Select Property Owners

Policy document

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Data protection statement

Zurich takes the privacy and security of your personal information seriously. We collect, use and share your personal information so that we can provide policies and services that meet your insurance needs, in accordance with applicable data protection laws.

The type of personal information we will collect includes: basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

We and our selected third parties will only collect and use personal information (i) where the processing is necessary in connection with providing a quotation and/or contract of insurance; (ii) to meet our legal or regulatory obligations; (iii) where you have provided the appropriate consent; (iv) for our 'legitimate interests'.

It is in our legitimate interests to collect personal information as it provides us with the information that we need to provide our services more effectively including providing information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest.

A full copy of our data protection statement can be viewed via www.zurich.co.uk/dataprotection

How you can contact us

If you have any questions or queries about how we use your data, or require a paper copy of the statement, you can contact us via gbz.general.data.protection@uk.zurich.com or alternatively contact our Data Protection Officer at Zurich Insurance, Unity Place, 1 Carfax Close, Swindon, SN1 1AP.

Important notes

Fraud prevention and detection
In order to prevent and detect fraud we may at any time:

- check your personal data against counter fraud systems
- use your information to search against various publicly available and third party resources
- use industry fraud tools including undertaking credit searches and to review your claims history
- share information about you with other organisations including but not limited to the police, the Insurance Fraud Bureau (IFB), other insurers and other interested parties.

If you provide false or inaccurate information and fraud is identified, the matter will be investigated and appropriate action taken. This may result in your case being referred to the Insurance Fraud Enforcement Department (IFED) or other police forces and fraud prevention agencies. You may face fines or criminal prosecution. In addition, Zurich may register your name on the Insurance Fraud Register, an industry-wide fraud database.

Claims history
We may pass information relating to claims or potential claims to any relevant database.

We and other insurers may search these databases when you apply for insurance, when claims or potential claims are notified to us or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

Our complaints procedure

Our commitment to customer service
We are committed to providing a high level of customer service. If you feel we have not delivered this, we would welcome the opportunity to put things right for you.

Who to contact in the first instance
Many concerns can be resolved straight away. Therefore in the first instance, please get in touch with your usual contact at Zurich, as they will generally be able to provide you with a prompt response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

Many complaints can be resolved within a few days of receipt
If we can resolve your complaint to your satisfaction within the first few days of receipt, we will do so. Otherwise, we will keep you updated with progress and will provide you with our decision as quickly as possible.

Next steps if you are still unhappy
If you are not happy with the outcome of your complaint, you may be able to ask the Financial Ombudsman Service to review your case.

We will let you know if we believe the ombudsman service can consider your complaint when we provide you with our decision. The service they provide is free and impartial, but you would need to contact them within 6 months of the date of our decision.

More information about the ombudsman and the type of complaints they can review is available via their website www.financial-ombudsman.org.uk.

You can also contact them as follows:

Post: Financial Ombudsman Service, Exchange Tower, London, E14 9SR

Telephone: 08000 234567 (free on mobile phones and landlines)

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

If the Financial Ombudsman Service is unable to consider your complaint, you may wish to obtain advice from the Citizens Advice Bureau or seek legal advice.

The Financial Services Compensation Scheme (FSCS)
We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on www.fscs.org.uk or by contacting the FSCS directly on 0800 678 1100.

Your Select Local Authorities Property Owners policy

This Policy is a contract between the **insured** (also referred to as **you**, **your**, **yours** or **yourselves**) and the **insurer** (also referred to as **we**, **us**, **our** or **ours**).

This Policy and any Schedule and Endorsement should be read as if they are one document.

We will insure **you** under those Parts stated in the Schedule during any Period of Insurance for which **we** have accepted **your** premium. **Our** liability will in no case exceed the amount of any sum insured or limit of indemnity stated in this Policy, the Schedule or any Endorsement to this Policy.

Where more than one party is insured under this Policy or any Part, whether on a joint, composite or any other basis and irrespective of whether separate contracts are deemed to have been issued to each party, and save for any loss limit, limit, sub-limit, aggregate limit, sum insured, limit of indemnity or limit of liability which is expressly stated to apply to any particular insured, then **we** will not pay more than the applicable loss limit, limit, sub-limit, aggregate limit, sum insured, limit of indemnity or limit of liability irrespective of the number of parties claiming and/or contracts deemed to have been issued. Any payment or payments by **us** to any one or more insured parties will reduce to the extent of that payment **our** liability to all parties insured and once a loss limit, limit, sub-limit, aggregate limit, sum insured, limit of indemnity or limit of liability has been paid, no additional payments or claims will be paid.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

Any heading in this Policy is for ease of reference only and does not affect its interpretation.

Law applicable to this contract

In the UK the law allows both **you** and **us** to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address stated in the Schedule. If there is any dispute as to which law applies it will be English law. The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this Policy and any Schedule and Endorsement carefully and contact **us** if they do not meet **your** needs.

General Definitions

Wherever the words defined below appear in this Policy in **bold** they will have the same special meaning unless their meaning has been specifically varied in a particular Part.

However, certain words have special meanings that only apply to a particular Part of this Policy. These are stated at the beginning of the relevant Part as special definitions and will apply in that Part wherever the defined words commence with a capital letter.

Average

If at the commencement of **damage** a sum insured under any item which is declared to be subject to **average** is less than the value of the **property** covered by that item, the **insured** will be considered as being its own insurer for the difference and will bear a rateable proportion of the loss accordingly.

For the avoidance of doubt solely in respect of the application of **average** to any item under this Policy clause c) iii) of General Condition 3 will not apply.

Buildings

The buildings at the **premises** including:

a) landlord's fixtures and fittings

b) outbuildings, yards, forecourts and car parks

c) roads and pavements, but only to the extent of the **insured's** responsibility

d) walls, gates, fences, canopies and fixed signs

e) foundations

f) oil tanks, piping, ducting, cables, wires and associated control gear and accessories on the **premises** and extending to the public mains but only to the extent of the **insured's** responsibility.

Business

The usual activities of the **insured** as specified in the Schedule to this Policy.

Communicable Disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and

b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and

c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Consequential Loss

Loss resulting from interruption of or interference with the **business** carried on by the **insured** in consequence of **damage** to **property** owned by the **insured** at the **premises** for the purpose of the **business**.

Damage

Physical loss or damage.

Data Processing System

Any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

Defined Peril

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, storm, flood, escape of water from any tank, apparatus or pipe or impact by any vehicle or by goods falling therefrom or by any animal.

