or their personal representatives, the amount of such compensation to the extent that it remains unsatisfied provided that:

- a the **injury** is caused during the **period of insurance**
- b the **injury** arises out of their engagement by **you** in the course of the **business**
- c the judgment remains unsatisfied in whole or in part six months after the date of such judgment
- d the judgment for damages was obtained in a court of law within England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- e the judgment was against a company, partnership or individual other than **you**, conducting business at or from premises within England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- f the judgment is not the subject of an outstanding appeal
- g if any payment is made under the terms of this extension the **employee** or the personal representatives of the **employee** shall assign the judgment to **us**.

Our liability will not exceed the limit of indemnity shown on the **schedule**.

8 Temporary Work Overseas

In respect of work undertaken in connection with the **business** by any **director, partner** or **employee** resident in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man, **we** will cover **you** in respect of legal liability incurred by **you** for accidental **injury** to such **director, partner** or **employee** arising from work undertaken by them elsewhere in the world provided that:

- a the duration of such work does not exceed six months during the **period of insurance**
- b work outside **Europe** consists solely of clerical, sales promotion or administrative work or participation in but not the hosting or management of exhibitions, trade shows or conferences.

Optional Extensions to Employers' Liability Section

This extension is only operative if it is shown as insured on the **schedule**

Injury to a Working Partner or Proprietor

We will regard as an **employee** any working **partner** or proprietor(s) of the **business** who suffers accidental **injury** provided that:

- a such **injury** is sustained by the working **partner** or proprietor(s) whilst working in connection with the **business** during the **period of insurance** and within the **territorial limits**
- b such **injury** is caused by the negligence of another working **partner, proprietor(s)** or **employee**.

Exclusions to Employers' Liability Section

1 Use of Vehicles

We will not pay for liability for **injury** for which **you** are required to arrange insurance or security in accordance with compulsory motor insurance.

2 Use of Wood-Working Machinery

Unless woodworking machinists wages are shown on the **schedule**, **we** will not pay liability for **injury** sustained by any **employee** arising from the use of wood-working machinery driven by steam, gas, water, electricity or other mechanical power including pendulum or swing saws. For the purposes of this exclusion, wood-working machinery shall not include fret-saws, lathes, boring machines, sanding machines or any other mechanically driven portable tools held and applied to the work by hand.

Condition to Employers' Liability Section

Right of Recovery

The cover provided by this section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to **employees** in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man but **you** shall repay to **us** all sums paid by **us** which **we** would not have been liable to pay but for the provisions of such law.

Public and Products Liability and Defective Workmanship

The cover described below is only operative if shown as insured on the **schedule**

Cover

Public Liability

We will pay the amount of damages and **claimants' costs and expenses** which **you** become legally liable to pay in respect of accidental:

- a **injury**
- b **damage to property**
- c obstruction, trespass, nuisance or interference with any right of way, light, air or water occurring during the **period of insurance** and arising in the course of the **business** and within the **territorial limits**.

We will pay **your costs and expenses** in addition.

Products Liability

We will pay the amount of damages and **claimants' costs and expenses** which **you** become legally liable to pay in respect of accidental:

- a **injury**
- b **damage to property** occurring within the **territorial limits** during the **period of insurance** and arising out of **products supplied** in the course of the **business** in or from England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man.

We will pay **your costs and expenses** in addition.

Defective Workmanship

We will pay the amount of damages and **claimants' costs and expenses** which **you** become legally liable to pay in respect of:

- a **damage** to any **vehicle** which is or has been in **your** custody or control for repair, testing, servicing, maintenance, alteration, cleaning, installation, erection, treatment or inspection
- b supply of parts components or accessories occurring during the **period of insurance** and in connection with the **business**.

Provided that:

We will not pay for the cost of rectification of faulty or defective repair, testing, servicing, maintenance, alteration, cleaning, installation, erection, treatment or inspection.

