



# Terrorism & sabotage

Policy document

United Kingdom

## PREAMBLE

This Policy is a contract of insurance between you and us. It is important for you to review this Policy in its entirety carefully, including **CONDITION 1**, as your Policy contains all the details of the cover that we provide and when you must notify us of a claim. This Policy consists of and must be read together with the Schedule and any Clauses and Endorsements that are attached to this Policy. This Policy is not complete unless it is signed and a Schedule is attached.

The Sections of this Policy are identified by the blue lines across the page with white upper case print, these are for information purposes only and do not form part of the cover given by this Policy. Terms in bold upper case print are references to specific Insuring Clauses, Sections or Conditions. Other terms in bold lower case print are defined terms and have a special meaning as set forth in the Definitions section and elsewhere. Words stated in the singular will include the plural and vice versa.

In consideration of the premium and in reliance upon the information that you provided to us prior to the commencement of this insurance, we agree to provide the cover as set out below.

## INSURING CLAUSES

### INSURING CLAUSE 1: PROPERTY DAMAGE

#### SECTION A: PROPERTY AND CONTENTS DAMAGE

We agree to reimburse you for any reasonable sums necessarily incurred to:

- a. repair or rebuild your premises, including the costs to remove any debris and for professional services including architects, surveyors and engineers; and
- b. repair or replace your contents that have been lost or damaged;

as a direct result of damage to your premises first occurring during the period of the policy and caused by an act of terrorism or sabotage.

#### SECTION B: ADDITIONAL EXPENSES

We agree to reimburse you for any reasonable sums necessarily incurred:

- a. to make temporary repairs to, expedite permanent repairs for, or expedite permanent replacement of, your premises or contents;
- b. to establish the value of the damage to your premises or contents;
- c. to locate the source of any water or oil leak, including the repair of any subsequent damage as a direct result of locating the water or oil leak;
- d. for rental payments you are legally obliged to pay during any period which your premises are unusable;

- e. for any fire department charges you incur;
- f. to re-charge fire extinguishing equipment; and
- g. for security guard services to temporarily safeguard your damaged premises;

as a direct result of an event covered under INSURING CLAUSE 1 (SECTION A only).

#### **SECTION C: BUILDING REGULATIONS AND LAWS**

We agree to reimburse you for the reasonable additional costs to repair or rebuild your premises to the minimum standards required to comply with the building regulations and laws applicable at the time of the repair or rebuild of your premises, as a direct result of an event covered under INSURING CLAUSE 1 (SECTION A only).

#### **SECTION D: LOOTING POST DAMAGE**

We agree to reimburse you for any reasonable sums necessarily incurred to repair or rebuild your premises, or to repair or replace your contents, as a direct result of damage caused by looting, burglary or theft occurring as a direct result of an event covered under INSURING CLAUSE 1 (SECTION A only).

#### **SECTION E: POLLUTANT AND CONTAMINANT CLEAN-UP COSTS**

We agree to reimburse you for any reasonable sums necessarily incurred to extract or clean up pollutants as a direct result of an event covered under INSURING CLAUSE 1 (SECTION A only), provided that the pollutants were owned by you or in your care, custody and control at the time the event occurred.

### **INSURING CLAUSE 2: BUSINESS INTERRUPTION AND LOSS OF RENT**

#### **SECTION A: ACTUAL LOSS SUSTAINED AND INCREASED COST OF WORKING**

We agree to reimburse you for your actual loss sustained and increased cost of working during the indemnity period as a direct result of an interruption to your business activities caused by damage to your premises or contents, first occurring during the period of the policy and caused by an event covered under INSURING CLAUSE 1 (SECTION A only).

#### **SECTION B: GROSS RENTALS**

We agree to reimburse you for your actual loss sustained during the indemnity period as a direct result of a reduction in your rental income caused by an event covered under INSURING CLAUSE 1 (SECTION A only).