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 including but not limited to the generation of excess network traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

Excess
The amount for which the **insured** is responsible and which will be deducted from any payment under this Policy as ascertained after the application of all other terms and conditions of this Policy.

Hacking
Unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data.

Insured
As specified in the Schedule to this Policy.

Insurer
Zurich Insurance Company Ltd.

Nuclear Installation
Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for:

a) the production or use of atomic energy

b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation

c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel.

Nuclear Reactor
Any plant including any machinery, equipment or appliance whether affixed to land or not designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

Premises
The premises specified in the Schedule owned by the **insured** for the purposes of the **business**.

Property
Material property.

Territorial Limits
Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

Terrorism
a) Any act or preparation in respect of action or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto and which:

   i) involves violence against one or more persons

   ii) involves damage to property

   iii) endangers life other than that of the person committing the action

   iv) creates a risk to health or safety of the public or a section of the public

   v) is designed to interfere with or to disrupt an electronic system

b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

Unoccupied
Vacant, empty, untenanted or not in use.

Virus or Similar Mechanism
Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations whether involving self-replication or not including but not limited to Trojan horses, worms and logic bombs.

General Exclusions

This policy does not cover:

1. **Date Related Performance and Functionality**
   loss or damage, additional expenditure or extra expenses, legal liability, fees, costs, disbursements, awards or other expenses of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

   a) the way in which any **data processing system** responds to or deals with or fails to respond to or fails to deal with any true calendar date

   b) any **data processing system** responding to or dealing in any way with:

      i) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates

      ii) any data not denoting a calendar date or dates as if such data denoted a calendar date or dates

   whether such **data processing system** is the **insured's** property or not but this will not exclude subsequent **damage** or **consequential loss** which itself results from a **defined peril**

2. **Northern Ireland Civil Commotion**
   loss, damage, cost or expense in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of civil commotion

3. **Nuclear and War Risks, Government or Public Authority Order and Sonic Bangs**
   death, injury, disablement, loss, damage, cost or expense or legal liability of whatsoever nature directly or indirectly arising from, caused by, or contributed to by:

   a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

   b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any **nuclear installation, nuclear reactor** or other nuclear assembly or nuclear component thereof

   c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

   d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes

   e) i) war, invasion, mutiny, acts of foreign enemies, hostilities or war-like operations whether war be declared or not, civil war, civil commotion assuming the proportions of or amounting to a popular rising, rebellion, revolution, insurrection, military or usurped power, military rising or martial law

      ii) nationalisation, confiscation, requisition, seizure or destruction by or under the order of any government or public or local authority

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

4. **Terrorism**
   loss or damage, cost or expense, directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with **terrorism**.

   In any action or suit or other proceedings where the **insurer** alleges that by reason of this exclusion cover is not provided under this policy the burden of proving that cover is provided under this policy will be upon the **insured**

5. **Communicable Diseases**
   any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with the following:

   a) a **communicable disease**; or

   b) the fear or threat (whether actual or perceived) of a **communicable disease**

   regardless of any other cause or event contributing concurrently or in any other sequence thereto

6. Electronic Risks

a) loss or damage to any computer or other equipment or component or system or item which processes stores transmits retrieves or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property is insured or not where such **damage** is caused by **virus or similar mechanism** or **hacking** or **denial of service attack**

b) loss, cost or expense directly or indirectly caused by or arising from **virus or similar mechanism** or **hacking** or **denial of service attack**

but this shall not exclude **damage** or **consequential loss** which results from a **defined peril** (including the acts of thieves but excluding the acts of malicious persons which do not involve physical force or violence).

General Conditions

1. **Policy Interpretation**
   Each Part of this Policy will be subject to the General Conditions, General Definitions and General Exclusions.

2. **Reasonable Precautions**
   The **insured** will comply with all regulations imposed by any competent authority and take all reasonable precautions to prevent loss, damage, cost or expense.

3. **Fair Presentation of the Risk**
   a) At inception and renewal of this Policy and also whenever changes are made to it at the **insured's** request the **insured** must:

      i) disclose to the **insurer** all material facts in a clear and accessible manner; and

      ii) not misrepresent any material facts.

   b) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation by **you** is proven by **us** to be deliberate or reckless **we** may from the relevant date specified in clause d):

      i) treat this policy as if it had not existed; and

      ii) not return the premium paid by **you**.

   c) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless the cover, meaning this policy or the changes made to it, may be affected from the relevant date in clause d) in one or more of the following ways depending on what **we** would have done if **we** had known about the facts which **you** failed to disclose or misrepresented:

      i) if **we** would not have provided **you** with the cover **we** will have the option to treat the cover as if it had not existed and repay the premium paid for such cover; or

      ii) if **we** would have applied different terms to the cover **we** will have the option to treat this policy as if those different terms apply; and/or

      iii) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

   d) Clauses b) and c) apply with effect from inception, renewal or the date of the changes, depending on when the non-compliance occurred. **We** may also recover any claims payments which have already been made to the extent that the cover under which such payments were made is being treated as if it did not exist or as if it had been subject to different terms under which the claim would not have been payable.

   e) Where this Policy provides cover for any person other than the **insured** and that person would if they had taken out such cover in their own name have done so for purposes wholly or mainly unconnected with their trade, business or profession the **insurer** will not invoke the remedies which might otherwise have been available to the **insurer** under this condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to a particular insured person other than the **insured**.

      Provided always that if the person concerned or the **insured** acting on their behalf makes a careless misrepresentation of fact the **insurer** may invoke the remedies available to the **insurer** under this condition as against that particular person as if a separate insurance contract had been issued to them leaving the remainder of the Policy unaffected.

4. **Change in Circumstances**
   You must notify **us** as soon as possible during the Period of Insurance if there is any change in circumstances which materially increases the risk of accident, injury, loss, damage or liability.

   Upon notification of any such change **we** will be entitled to vary the premium and terms for the rest of the Period of Insurance. If the changes make the risk unacceptable to **us** then **we** may no longer be able to provide **you** with cover.