Limit of Indemnity

The maximum amount **we** will pay under this section in respect of one claim or series of claims arising out of one occurrence or all occurrences of a series consequent on or attributable to one original source or cause will not exceed:

- a in respect of an act of **terrorism**, £2,000,000 or the limit of indemnity shown on the **schedule** for this section whichever is lower

- b in respect of an occurrence of **pollution or contamination**, £1,000,000
- c in respect of all claims, other than by an act of **terrorism** or occurrence of **pollution or contamination**, the limit of indemnity shown on the **schedule** for this section.

Where liability arises out of or in connection with an act of **terrorism**, **our** maximum liability including damages, **claimants' costs and expenses** and **your costs and expenses** under this section will not exceed £2,000,000 or the public liability limit of indemnity shown on the **schedule** for this section, whichever is lower.

If **we** allege that by reason of the **terrorism** limitation any **damage**, cost or expense is not covered, the burden of proving the contrary shall be upon **you**.

The maximum amount **we** will pay for all **pollution or contamination** which is deemed to have occurred during any one **period of insurance** will not exceed £1,000,000. All **pollution or contamination** arising out of one occurrence shall be deemed to have occurred at the time such occurrence takes place.

The maximum amount **we** will pay for all damages and **claimants' costs and expenses** caused by or arising from products which is deemed to have occurred during any one **period of insurance** will not exceed the limit of liability shown on the **schedule**.

Where more than one party is entitled to indemnity under this section, **our** total combined liability to all parties will not exceed the applicable limit of indemnity shown in a, b or c above.

Extensions to Public and Products Liability and Defective Workmanship Section

(Subject to the terms, conditions and exclusions of this section and this **policy**)

1 Corporate Manslaughter – Legal Defence Costs

We will pay **your costs and expenses** and prosecution costs awarded against **you** incurred in connection with the defence of criminal proceedings brought against **you**, or any appeal against conviction, in respect of a charge or investigation in connection with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007, for an offence committed, or alleged to have been committed, in the course of the **business** during the **period of insurance** provided that **we** shall not be liable:

- a for the payment of fines or penalties
- b for costs and expenses in connection with a charge or investigation relating to an incident which was as a result of an intentional or deliberate breach of or reckless disregard for statutory regulations
- c for costs and expenses arising from an offence committed, or alleged to have been committed, outside England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- d for costs and expenses in connection with proceedings for which a claim has been admitted under Employers' Liability Section
- e for the costs and expenses of any appeal against conviction unless in the opinion of counsel, appointed by mutual agreement of **you** and **us**, the appeal is more likely to succeed than not
- f if an indemnity is provided by any other insurance.

If, in addition to a claim under this extension, **you** also have a claim under any section of this **policy** arising from the same cause or occurrence, any amounts already paid, or incurred but not yet paid, for **your costs and expenses** and prosecution costs will be deducted from the total amount payable under this extension.

2 Health and Safety at Work Act 1974 – Legal Defence Costs

We will cover **you** and, at **your** request, any **director, partner** or **employee** in respect of **your costs and expenses** incurred in the defence of a prosecution and prosecution costs awarded against **you**, including an appeal against a conviction brought for a breach of:

- a the Health and Safety at Work Act 1974
- b the Health and Safety at Work (Northern Ireland) Order 1978

provided that:

- a the offence under such legislation:
 - i is alleged to have been committed during the **period of insurance** in connection with the **business** and
 - ii does not relate to the health, safety and welfare of an **employee**
- b **we** shall not be liable:
 - i for the payment of fines or penalties
 - ii for costs and expenses in connection with a charge or investigation relating to an incident which was as a result of an intentional or deliberate breach of or reckless disregard for statutory regulations
 - iii for costs and expenses arising from any offence committed, or alleged to have been committed, outside England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
 - iv unless each **director, partner** or **employee** to be indemnified complies with and is subject to the terms, conditions and exclusions of this **policy** in so far as they can apply
 - v if an indemnity is provided by any other insurance.