#### **SECTION C: UTILITIES**

We agree to reimburse you for your actual loss sustained during the indemnity period as a direct result of an interruption to your business activities arising directly out of the failure in the supply of water, gas, electricity, telephone or internet services to your premises for more than 24 consecutive hours as a direct result of:

- a. an act of terrorism or sabotage occurring within 1 mile of your premises which results in damage to the feeder lines or pipelines supplying these services to your premises; or
- b. damage to the property of your supplier of water, gas, electricity, telephone or internet first occurring during the period of the policy and caused by an act of terrorism or sabotage.

#### SECTION D: PREVENTION OR RESTRICTION OF ACCESS TO PREMISES

We agree to reimburse you for your actual loss sustained during the indemnity period as a direct result of an interruption to your business activities caused by:

- a. damage at third party property which prevents access to your premises for longer than the time franchise; or
- b. prevention or restriction of access to your premises for longer than time franchise by order of any governmental or law enforcement agency;

first occurring during the period of the policy and caused by an act of terrorism or sabotage.

#### SECTION E: CONTINGENT BUSINESS INTERRUPTION

We agree to reimburse you for your actual loss sustained incurred during the indemnity period as a direct result of an interruption to your business activities caused by damage to the premises of an organisation with which you have a contractual arrangement to purchase goods or services that directly results in:

- a. the organisation's inability to fulfil their contractual obligations to you; or
- b. your inability to supply goods or services to your customers;

first occurring during the period of the policy and caused by an act of terrorism or sabotage.

#### SECTION F: LOSS OF ATTRACTION

We agree to reimburse you for your actual loss sustained during the indemnity period as a direct result of an interruption to your business activities caused directly by an act of terrorism or sabotage first occurring during the period of the policy at:

- a. any property situated within one mile from your premises; or
- b. any property listed in a specified loss of attraction endorsement attaching to this policy which we have issued.

#### SECTION G: THREAT

We agree to reimburse you for your actual loss sustained during the indemnity period as a direct result of an interruption to your business activities caused directly by any specific threat first made during the period of the policy to carry out an act of terrorism or sabotage at your premises, provided that the interruption to your business activities lasts longer than the time franchise.

## SECTION H: PROFESSIONAL FEES

We agree to pay on your behalf any reasonable sums necessarily incurred for professional fees to determine the amount of your actual loss sustained following an event covered under INSURING CLAUSE 2.

### INSURING CLAUSE 3: BODILY INJURY AND PROPERTY DAMAGE LIABILITY

We agree to pay on your behalf all sums which you become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any claim arising out of bodily injury or property damage first occurring during the period of the policy and caused by an act of terrorism or sabotage.

We will also pay costs and expenses on your behalf.

### INSURING CLAUSE 4: BRAND REHABILITATION

We agree to reimburse you for any reasonable sums necessarily incurred with our prior written agreement (which will not be unreasonably withheld) for advertising costs or the services of a public relations consultancy for the sole purpose of resuming or continuing your business activities or reducing the amount of your actual loss sustained as a direct result of an event covered under INSURING CLAUSE 1 (SECTION A only).

### INSURING CLAUSE 5: COURT ATTENDANCE COSTS

We agree to reimburse you for any reasonable sums necessarily incurred by you with our prior written agreement (which will not be unreasonably withheld) to attend court or any tribunal, arbitration, adjudication, mediation or other hearing in connection with any claim for which you are entitled to indemnity under this Policy.

## HOW MUCH WE WILL PAY

The maximum amount payable by us in respect of each Section and each Insuring Clause will not exceed the limit of liability.

In respect of INSURING CLAUSE 1, if we pay to replace your contents, we will do so on a new for old basis.

In respect of INSURING CLAUSE 1 (SECTION A only), in the event the cost of repair, replacement or rebuilding is greater than the limit of liability, then we will consider increasing the limit of liability up to an amount that is equal to 135% of the limit of liability of this Section.

Where more than one claim under this Policy arises from the same act of terrorism or sabotage, all of those claims will be deemed to be one claim and only one limit of liability for each applicable Section will be payable. In respect of this paragraph, INSURING CLAUSE 3 is considered a Section.