   If **you** do not notify **us** of any such change this policy may be affected in one or more of the following ways depending on what **we** would have done had **we** known about the change in circumstances:

   a) if **we** would not have continued to provide **you** with any cover **we** may treat this policy as if it did not exist from the date of the change in circumstances; or

   b) if **we** would have applied different terms to the cover **we** may treat this policy as if those different terms applied from the date of the change in circumstances; and/or

   c) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

5. Claims Procedures

a) Action by the **insured**

On the happening of any event which could give rise to a claim or on receiving verbal or written notice of any claim the **insured** will:

i) as soon as possible give notice to the **insurer**

ii) as soon as possible notify the Police in respect of any loss or **damage** caused by malicious persons

iii) at the **insured's** own expense and within:

1) 7 days of **damage** caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons

2) 30 days of expiry of the Indemnity Period in respect of Part B

3) 30 days in all other cases

supply full details of the claim in writing to the **insurer** together with any evidence and information that may be required by the **insurer** for the purpose of investigating or verifying the claim.

b) Rights of the **insurer**

On the happening of **damage** to any **property** in respect of which a claim is made, the **insurer** and any person authorised by the **insurer** may, without incurring any liability or diminishing any of the **insurer's** rights under this Policy, enter, take or keep possession of the **premises** where such **damage** has occurred and take possession of or require to be delivered to the **insurer** any insured **property** and deal with such **property** in any reasonable manner. The **insured** is not entitled to abandon any insured **property** to the **insurer** whether or not the **insurer** has taken possession of such **property**. This Policy will be evidence of the **insurer's** licence so to act.

c) Subrogation

The **insurer** may take legal proceedings in the name of the **insured** (but at its own expense) for the purpose of exercising for its own benefit any right of recovery of the **insured** against any other party and this Condition will be evidence of the **insurer's** right so to do, whether before or after the **insured** has received an indemnity.

6. Other Insurances

If at the time of any occurrence giving rise to a claim there is any other insurance or risk transfer mechanism or other similar arrangements effected by or on behalf of the **insured** providing an indemnity the **insurer's** liability will be limited to its rateable proportion. If any other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Policy in whole or in part or from contributing proportionately the liability of the **insurer** under this Policy will be limited to any excess beyond the amount which would be payable under such other insurance had this Policy not been effected.

7. Fraudulent Claims

If the **insured** or anyone acting on the **insured's** behalf:

a) makes a fraudulent or exaggerated claim under this Policy; or

b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or

c) makes a false statement in support of a claim whether or not the claim is itself genuine; or

d) submits a claim under this Policy for loss or damage which the **insured** or anyone acting on the **insured's** behalf or in connivance with the **insured** deliberately caused; or

e) realises after submitting what the **insured** reasonably believed was a genuine claim under this Policy and then fails to tell the **insurer** that the **insured** has not suffered any loss or damage; or

f) suppresses information which the **insured** knows would otherwise enable the **insurer** to refuse to pay a claim under this Policy

the **insurer** will be entitled to refuse to pay the whole of the claim and recover any sums that the **insurer** has already paid in respect of the claim.

The **insurer** may also notify the **insured** that the **insurer** will be treating this Policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If the **insurer** terminates this Policy under this condition the **insured** will have no cover under this Policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an insured person and not on behalf of the **insured** this condition should be read as if it applies only to that insured person's claim and references to this Policy should be read as if they were references to the cover effected for that person alone and not to the Policy as a whole.

8. Reinstatement

If the **insurer** elects to reinstate or replace any **property** it will not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and will not in any case be bound to expend in respect of any one of the items insured more than the sum insured specified in the Schedule.

9. Long Term Agreement

This condition will be applicable separately to each Part of this Policy unless otherwise stated in the Schedule.

In respect of such Parts to which this condition applies and in consideration of a discount being applied to the premium for those parts the **insured** agrees to offer annually the insurance under each of those Parts on the terms and conditions in force at the expiry of each Period of Insurance and to pay premiums in advance.

Provided always that:

a) the **insurer** will be under no obligation to accept an offer from the **insured**; and

b) any changes to the rate of Insurance Premium Tax or Value Added Tax or other taxes or levies will be paid by or allowed to the **insured** as the case may be; and

c) the **insurer** may adjust the rates, premium, terms or conditions of this Policy to reflect:

  i) any changes in the business or activity of the **insured** or any other alteration which in the opinion of the **insurer** materially increases the risk of loss, damage, cost or expense or any other risk in respect of which indemnity is provided

  ii) any material change in the geographical distribution of the risk by which the exposure of the **insured** to natural hazards is increased

  iii) acquisitions or disposals or property, assets, companies or subsidiaries of or by the **insured**

  iv) increases or decreases in sums insured, declared values, wage rolls, turnover, vehicle numbers and other estimates including indexation, change in Average Weekly Earnings index and other inflationary measures for each annual Period of Insurance

  v) any change in the availability or costs to the **insurer** of reinsurance protection

  vi) any legal requirement to do so

  vii) any change which occurs in Legislation or the interpretation of any Legislation by any court, tribunal or arbitration, any government or regulatory body or ombudsman. For the purposes of this clause 'Legislation' shall mean any enactment, subordinate legislation, law, regulation, decree, treaty or instrument in force in any country or territory

  which, in the opinion of the **insurer**, has a material effect upon the scope of cover or indemnity provided under this Policy.

If the **insurer** elects to adjust the rates of premium or amend the terms and conditions of this Policy in accordance with the provisions above then the **insured** may at its option terminate the long term agreement or continue the long term agreement with the amended terms.

Payment of the first or renewal premium will be deemed acceptance by the **insured** of this agreement.

10. Arbitration

If the **insurer** admits liability for a claim but there is a dispute as to the amount to be paid the dispute will be referred to an arbitrator. The arbitrator will be appointed jointly by the **insured** and the **insurer** in accordance with the law at the time. The **insured** may not take any legal action against the **insurer** over the dispute before the arbitrator has reached a decision.

11. Cancellation

The **insurer** may cancel this Policy or any Part thereof by giving 30 days notice in writing by recorded delivery to the **insured** at the **insured's** last known address. The **insured** will be entitled to a pro rata return of premium calculated from the date of cancellation.

12. Sanctions

Notwithstanding any other terms of this Policy the **insurer** will be deemed not to provide cover nor will the **insurer** make any payment or provide any service or benefit to the **insured** or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the **insured** would violate any applicable trade or economic sanctions law or regulation.

13. Survey and Risk Improvement Action

Where required by the **insurer**, the **insured** must allow access to the **insured's buildings** and/or activities of the **insured** to carry out inspection or survey.

The **insured** must comply with any risk improvement actions requested within the timescales specified by the **insurer**.

14. Observance

The due observance and fulfilment of the terms and conditions of this Policy by the **insured** in so far as they relate to anything to be done or complied with by the **insured** will be a condition precedent to any liability of the **insurer** to make any payment under this Policy.

Part A – Material Damage

Section 1 – Special Definitions

Damage
Accidental physical loss or accidental physical damage by any of the Insured Perils specified in the Schedule.

One Event
The total of all losses arising from one occurrence or all occurrences of a series consequent upon or attributable to one original cause after the application of all the terms and conditions of this Part.