3 Food Safety Act 1990 – Legal Defence Costs

We will cover **you** and, at **your** request, any **director, partner** or **employee** for **your costs and expenses** and prosecution costs awarded against **you** in respect of the defence of a prosecution, including an appeal against a conviction, brought for a breach of Part II of the Food Safety Act 1990 committed during the **period of insurance** in connection with the **business** provided that **we** shall not be liable:

- a for the payment of fines or penalties

- b for costs and expenses in connection with a charge or investigation relating to an incident which was as a result of an intentional or deliberate breach of or reckless disregard for statutory regulations
- c for costs and expenses arising from any offence committed, or alleged to have been committed, outside England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- d unless each **director, partner** or **employee** to be indemnified complies with and is subject to the terms, conditions and exclusions of this **policy** in so far as they can apply
- e if an indemnity is provided by any other insurance.

4 Consumer Protection Act 1987 – Legal Defence Costs

We will cover **you** and, at **your** request, any **director, partner** or **employee** in respect of **your costs and expenses** and prosecution costs awarded against **you** in the defence of a prosecution, including an appeal against a conviction, brought for a breach of Part II of the Consumer Protection Act 1987 committed, or alleged to have been committed, during the **period of insurance** in connection with the **business** provided that **we** shall not be liable:

- a for the payment of fines or penalties
- b for costs and expenses in connection with a charge or investigation relating to an incident which was as a result of an intentional or deliberate breach of or reckless disregard for statutory regulations
- c for costs and expenses arising from any offence committed, or alleged to have been committed, outside England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man
- d unless each **director, partner** or **employee** to be indemnified complies with and is subject to the terms, conditions and exclusions of this **policy** in so far as they can apply
- e if an indemnity is provided by any other insurance.

5 Data Protection Act 1998

We will pay:

- a the amount of compensation which **you** become legally liable to pay in respect of **damage** or distress under the provisions of Section 13
- b for defence costs and prosecution costs awarded against **you** in respect of a prosecution under Section 60 of the Data Protection Act 1998 subject to the act or omission from which the legal liability, defence or prosecution cost arises occurring during the **period of insurance** and in the course of the **business** and **you** being registered in accordance with the requirements of the Data Protection Act 1998, or in the process of applying for such registration, which has not been refused or withdrawn provided that **we** shall not be liable:
 - i for the payment of fines or penalties
 - ii for any deliberate act or omission by **you** or any **director, partner** or **employee** from which **you** or they could have reasonably expected liability or costs to attach
 - iii for liability, defence or prosecution costs arising from recording, processing or provision of data for reward
 - iv for liability, defence or prosecution costs arising from determining the financial status of a person
 - v for liability, defence or prosecution costs arising from an agreement which would not have attached in the absence of such agreement
 - vi for the cost of rectifying, replacing, reinstating, destroying or erasing any data
 - vii if an indemnity is provided by any other insurance.

Public and Products Liability and Defective Workmanship - continued

6 Defective Premises Act 1972

We will cover **you** in respect of legal liability incurred by **you** during the **period of insurance** for accidental:

- a **injury** or
- b **damage**

arising solely by reason of:

- i Section 3 of the Defective Premises Act 1972 or
- ii Section 5 of the Defective Premises (Northern Ireland) Order 1975

in connection with premises which were owned by **you** in connection with the **business** but have been disposed of by **you** provided that **we** shall not be liable:

- i for the cost of remedying any defect or alleged defect in the premises
- ii if **you** are entitled to indemnity from any other source.

7 Leased, Hired or Rented Premises

We will cover **you** in respect of legal liability incurred by **you** as a tenant of premises **you** lease, rent or hire for the purpose of the **business** within England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man in respect of:

- a accidental **damage** to buildings including any landlord's fixtures and fittings
- b reinstatement or repair of accidental **damage** to the underground water pipes, gas pipes, drains or sewers, electricity and telephone cables extending from the public mains to the buildings occupied by **you** in connection with the **business** but excluding **consequential loss** of any kind or description

provided that **we** shall not be liable for liability attaching to **you** solely by the terms of the tenancy or any other agreement.