Reinstatement
a) The rebuilding or replacement of **property** lost or destroyed which may be carried out:

   i) in any manner suitable to the requirements of the **insured**

   ii) upon another site

   provided the liability of the **insurer** is not increased

b) the repair or restoration of **property** damaged

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

Section 2 – Cover
In the event of Damage to the **property** insured specified in the Schedule and occurring at the **premises** the **insurer** will pay to the **insured** the value of the **property** at the time of the Damage or the amount of such Damage or at the **insurer's** option replace, reinstate or repair the **property** or any part of it provided that the liability of the **insurer** will not exceed:

a) i) in the whole the total Sum Insured

   ii) in respect of any item its Sum Insured

   at the time of the **damage**

b) the Sum Insured remaining after deduction for any other Damage occurring during the same Period of Insurance, unless the **insurer** has agreed to reinstate any such Sum Insured.

(Note: for Exclusions please see the Exclusions section).

Reinstatement Condition
Applicable where specified in the Schedule.

Subject to the following Special Conditions the basis upon which the amount payable in respect of **buildings** is to be calculated will be the Reinstatement of the **property** suffering Damage.

Special Conditions:
1. The liability of the **insurer** for the repair or restoration of **property** which is only partially damaged will not exceed the amount which would have been payable had such **property** been wholly destroyed.
2. In respect of any item which is declared to be subject to **average**: if the sum insured at the commencement of Damage is less than 85% of the cost, at the time of reinstatement, of reinstating the whole of the **property** covered by that item the **insured** will bear a proportional share of the loss directly related to the difference between the Sum Insured and the estimated cost of reinstating the whole of the **property**.
3. Any additional amount which may be payable solely due to this Reinstatement Condition will be paid only if:
   a) Reinstatement commences and proceeds without unreasonable delay
   b) the cost of Reinstatement has been actually incurred
   c) at the time of its Damage the **property** insured is not insured by any other insurance effected by or on behalf of the **insured** which is not upon the same basis of Reinstatement.
4. All the terms and conditions of this Part will apply:
   a) in respect of any claim payable under the provisions of this Reinstatement Condition except in so far as they are varied hereby
   b) where claims are payable as if this Reinstatement Condition had not been incorporated.

Rent
The insurance on rent applies only whilst any part of the **buildings** is sufficiently damaged to render it unfit for occupation. The amount payable will not exceed the proportion of the Sum Insured on rent that the period necessary for reinstatement bears to the period of rent insured.

Section 3 – Additional Covers

Public Authorities
Subject to the following Special Conditions the insurance by each item on **buildings** includes the additional cost of reinstatement of **property** following Damage incurred solely to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or with bye-laws of any public authority excluding:

a) the cost incurred to comply with any such Regulations or bye-laws:

   i) where Damage occurred prior to the granting of this Additional Cover

   ii) in respect of loss or damage not insured by this Part

   iii) under which notice has been served upon the **insured** prior to the Damage occurring

   iv) in respect of undamaged **property** or undamaged portions of **property** other than foundations (unless specifically excluded) of that portion of the **property** damaged

b) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the **property** or by the owner because of compliance with any such Regulations or bye-laws

c) the additional cost that would have been required to make good the **property** lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or bye-laws not arisen.

Special Conditions
1. The work of Reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months of the Damage occurring or within such further time as the **insurer** may allow and may be carried out upon another site (if necessitated by such Regulations or bye-laws) provided the liability of the **insurer** is not increased.
2. If the liability of the **insurer** under (any item of) this Part apart from this Additional Cover is reduced by the application of any of the terms and conditions of this Part then the liability of the **insurer** under this Additional Cover (in respect of any such item) will be reduced in like proportion.
3. The total amount recoverable under any item of this Part will not exceed its Sum Insured.
4. Those terms and conditions of this Part which have not been varied by this Additional Cover will apply as if they had been incorporated in this Additional Cover.

Removal of Debris
The insurance by each item on **buildings** extends to include costs and expenses necessarily and reasonably incurred by the **insured** with the consent of the **insurer** in:

a) removing debris of

b) dismantling or demolishing

c) shoring up or propping

the **property** insured following Damage.

The amount payable under each item will not exceed in total its Sum Insured.

The **insurer** will not pay any cost or expenses:

i) incurred in removing debris except from the site of the **property** destroyed or damaged and the area immediately adjacent to the site

ii) arising from pollution or contamination of **property** not insured by this Part.

Contracting Purchaser's Interest
If at the time of Damage to **property** the **insured** has contracted to sell its interest in any of the **buildings** and the sale has not been completed the contracting purchaser who completes the purchase (providing the **property** is not otherwise insured by the purchaser or on the purchaser's behalf) will be entitled until completion to benefit under this Part without prejudice to the rights and liabilities of the **insured** or **insurer**.

Professional Fees
The insurance by each item on **buildings** includes an amount in respect of Architects', Surveyors', Legal and Consulting Engineers' fees necessarily and reasonably incurred in the reinstatement or repair of **property** insured consequent upon its Damage but not for preparing any claim.

The amount payable under each item will not exceed in total its Sum Insured.

Non-Invalidation
This insurance will not be invalidated by any act or omission or by any alteration which increases the risk of Damage without the authority or knowledge of or beyond the control of the **insured**, provided that immediately the **insured** becomes aware of the increased risk of Damage notice is given to the **insurer** and any additional premium paid.

Capital Additions (Buildings)
The insurance extends to include:

a) any newly acquired or newly erected **buildings**

b) any alterations, additions and extensions to **buildings** but not in respect of appreciation in value

from the time the **insured** becomes responsible for such **buildings** and insofar as they are not otherwise insured provided that:

i) in any one situation this Additional Cover will not exceed £2,500,000

ii) the **insured** gives particulars of such extensions of cover as soon as practicable but not later than 6 months after such cover has applied and will effect specific insurance on such **buildings** retrospective to the time the **insured** became responsible

iii) immediately such specific insurance is effected, cover by this Additional Cover will be fully reinstated.

Capital Additions (Rent)
The insurance extends to include Rent in respect of Capital Additions (Buildings) insured by Part A insofar as such Rent is not otherwise insured.

Provided that:

a) at any one **premises** this cover shall not exceed £250,000

b) the **insured** shall give particulars of such extensions of cover as soon as practicable but not later than 6 months after such cover has applied and shall effect specific insurance on such Rent retrospective to the time the **insured** became responsible

c) immediately such specific insurance is effected, cover by this Extension shall be fully reinstated.

Drains and Gutters
The insurance by each item on **buildings** extends to include costs and expenses necessarily and reasonably incurred by the **insured** with the consent of the **insurer** in cleaning and/or clearing drains and/or sewers and/or gutters, the **property** of the **insured** or for which the **insured** is responsible, following Damage to the **property** insured.

The amount payable under each item will not exceed in total its Sum Insured.

Automatic Reinstatement of Sum Insured
In consideration of the insurance not being reduced by the amount of any loss the **insured** will pay the appropriate extra premium on the amount of the loss from the date of the occurrence to the date of expiry of the Period of Insurance.

Tenants Subrogation Waiver
Following **damage** to any **buildings** covered by this Policy the **insurer** agrees to waive any rights remedies or relief to which they may become entitled by subrogation against any tenant of such **buildings** provided that:

a) the **damage** did not result from a criminal, fraudulent or malicious act of the tenant

b) the tenant contributes to the cost of insuring the **buildings** against the peril which caused the **damage**.

Section 4 – Special Conditions

Average
The Sum Insured by each item of this Part (other than those applying solely to fees, rent, removal of debris or private dwelling houses) is declared to be separately subject to **average**.

For the avoidance of doubt clause c) iii) of general condition 3 will not apply.

Fire Extinguishing Appliances
In consideration of any discount for Fire Extinguishing Appliances allowed from the premium the appliances will be inspected every week and any defect disclosed by such inspection or otherwise will be promptly remedied.

Providing arrangements are made by the **insured** for the above to be observed this insurance will not be invalidated by any defect in any of the appliances due to circumstances unknown to or beyond the control of the **insured**.

Repairs and Alterations
Tradespeople may be employed to effect repairs or minor structural alterations in or to the **buildings** without prejudice to this insurance.

Designation
For the purpose of determining where necessary the heading under which any **property** is insured, it is agreed to accept the designation under which such **property** has been entered in the **insured's** books.

Mortgagees, Freeholders and Lessors Clause
Any increase in the risk of Damage resulting from any act or neglect of any Mortgagor, Leaseholder, Lessee or Occupier of any of the **buildings** insured by this Part will not prejudice the interest of any Mortgagee, Freeholder or Lessor provided such increase in risk is without their prior knowledge or authority and that the **insurer** is notified immediately they become aware of such increase in risk and they pay any additional premium required.

Other Interests
It is agreed and understood that where the **insured** so intend the interests of the Lessees and their Mortgagees (if any) are admitted, such interests to be declared in the event of loss.

Unoccupied Buildings
The following actions must be implemented by the **insured** in respect of any **unoccupied buildings**:

a) Notify the **insurer** immediately they become aware that any **buildings** or portion thereof is **unoccupied** or any **unoccupied buildings** or portion thereof becomes tenanted.

b) All mains services must be turned off (except electricity supply to maintain any fire or intruder alarm system) and the water system completely drained; or

   during the period 1 October to 1 April each year central heating systems may be kept working at a minimum temperature of 5 degrees C.

   Where sprinkler systems are installed it may be necessary to maintain water supplies. In these circumstances heating must be maintained at a minimum temperature of 5 degrees C.

c) Seal up all letter boxes and take steps to prevent accumulation of mail.

d) Remove all combustible contents and waste from within the **unoccupied** portion of the **building** and yard areas belonging to it.

e) Secure the **buildings** against unlawful entry by closing and locking doors and windows and setting any fire or intruder alarm systems.

f) Arrange internal inspections of the **buildings** by an authorised representative, ensure such inspections are recorded and carried out at a minimum frequency of every fourteen calendar days unless otherwise notified to and agreed with or specified by the **insurer** and remove all waste and repair all **damage** identified in the course of such inspections without delay.

g) Immediately remove any new accumulations of combustible materials including but not limited to junk mail found during such inspections.

Trace and Access
In the event of **damage** resulting from escape of water if insured this Policy is extended in addition to the Sum Insured to pay the reasonable costs and expenses necessarily incurred with the **insurer's** consent in locating the source of such **damage** and the subsequent making good of any **damage** caused provided always that the **insurer's** liability any One Event and in the aggregate in any one Period of Insurance will not exceed £25,000.

Part B – Business Interruption – Rent Receivable

Section 1 – Special Definitions

Rent

a) The money paid or payable to the **insured** in the course of the **business** in respect of the **premises** shown in the Schedule.

   In respect of untenanted **premises**, the money estimated to be paid or payable to the **insured** once the **premises** are let for accommodation

b) service charges payable to the **insured** in the course of the **business** in respect of the **premises** shown in the Schedule.

In addition to the above Rent shall include any additional rent which would have been received as a result of any rent review subject to a limit of 150% of the Rent sum insured.

Annual Rent Receivable

The Rent Receivable during the 12 months immediately before the date of the Incident.

Damage

Accidental physical loss or accidental physical damage by any of the Insured Perils specified in the Schedule.

Incident

Any Damage to **property** owned by the **insured** at the **premises** for the purposes of the **business**.

Indemnity Period

The period during which the results of the **business** are affected in consequence of the Incident, beginning with the Incident and lasting not longer than the Maximum Indemnity Period specified in the Schedule.

Rent Receivable

The amount of the Rent received in respect of the letting of the **premises**.

Standard Rent Receivable

The Rent Receiving during that period in the 12 months immediately before the date of the Incident which corresponds with the Indemnity Period.

Notes:

1. Where the Maximum Indemnity Period exceeds 12 months the amounts calculated using the definition Standard Rent Receivable will be proportionately increased.
2. Provision will be made for the trend of the **business** and for variations in or other circumstances, either before or after the date of the Incident, which affect the **business** or would have affected the **business** had the Incident not occurred, and the figures for Annual Rent Receivable and Standard Rent Receivable adjusted to represent as nearly as reasonably practicable the results which would have been obtained during the relative period after the Incident if the Incident had not happened.
3. To the extent that the **insured** is accountable to the tax authorities for Value Added Tax, all terms in this Part will be exclusive of such Tax.
4. For the purpose of the above special definitions any adjustment implemented in current cost accounting will be disregarded.

Section 2 – Cover

In the event of an Incident the **insurer** will pay to the **insured** the amount of any loss of Rent Receivable and any increase in cost of working resulting from such Incident, provided that:

a) insurance is in force at the time of the Incident covering the interest of the **insured** in the **property** at the **premises** against such Damage; and

b) payment has been made or liability admitted for such Damage (or payment would have been made or liability admitted for such Damage but for a proviso excluding liability for losses below a certain amount).