8 Motor Contingent Liability

We will cover **you** in respect of legal liability incurred by **you** for accidental:

- a **injury** or
- b **damage to property**

arising out of the use of any motor vehicle in the course of the **business** provided that **we** shall not be liable:

- i for any vehicle owned or provided by **you** or any **principal** for whom **you** are working or any subcontractor acting for **you** or on **your** behalf
- ii for **damage** to such vehicle or to goods conveyed in or on it
- iii for any vehicle being driven by any person **you** or **your** representative know does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- iv where indemnity is provided under any other insurance or security
- v for liability arising outside **Europe**
- vi to provide cover in respect of any party other than **you**
- vii whilst such vehicle is being driven by **you**
- viii for any motor vehicle which is not registered in Great Britain, Northern Ireland, Isle of Man or the the Channel Islands.

9 Overseas Personal Liability

We will cover **you** or any **director**, **partner** or **employee** or any member of **your** or their family accompanying **you** or them in respect of legal liability incurred in a personal capacity arising out of accidental:

- a **injury** to any person
- b **damage to property**

occurring during the **period of insurance** during visits of less than six months duration in connection with the **business** to territories other than England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man provided that:

- i the conduct and control of all claims is vested in **us**
- ii any person entitled to indemnity under this extension complies with and is subject to the terms, conditions and exclusions of this **policy** in so far as they can apply.

We will not pay for:

- a liability arising from or in connection with:
 - i any business, profession or trade
 - ii the ownership or occupation of land or buildings
 - iii the ownership, possession or use of:
 - a mechanically propelled vehicles and anything attached to them
 - b craft intended to travel through air or space
 - c hovercraft and watercraft (other than non mechanically propelled craft less than nine metres in length used on inland waters)
 - d animals (other than pet domestic animals)
 - iv **property** held in trust
 - v **injury** to any **director**, **partner** or **employee** or family member accompanying them
- b liability more specifically insured
- c liability arising under contract or agreement unless the liability would have arisen in the absence of such contract or agreement.

10 Temporary Work Overseas

In respect of work undertaken in connection with the **business** by **you** or any **director**, **partner** or **employee** resident in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man, **we** will cover **you** in respect of legal liability incurred by **you** for accidental:

- a **injury** or
- b **damage to property**

arising from work undertaken elsewhere in the world provided that:

- i the duration of such work does not exceed six months during the **period of insurance**
- ii any work outside **Europe** consists solely of clerical, sales promotion or administrative work or participation in but not the hosting or management of exhibitions, trade shows or conferences.

11 Environmental Clean Up Costs

Definitions for the purpose of this Extension only

Clean up Costs

- a testing for or monitoring of **pollution or contamination**
- b the costs of remediation required by any **enforcing authority** to a standard reasonably achievable by the methods available at the time that such remediation commences.

Remediation Costs

Remedying the effects of **pollution or contamination** including primary, complementary and compensatory actions as specified in the Environmental Damage (Prevention and Remediation) Regulations 2009.

Enforcing Authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation within the **territorial limits**.

Pollution or Contamination

- a all pollution or contamination of **buildings** or other structures or of water or land or the atmosphere
- b all loss or **damage** or personal injury directly or indirectly caused by such pollution or contamination.

We will indemnify **you** in respect of all sums including statutory debts that **you** are legally liable to pay in respect of **clean up costs** and **remediation costs** arising from environmental **damage** caused by **pollution or contamination** where such liability arises under an environmental directive, statute or statutory instrument.

Provided that:

- a liability arises from **pollution or contamination** caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the period of insurance. All **pollution or contamination** which arises out of one incident shall be deemed to have occurred at the same time such incident takes place
- b **our** liability under this extension shall not exceed £100,000 for any one occurrence and in the aggregate in any one **period of insurance** and will be the maximum **we** will pay inclusive of all costs and expenses. This limit will form part of and not be in addition to the limit of indemnity stated in the **schedule**
- c immediate loss prevention or salvage action is taken and the appropriate authorities notified.