The liability of the **insurer** will not exceed:

i) in the whole the total Sum Insured or in respect of any item its Sum Insured at the time of the Damage

ii) the Sum Insured remaining after deduction for any other interruption or interference consequent upon Damage occurring during the same Period of Insurance, unless the **insurer** has agreed to reinstate any such Sum Insured.

(Note: for Exclusions please see the Exclusions section).

Section 3 – Additional Cover

Automatic Reinstatement of Sum Insured

In consideration of the insurance not being reduced by the amount of any loss the **insured** will pay the appropriate extra premium on the amount of the loss from the date of the Incident to the date of expiry of the Period of Insurance.

Prevention of Access

Any Damage to **property** within a one mile radius of the **premises** which shall prevent or hinder the use of or access to the **premises**, excluding Damage to **property** of any supply undertaking which shall prevent or hinder the supply of services by any electricity, gas, water or telecommunications undertaking to the **premises**, shall be deemed to be an Incident.

Provided always that:

a) the Maximum Indemnity Period will mean 3 months

b) the limit is £1,000,000 any One Event and in the aggregate in any one Period of Insurance.

Section 4 – Special Conditions

Basis of Claims Settlement

The amount payable as indemnity will be:

a) in respect of loss of Rent Receivable:

   the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable in consequence of the Incident

b) in respect of increase in cost of working:

   the additional expenditure incurred solely to avoid or diminish the loss of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident, provided that such additional expenditure:

   i) is necessarily and reasonably incurred

   ii) does not exceed the amount of reduction in Rent Receivable thereby avoided

less any sum saved during the Indemnity Period in respect of charges and expenses of the **business** payable out of Rent Receivable which cease or are reduced in consequence of the Incident.

Average

If the Sum Insured specified in the Schedule in respect of Rent Receivable is less than the Annual Rent Receivable (or a proportionately increased multiple where the Maximum Indemnity Period exceeds 12 months) the amount payable will be proportionately reduced.

For the avoidance of doubt solely in respect of the application of **average** to any item under this Policy clause c) iii) of General Condition 3 will not apply.

Professional Accountants
Any details contained in the **insured's** business books required by the **insurer** for the purpose of investigating or verifying any claim may be produced by professional accountants if at the time they are regularly acting as such for the **insured** and their report will be prima facie evidence of the details to which such report relates. The **insurer** will pay to the **insured** the reasonable charges payable to its professional accountants for producing such evidence and reporting to the **insurer** and the **insured** that such details are in accordance with the **insured's** books of account provided that the total amount payable will not exceed the liability of the **insurer** as specified.

Alternative Trading
If during the Indemnity Period goods are sold or services rendered elsewhere than at the **premises** for the benefit of the **business** either by the **insured** or by others on behalf of the **insured** the money paid or payable in respect of such sales or services will be brought into account in arriving at the Rent Receivable during the Indemnity Period.

Premium Adjustment
The premium paid may be adjusted on receipt by the **insurer** of a declaration of Rent Receivable earned during the financial year most nearly concurrent with the Period of Insurance, as reported by the **insured's** professional accountants.

If any Incident occurs giving rise to a claim for loss of Rent Receivable the above mentioned declaration will be increased by the **insurer** for the purpose of premium adjustment by the amount by which the Rent Receivable was reduced during the financial year solely in consequence of the Incident.

If either declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the sum insured on Rent Receivable for the relative Period of Insurance the **insurer** will allow a pro rata return of premium not exceeding 50% of the premium paid.

Insured Perils

1. **Fire** but excluding **damage** to **property** or **consequential loss** caused by:
   a) explosion resulting from fire
   b) earthquake or subterranean fire
   c) i) the **property's** own spontaneous fermentation or heating; or
      ii) insured **property** undergoing any heating process or any process involving the application of heat

   lightning

   explosion:
   i) of gas used for domestic purposes only
   ii) of boilers used for domestic purposes only; and
   iii) in respect of Part B only – of any other boilers or economisers on the **premises**

   but excluding any **damage** or **consequential loss** caused by earthquake or subterranean fire.
2. **Explosion** excluding:
   a) in respect of Part A – **damage**:
      i) caused by or consisting of the bursting of a boiler, economiser or other vessel, machinery or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **insured**
      ii) in respect of and originating in any vessel, machinery or apparatus, or its contents, belonging to or under the control of the **insured** which requires to be examined to comply with any statutory regulations unless such vessel, machinery or apparatus is the subject of a policy or other contract providing the required inspection service
   b) in respect of Part B – **consequential loss** caused by the bursting of any vessel, machinery or apparatus (not being a boiler or economiser on the **premises**) in which internal pressure is due to steam only and belonging to or under the control of the **insured**.
3. **Aircraft** or other aerial devices or articles dropped from them.
4. Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation, excluding **damage** or **consequential loss**:
   a) arising from confiscation, requisition or destruction by order of the government or any public authority
   b) arising from cessation of work.
5. Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or **malicious persons** excluding:
   a) **damage** or **consequential loss**:
      i) arising from confiscation, requisition or destruction by order of the government or any public authority
      ii) arising from cessation of work
      iii) caused (other than by fire or explosion) by malicious persons (not acting on behalf of or in connection with any political organisation) in respect of any **unoccupied buildings**
   b) **damage** by theft directly caused by malicious persons not acting on behalf of or in connection with any political organisation.
6. **Earthquake.**

7. **Storm** excluding **damage** or **consequential loss**:
   a) caused by:
      i) the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal or dam
      ii) inundation from the sea

      whether resulting from storm or otherwise
   b) attributable solely to change in the water table level
   c) caused by frost, subsidence, ground heave or landslip
   d) in respect of moveable property in the open, fences and gates.
8. **Storm or flood** excluding **damage** or **consequential loss**:
   a) attributable solely to change in the water table level
   b) caused by frost, subsidence, ground heave or landslip
   c) in respect of moveable property in the open, fences and gates.
9. **Escape of water from any tank, apparatus or pipe** excluding **damage** or **consequential loss**:
   a) caused by water discharged or leaking from any automatic sprinkler installation
   b) in respect of any **unoccupied buildings**.
10. **Impact** by any road vehicle or animal not belonging to or under the control of the **insured** or any occupier of the **premises** or their respective employees.
11. **Impact** by any road vehicle or animal.
12. **Accidental escape of water from any automatic sprinkler installation** excluding:
    a) all such **damage** occurring in **unoccupied buildings**
    b) **damage** resulting from explosion, earthquake, subterranean fire or heat caused by fire.
13. **Theft** or attempted theft resulting in **damage** to the **buildings** where the **insured** is legally responsible for the cost of repairing such **damage** excluding theft or attempted theft:
    a) not involving forcible and violent entry to or exit from the **buildings**
    b) by any person lawfully in or on the **premises**
    c) involving parting with title or possession of any **buildings** insured if induced to do so by fraud, trick or false pretence unless specifically mentioned as insured
    d) of fixtures, fittings, garden landscaping and paving, garden furniture, trees and plants.
14. **Breakage of fixed glass**. The **insurer** will pay for **damage** by any cause not excluded to fixed glass and associated framework for which the **insured** is responsible at the **buildings**.

    In addition the **insurer** will pay the cost necessarily incurred, of boarding up until the broken glass is replaced.

    The **insurer** will not be liable for **damage**:
    a) caused by scratching
    b) to bent, curved, movable, laminated or special glass unless such glass has been specially noted by the **insurer**
    c) caused by repairs or alterations to the **buildings**.
15. **Escape of oil** from a fixed oil fired heating installation.
16. **Breakage or collapse of communication aerials**, maximum £500 in respect of any one **premises**.

17. **Subsidence** or **ground heave** of any part of the site on which the **property** stands or **landslip** excluding:

   a) **damage** to or **consequential loss** arising from **damage** to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a building insured under Part A

   b) **damage** or **consequential loss** caused by or consisting of:

      i) the normal settlement or bedding down of new structures

      ii) the settlement or movement of made up ground

      iii) coastal or river erosion

      iv) defective design or workmanship or the use of defective materials

      v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe

      vi) attributable solely to change in the water table level

   c) **damage** or **consequential loss** which originated prior to the inception of this cover

   d) **damage** or **consequential loss** resulting from:

      i) demolition, construction, structural alteration or repair of any **property**; or

      ii) groundworks or excavation

      at the premises.

Special Condition

The **insurer's** liability under this Insured Peril will be avoided if the risk of **damage** or **consequential loss** is increased by reason of demolition, groundworks, excavation or construction being carried out on any adjoining site unless admitted by the **insurer** in writing.

Exclusions

Applicable to Part A

Excesses

Each claim arising from the undernoted Insured Perils will be subject to an **excess** applying to each and every loss, each and every separate **premises**, the amount of which is specified in the Schedule:

5. Malicious Persons
7. Storm
8. Storm or Flood
9. Escape of Water
11. Impact by any road vehicle or animal belonging to or under the control of the **insured** or any occupier of the **premises** or their respective employees
13. Theft or attempted theft
17. Subsidence or Ground Heave or Landslip.

Applicable to Parts A and B

The **insurer** will not be liable for:

a) loss, damage, cost or expense caused by, consisting of or arising from or resulting from pollution or contamination but this will not exclude **damage** or **consequential loss** not otherwise excluded caused by:

  i) pollution or contamination which itself results from Damage

  ii) Damage which itself results from pollution or contamination

b) loss or damage to any **property** more specifically insured by or on behalf of the **insured**

c) in respect of Part A consequential loss of any kind other than loss of rent if insured

d) loss, damage, cost or expense caused by, consisting of or arising from riot or civil commotion unless these Perils are specified in the Schedule and then only to the extent stated.

Endorsements

Applicable only where specified in the Schedule.

1. **Index Linking**
   The Sum Insured in respect of all items specified under Part A in the Schedule will be adjusted monthly in line with the indices selected by the **insurer**. At each renewal the premium will be calculated on the adjusted Sum Insured.

2. **Fire Break Doors and Shutters**
   It is a condition precedent to the **insurer's** liability that all fire break doors and shutters are to be closed except during working hours and maintained in efficient working order.

3. **Automatic Fire Alarm Installations**
   In respect of automatic fire alarm installations the **insured** hereby undertakes to:

   a) carry out the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed

   b) carry out the maintenance procedures specified by the manufacturers of the equipment

   c) notify the **insurer** immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 hours or more

   d) record details of all events such as alarms, faults, tests, maintenance and disconnections and keep such details available for examination by the **insurer**.

4. **Automatic Sprinkler Installations**
   a) In respect of automatic sprinkler installations the **insured** hereby undertakes to:

      i) make a test every working day for the purpose of ascertaining the condition of the circuit between the alarm switch and the control unit (except where it is continuously monitored or is such that one break of wires will not prevent an alarm signal being transmitted (e.g. a ring circuit))

      ii) 1) make a test at least once a week for the purpose of ascertaining the condition of:

         A) the connection with the public fire station, central fire alarm depot or public fire brigade control (unless the fire brigade has given a written undertaking to carry out this test)

         B) the relevant batteries

         (Note: Where the circuit concerned is not continuously monitored test (i) must be made every working day).

         2) have a contract with approved installing engineers providing for the maintenance of and half-yearly inspection of the system referred to in (1) above and to obtain from them following each inspection certification that it is in satisfactory working order

      iii) make a test every week for the purpose of ascertaining that the alarm gong is in working order and that the stop valves controlling the individual water supplies and the installation are fully open

      iv) make tests each week for the purpose of ascertaining that the pump(s) can be started both automatically and manually and that in respect of any diesel engine-driven pump the battery electrolyte level and density are correct, and record the completion of these tests

      v) make quarterly or half-yearly tests if required by the **insurer** to do so, for the purpose of ascertaining that each water supply is in order, and record the particulars of each test

      vi) remedy promptly any defect disclosed by such tests or otherwise.

   b) i) Notice to be given to the **insurer** before any installation is rendered inoperative, or immediately in the event of an emergency

      ii) the **insurer** will have access to the **premises** at all reasonable times for the purpose of inspecting the sprinkler installation(s).

5. Day One Basis (non-adjustable)

The following special definition and Declaration Conditions apply in respect of the items specified in the Schedule under Part A:

Special Definition

Declared Value

The **insured's** assessment of the cost of Reinstatement of the **property** insured arrived at in accordance with the Reinstatement Condition at the level of costs applying at the inception of each Period of Insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowances for:

a) the additional cost of reinstatement to comply with public authority requirements

b) professional fees

c) debris removal costs.

Declaration Conditions

1. The **insured** having stated in writing the Declared Value (specified in brackets below the sum insured) for each of the said items the premium has been calculated accordingly.
2. At the inception of each Period of Insurance the **insured** will notify the **insurer** of the Declared Value of the **property** by each of the item(s). In the absence of such declaration the last amount declared by the **insured** will be taken for the ensuing Period of Insurance.
3. The following wording replaces Special Condition 2 of the Reinstatement Condition:
    2. If at the commencement of Damage the Declared Value of the **property** covered by an item is less than the cost of Reinstatement at the inception of the Period of Insurance then the **insurer's** liability for any loss will be limited to the proportion which the Declared Value bears to such cost of Reinstatement.
4. Where claims are payable as if the Reinstatement Condition had not been incorporated all the terms and conditions of the Part will apply except that the Sums Insured will be limited to the percentage specified in the Schedule of each Declared Value.