Exclusions

We will not pay for:

- a **clean up costs** or **remediation costs** for **damage** to the **your** land, **premises**, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the **your** custody or control
- b **damage** connected with pre-existing contaminated **property**
- c **damage** caused by one occurrence or all occurrences of a series consequent on or attributable to one source or original cause unless that one occurrence on its own would warrant immediate action
- d removal of any risk of an adverse effect on human health on the **your** land, **premises**, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the **your** custody or control
- e costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time remediation commences
- f costs for prevention of imminent threat of environmental **damage** where such costs are incurred without there being **pollution or contamination** caused by a sudden, identifiable, unintended and unexpected incident
- g **damage** resulting from an alteration to subterranean stores of groundwater or to flow patterns
- h costs for the reinstatement or reintroduction of flora or fauna
- i **damage** caused deliberately or intentionally by **you** or where **you** have knowingly deviated from environmental protection regulations or where **you** has knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which they are responsible

- j fines or penalties of any kind
- k **damage** caused by the ownership or operation on behalf of **you** of any mining operations or storage, treatment or disposal of waste or waste products other than caused by composting, purification or pre-treatment of waste water
- l **damage** which is covered by a more specific insurance policy
- m **damage** caused by persons aware of the defectiveness or harmfulness of products they have placed on the market or works or other services they have performed
- n **damage** caused by disease in animals belonging to or kept or sold by **you**.

12 Financial Loss

Definition for the purpose of this Extension only

Financial Loss

A pecuniary loss, cost or expense incurred by any person other than **you**.

We will pay the amount of damages and **claimants' costs** and **expenses** which **you** become legally liable to pay in respect of a **financial loss**:

- a sustained by the purchaser of any vehicle part accessory or fuel for any vehicle
- b arising from alteration inspection **repair service or maintenance** of **vehicles** happening in connection with the **business**.

We shall not be liable for:

- i the first £250 or 10% of each and every claim, whichever is the greater
- ii any amount exceeding £100,000 in respect of any one claim or number of claims arising out of one occurrence or in the aggregate in respect of all claims made against **you** during the **period of insurance**
- iii **injury or damage**
- iv liability which attaches solely because of a contract.

13 Liability for Motor Accidents

Notwithstanding Exclusion 3 and provided **you** are not more specifically insured under any other policy **we** will indemnify **you** in the terms of this policy in respect of **injury or damage**:

- a caused by any **vehicle** owned by or in the possession of or being used by or on behalf of **you** which is:
 - i not licensed for road use and which is being used in circumstances which do not require insurance or security under any compulsory motor insurance legislation
 - ii designed or adapted primarily for use as a tool but this indemnity shall not apply to liability in respect of which any compulsory motor insurance legislation requires insurance or security.
- b arising during the act of loading or unloading a **vehicle** or the bringing to or taking away of a load from such **vehicle**.

Exclusions to Public and Products Liability and Defective Workmanship

1 Excess

We will not pay for the amount of the **excess** shown on the **schedule**.

2 Employees

We will not pay for **injury** sustained by any **employee** arising out of and in the course of their employment by **you**.

Public and Products Liability and Defective Workmanship - continued

3 Vehicles

We will not pay for liability arising from or in connection with the ownership, possession or use by **you** or on **your** behalf of:

- a any mechanically propelled vehicle or plant being used in circumstances where compulsory motor insurance legislation requires that there shall be in force a policy of insurance or other security, provided that if **you** are not entitled to indemnity from any other policy or security, this exclusion shall not apply to the bringing to or taking away of the load from any vehicle
- b aircraft, hovercraft, drilling platform or rig and other offshore platforms or watercraft (other than hand propelled watercraft), railways, railway locomotives and carriages.

4 Property in Your Possession

We will not pay for **damage** to:

- a **property** belonging to **you**
- b **property** held in trust or in the custody or control of **you** or any **director, partner** or **employee**

but this exclusion shall not apply to:

- i any personal **property** (including motor vehicles) of any **director, partner, employee** or visitor of **yours**
- ii leased, hired or rented premises as provided by Extension 7 – Leased, Hired or Rented Premises of this section.

5 Property Worked On

We will not pay for liability in respect of **damage** to **property** other than vehicles worked on where the **damage** is as a direct result of the work undertaken.