5A. Day One Basis (Adjustable)

The following conditions are added to Endorsement 5:

5. The premium on each of the said items is provisional. On expiry of each Period of Insurance the premium will be adjusted by 50% of the difference between:
    a) the provisional premium at the commencement of the period; and
    b) the premium calculated at the terms which have been applied during the period under adjustment based on the Declared Value for the subsequent Period of Insurance.
6. For the purpose of paragraph 5 of the Endorsement only:
    a) if the Part (or any item thereof) is cancelled or not renewed the **insured** will provide the Declared Value of the said item(s) but at the level of costs applying at the date of cancellation or expiry
    b) where **property** has not been reinstated following Damage the **insured** will provide the Declared Value as though the **property** had not been lost destroyed or damaged
    c) where the Declared Value is not submitted to the **insurer** an additional premium will become payable as specified in the Schedule.
7. The insurance under (each of) the said item(s) includes in so far as the same are not otherwise insured:
    a) any newly-acquired or newly-erected **buildings**, machinery and plant
    b) alterations, additions and improvements to **buildings**, machinery and plant

    anywhere in the **territorial limits** for an amount not exceeding the sum specified in the Schedule at any one situation.

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

Part C – Terrorism

Section 1 – Special Definitions

Act of Terrorism
Any act or acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of His Majesty's Government in the United Kingdom or any other government de jure or de facto.

Computer System
A computer or other equipment or component or system or item which processes, stores, transmits or receives Data.

Data
Data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

Denial of Service Attack
Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or Computer Systems.

Denial of Service Attacks include but are not limited to the generation of excess traffic into the network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other Computer Systems.

Hacking
Unauthorised access to any Computer System whether the **insured's** property or not.

Phishing
Any access or attempted access to Data made by means of misrepresentation or deception.

Virus or Similar Mechanism
Program code, programming instruction or any set of instructions intentionally constructed with the ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor Computer Systems, Data or operations, whether involving self-replication or not.

Virus or Similar Mechanism includes but is not limited to Trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

Section 2 – Cover
In the event that:

a) His Majesty's Government or His Majesty's Treasury or any successor relevant authority issue a certificate certifying an event or occurrence to have been an Act of Terrorism; or

b) His Majesty's Government or His Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence to have been an Act of Terrorism and that refusal is reversed by the decision of a validly constituted tribunal

the **insurer** will by this Terrorism cover provide cover for accidental loss of or damage to material property (hereafter referred to as 'Damage') and consequential loss proximately caused by such Act of Terrorism in so far and to the extent that such Damage and consequential loss is insured under parts A and B of this policy.

Provided always that:

1) the liability of the **insurer** will not exceed:

   A) in the whole the total sum insured

   B) in respect of any item its sum insured

   C) any other limit of indemnity

   stated in the schedule at the time of the loss or damage

2) such Damage and consequential loss occurs in England, Wales or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 and not Northern Ireland, the Channel Islands or the Isle of Man

3) in any action, suit or other proceedings where the **insurer** alleges that any Damage and consequential loss is not covered under section 2 the burden of proving that such Damage and consequential loss is covered will fall upon the **insured**

4) the insurance effected by section 2 excludes:

   A) any losses whatsoever:

      a) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power

      b) directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:

         i) damage to or the destruction of any Computer System; or

         ii) any alteration, modification, distortion, erasure or corruption of Data

         in each case whether the property of the **insured** or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism, Hacking, Phishing or Denial of Service Attack

   Proviso to exclusion 4) A) b)

   save that Covered Loss otherwise falling within this exclusion 4) A) b) will not be treated as excluded by exclusion 4) A) b) solely to the extent that such Covered Loss:

   i) results directly (or, solely as regards ii) 3) below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any Computer System; and

   ii) comprises:

      1) the cost of reinstatement, replacement or repair in respect of damage to or destruction of Property insured; or

      2) the amount of business interruption loss suffered directly by the **insured** by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of Property insured or as a direct result of denial, prevention or hindrance of access to or use of the Property insured by reason of an Act of Terrorism causing damage to other Property within one mile of the Property insured to which access is affected; or

      3) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of Property and any additional costs or charges reasonably and necessarily paid by the **insured** to avoid or diminish such loss

   and

   iii) is not proximately caused by an Act of Terrorism in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state

   iv) for the purposes of this Proviso

      1) the meaning of 'Property' shall exclude:

         A) any money (including **money**), currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and

         B) any Data

      2) 'Covered Loss' means all losses arising as a result of damage to or the destruction of Property insured, the proximate cause of which is an Act of Terrorism

v) notwithstanding the exclusion of Data from Property, to the extent that damage to or destruction of Property within the meaning of sub-paragraph ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of Data, because the occurrence of one or more of the matters referred to in sub-paragraph i) above results directly or indirectly from any alteration, modification, distortion, erasure or corruption of Data, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property and otherwise falling within sub-paragraphs i) and ii) 1) or 2) nor any loss, cost or charges otherwise falling within sub-paragraphs i) and ii) 3) above from being recoverable under section 2 of this Part.

In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of Data be recoverable under section 2 of this Part

B) any type of property which has been specifically excluded under Parts A and B

C) any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**

5) save for the exclusions listed in 4) above no other exclusions applicable to Parts A and B will apply to the insurance effected by section 2 of this Part. All the other terms, definitions, provisions and conditions of said Parts including but not limited to any **excess** or deductible to be borne by the **insured** will apply to the insurance effected by section 2 of this Part except for:

A) any Long Term Agreement applying to this policy

B) any terms which provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance

C) any extension of **premises** to locations outside England and Wales and Scotland.

2.1 Uncertified Terrorism

In the event that His Majesty's Government or His Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence to have been an Act of Terrorism and such refusal is upheld by the decision of a validly constituted tribunal General Exclusion 4 will not apply to Parts A and B in respect of such event or occurrence.

Provided always that:

a) such **damage** and/or **business interruption** occurs in England, Wales or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987 and not Northern Ireland, the Channel Islands or the Isle of Man.

b) the liability of the **insurer** will not exceed:

i) in the whole the total sum insured

ii) in respect of any item its sum Insured

iii) any other limit of indemnity

stated in the schedule to Parts A and B at the time of the said event or occurrence

c) save for proviso a) above the terms, definitions, provisions and conditions applicable to Parts A and B will apply to this clause.

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