6 Heat Work Away from the Premises

We will not pay for liability arising from or in connection with the use of heat away from the **premises**.

7 North America

We will not pay for liability arising from or in connection with **products supplied** known by **you** or a **director, partner** or **employee** to be supplied directly or indirectly to the United States of America or any territory within its jurisdiction or Canada unless such cover is specifically noted as being insured on the **schedule**.

8 Recall Costs

We will not pay for the costs incurred by anyone in recalling, removing, repairing, rectifying, replacing, reapplying or guaranteeing any **products supplied**.

9 Excluded Products

We will not pay for liability arising from or in connection with any **products supplied** known by **you** or any **director, partner** or **employee** to be used in connection with aircraft, hovercraft, aerial devices, watercraft, drilling platforms or rigs, railways, railway locomotives or carriages, operational areas of gas, chemical, nuclear, petrochemical or power generation plants or mines.

10 Products Supplied

We will not pay for liability arising from or in connection with any **products supplied** whilst they are in the custody or control of **you** or any **director, partner** or **employee**.

11 Second Hand or Used Parts

We will not pay for liability arising from or in connection with any second hand or used safety critical part.

12 Tyre Fitters and Dealers

We will not pay for liability arising from or in connection with the sale, supply or fitting of:

- a Race tyres
- b Tyres that have been remoulded, recut or retreaded by **you**
- c Tyres imported by **you**.

13 Offshore

We will not pay for liability arising from or in connection with:

- a any work in or on any offshore installation or support vessel
- b travel to, from or between any offshore installation or support vessel or
- c work undertaken from an offshore installation or support vessel.

14 Excluded Locations

We will not pay for liability arising from or in connection with any work in or on:

- a towers, steeples, chimney shafts, blast furnaces, dams, canals, viaducts, bridges or tunnels
- b aircraft, hovercraft, airports or airfields, railways, watercraft (other than hand propelled watercraft), docks or harbours, piers, wharves, breakwaters or sea walls
- c collieries, mines, quarries, chemical works, gas works, oil refineries or bulk storage facilities for gas or oil, power stations, wind farms, nuclear installations or establishments.

15 Excluded Compensation

We will not pay for:

- a liquidated damages, fines or penalties
- b exemplary, punitive or multiplied damages (these are damages in excess of normal compensation awarded to punish **you**).

16 Contractual Liability

We will not pay for liability assumed under the terms of a contract or agreement:

- a unless liability would have attached in the absence of such contract or agreement and such liability is otherwise covered by this **policy**
- b where the terms of the contract or agreement made by **you** prevent **us** from taking over the full defence or settlement of a claim.

17 Design or Advice

We will not pay for liability arising:

- a from the defective design, plan, formula or specification of **products supplied** if it is given for a fee or if a fee would normally be charged for it
- b out of technical, professional or remedial instruction and advice given for a fee or for which a fee would normally be charged
- c from a failure to give advice or treatment or any lack of professional skill.

18 Pollution or Contamination

We will not pay for liability directly or indirectly arising from or in connection with **pollution** or **contamination** unless caused by a sudden, identifiable, unintended and unexpected occurrence which takes place in its entirety at a specific time and place during the **period of insurance**.

19 Defective Work

We will not pay for the cost of rectification of faulty or defective repair, testing, servicing, maintenance, alteration, cleaning, installation, erection, treatment or inspection.

20 Racing

We will not pay for liability directly or indirectly arising from or in connection with racing, testing for racing, speed testing, rallying, reliability trials and competitions.

21 Vehicles not licenced for road use

We will not pay for liability directly or indirectly arising from or in connection with any **vehicle** not licensed for road use or used built or designed for or associated with racing or off-road purposes or parts.

22 Written Off Vehicles

We will not pay for liability directly or indirectly arising from or in connection with any activities in connection with the repair rebuilding or resale of any **vehicle** or **motorcycle** classified as a write-off or any **vehicle** or **motorcycle** classified as unsuitable or beyond repair.

Condition to the Liability Section

1 Other Insurance Condition

Unless otherwise excluded, if any claim under this section is also covered in whole or in part by any other existing insurance or by an indemnity from any other insurance or security, **our** liability shall be limited to any excess beyond the amount which would have been payable under such other insurance or from such other security had this section not been effected.

Property in Transit Section

The cover described below is only operative if shown as insured on the **schedule**

Cover

We will pay **you** for accidental **damage** to **general contents, stock, portable hand tools, computer equipment** or **target stock** occurring during the **period of insurance** whilst:

- a **in transit** in or on **vehicles** owned by **you** or for which **you** are responsible
- b kept within a securely locked building during transit for a period not exceeding 48 consecutive hours within the **territorial limits** and travelling between the specified territories.

Extensions to Property in Transit Section

(Subject to the terms, conditions and exclusions of this section and this **policy**)

1 Vehicle Transfer

We will pay for the additional expenses incurred in transferring to another **vehicle**, including unloading and reloading and removal of any debris, required as a result of accidental **damage** caused by fire, explosion, theft or attempted theft or from collision or overturning of the **vehicle**.

Our liability under this extension will not exceed £2,500 in respect of any one loss.

2 Tarpaulins, Sheets, Ropes and Chains

We will pay **you** for **damage** to tarpaulins, sheets, ropes, chains, toggles and trolleys caused by fire, explosion, theft or attempted theft or from collision or overturning of the **vehicle**.

Our liability under this extension will not exceed £1,000 in respect of any one loss.

Conditions Precedent to Liability Property in Transit Section

1 Unattended Vehicles

Whenever a **vehicle** being used for the transport of, **stock, target stock, portable hand tools** or **computer equipment** is left unattended by **you**, a **director, partner** or **your** designated driver it is a condition precedent to **our** liability to pay claims in respect of **damage** caused by theft or attempted theft or malicious persons that:

- a all windows, sunroofs or other openings must be securely shut
- b all doors to the **vehicle** (including the boot or any other lockable point of access) must be securely shut and locked
- c any immobiliser and alarm must be set to be fully operational and

- d all keys or electronic devices to lock or unlock the **vehicle** must be removed from the **vehicle**.

2 Overnight Security

Whenever a **vehicle** being used for the transport of the property insured is left unattended by **you**, a **director, partner** or **your** designated driver it is a condition precedent to **our** liability to pay claims in respect of **damage** caused by theft or attempted theft or malicious persons that the **vehicle** is, between 21:00hrs and 06:00hrs:

- a stored in a locked and secure building or a **secure compound**
- b secured in accordance with Condition 1 - Unattended Vehicles of this section.

3 Vehicle Condition

It is a condition precedent to **our** liability to pay claims in respect of any **damage** that the **vehicle** being used for transport of items must be roadworthy and suitable for the carriage of the items.

Exclusions – Property in Transit Section

1 Excess

We will not pay for the amount of the **excess** shown on the **schedule**.

2 Excluded Damage

We will not pay for **damage** caused by or resulting from:

- a deterioration or contamination unless caused by fire, explosion, theft or attempted theft or from collision or overturning of the **vehicle**
- b inherent vice, latent defect, gradual deterioration, frost, operational error or omission
- c wet or dry rot, shrinkage, evaporation, dampness, dryness, bruising, scratching, chipping, denting, rust, oxidation or discolouration, vermin or insects
- d mechanical or electrical breakdown or derangement
- e faults in processing or insufficient or unsuitable preparation
- f change in temperature
- g unexplained disappearance or inventory shortage.

3 Fraud

We will not pay for **damage** caused by acts of fraud or dishonesty of any person to whom the insured **property** has been entrusted including any collusion.

4 Theft from a Vehicle

We will not pay for **damage** caused by theft or attempted theft from a **vehicle** owned by **you** or for which **you** are responsible which does not involve entry to or exit from the **vehicle** by forcible and violent means or that does not involve actual or threatened assault or violence or use of force against the driver or passengers of the **vehicle**.

5 Trailers, Demountable Bodies and Containers

We will not pay for **damage** to the **property** insured inside any **trailer**, demountable body or container or whilst the **trailer**, demountable body or container are detached from any **vehicle** owned by **you** or for which **you** are responsible.

6 Leakage and Spillage

We will not pay for **damage** caused by or resulting from leakage, shortage in weight or spilling unless caused by fire, explosion, theft or attempted theft or from collision or overturning of the **vehicle**.

7 Dangerous Goods

We will not pay for **damage** to **property** caused by explosives, firearms, ammunition, fireworks, gases, flammable substances, radioactive materials, corrosives or any toxic or infectious substance.

8 Other Insurance

We will not pay for **damage** to the **property** insured which at the time of **damage** is insured by, or would but for the existence of this **policy** be insured by, any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.

9 Open Vehicles

We will not pay for **damage** caused by theft or attempted theft from any open topped, open sided or curtain sided **vehicle**.

10 Consequential Losses

We will not pay for **damage** caused by or resulting from any delay, loss of market, strikes, reduction in value or **consequential loss** of any kind.

11 Government or Public Authorities

We will not pay for **damage** caused by or resulting from confiscation, destruction, requisition or detention by order of any government or public authority.

12 Haulage

We will not pay for **damage** to items carried by **you** for hire or reward.

13 Packaging and Addressing

We will not pay for **damage** caused by or resulting from the incorrect addressing or unsuitable or insufficient packaging of items.

Basis of Settlement – Property in Transit Section

The maximum amount **we** will pay for **damage** is the limit per transit shown on the **schedule**.

A Reinstatement

The basis of settlement of any claim in respect of:

- a **portable hand tools** shall be the full cost of replacement as new which shall be:
 - i where an item is destroyed or lost, its replacement by a similar item in a condition equal to but not better or more extensive than its condition when new
 - ii where an item is damaged, the repair of the **damage** and the restoration of the damaged portion of the item to a condition the same as, but not better or more extensive than, its condition when new.

For **computer equipment** the basis of settlement shall be:

- a where electronic diagnostic equipment is damaged, the repair of the **damage** and the restoration of the damaged portion of the electronic diagnostic equipment to a working condition, substantially the same but not better or more extensive than its condition when new
- b where electronic diagnostic equipment (other than motor vehicle diagnostic equipment) is lost, destroyed or damaged beyond repair its replacement by similar electronic diagnostic equipment (other than motor vehicle diagnostic equipment) of equal performance and capacity or if that is impossible, replacement by new electronic diagnostic equipment (other than motor vehicle diagnostic equipment) having the nearest higher performance and capacity to the item lost, destroyed or damaged.

Special Provisions

The following special provisions apply when a claim is dealt with on this basis:

- a if replacement does not happen within 12 months of the **damage**, or longer period if agreed in writing by **us**, **we** will settle the claim in accordance with Basis of Settlement B Indemnity
- b when any item insured by this section is damaged in part only, **our** liability will not exceed the sum representing the cost which **we** could have been called upon to pay for the replacement if such item had been wholly destroyed
- c no payment beyond indemnity shall be made until the cost of replacement has actually been incurred.

B Indemnity

The basis of settlement of any claim in respect of:

- a unsold **stock** or **target stock** is the cost of repair or replacement (less a reduction for wear, tear and depreciation) up to the trade market value of the item in a condition equal to but not better or more extensive than its condition immediately prior to the **damage**
- b **stock** or **target stock** sold but not yet delivered, for which **you** are responsible under the terms of the sale contract, is the basis of the contract price if following insured **damage** the contract is cancelled, due to the contract conditions, either wholly or to the extent of the **damage**.

Designation

For the purpose of determining where necessary the item under which any **property** is insured **we** agree to accept the designation under which such **property** has been entered in **your** accounting books.

To make a claim, call: 0345 415 0495

For claims in relation to the Road Risks section,
call 0345 125 8833.

For claims in relation to broken windscreens or
windows, call the Ageas Glassline on 0800 587 6899.

Please save these numbers to **your** mobile phone

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