We may at any time pay to you in connection with any claim the amount of the limit of liability (after deduction of any amounts already paid). Upon that payment being made we will relinquish the conduct and control of the claim and be under no further liability in connection with that claim except for the payment of costs and expenses incurred prior to the date of such payment (unless the limit of liability is stated to be inclusive of costs and expenses).

If costs and expenses are stated in the Schedule to be in addition to the limit of liability, or if the operation of local laws require costs and expenses to be paid in addition to the limit of liability, and if a damages payment in excess of the limit of liability has to be made to dispose of any claim, our liability for costs and expenses will be in the same proportion as the limit of liability bears to the total amount of the damages payment.

## YOUR DEDUCTIBLE

We will only be liable for that part of each and every claim which exceeds the amount of the deductible. If any expenditure is incurred by us which falls within the amount of the deductible, then you will reimburse that amount to us upon our request.

Where more than one claim under this Policy arises from the same original cause or single source or event all of those claims will be deemed to be one claim and only one deductible will apply.

In respect of INSURING CLAUSE 2 (SECTIONS D and G only), a single time franchise will apply to each claim.

Where cover is provided under multiple Sections or multiple Insuring Clauses only one deductible will apply to that claim and this will be the highest deductible of the Sections under which cover is provided.

## DEFINITIONS

1. "Act of terrorism or sabotage" means  
any act of force or violence or any subversive act by an individual or group, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.
2. "Actual loss sustained" means  
your income that, had the incident which gave rise to the claim not occurred, would have been generated directly from your business activities (less sales tax) during the indemnity period, less:

- a. actual income (less sales tax) generated directly from your business activities during the indemnity period; and
- b. any cost savings achieved as a direct result of the reduction in income.

3. "Bodily injury" means

death, bodily injury, mental injury, illness or disease.

4. "Building address" means

a building address stated in the Schedule of Premises.

5. "Claim" means

- a. a written demand for money or services; or
- b. a threat or initiation of a lawsuit;

made against you.

6. "Claims managers" means

the claims managers stated in the Schedule.

7. "Company" means

the company named as the Insured in the [Schedule](#).

8. "Computer systems" means

all electronic computers including operating systems, software, hardware, microcontrollers and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

9. "Contents" means

items that the company owns or is legally responsible for that are used primarily in connection with your business activities and are not permanently attached to a building, including:

- a. improvements made to the premises by you as a tenant, including decorating, flooring, internal fixtures and fittings, aerials and satellite dishes;
- b. desktop computer hardware and ancillary equipment (including monitors, keyboards and printers);
- c. television, photocopying and telecommunications equipment;
- d. wines, spirits and tobacco kept for entertainment purposes;

- e. works of art and precious metals;
- f. valuable documents including plans and designs in paper format;
- g. heating oil contained in fixed tanks in the open at your premises;
- h. refrigeration, ventilation, cooking, dishwashing and laundry appliances;
- i. locks and keys, provided this is necessary to maintain the security of your premises or safes;
- j. patterns, models, moulds, plans and designs;
- k. any trailer, provided that it was unattached from, being attached to, or being detached from, a motor vehicle when the damage occurred;
- l. outdoor signs located on the premises; and
- m. cash, bank and currency notes, cheques, bankers drafts, share and bond certificates, provided the loss or damage occurs whilst in a locked safe at your premises or whilst in secure transit.

"Contents" also means the personal belongings of any employee or visitor whilst at your premises, provided they are not covered under any other insurance.

10. "Costs and expenses" means
- a. third party legal and professional expenses (including disbursements) reasonably incurred in the defence of claims or circumstances which could reasonably be expected to give rise to a claim or in quashing or challenging the scope of any injunction, subpoena or witness summons;
  - b. any post judgment interest; and
  - c. the cost of appeal, attachment and similar bonds including bail and penal bonds.

Subject to all costs and expenses being incurred with the claims managers' prior written agreement (which will not be unreasonably withheld).

11. "Deductible" means  
the amount stated as the deductible in the Schedule.
12. "Employee" means  
any employee, volunteer or contract employee of the company.
13. "Expiry date" means  
the expiry date stated in the Schedule.
14. "Inception date" means  
the inception date stated in the Schedule.



15. "Increased cost of working" means  
your reasonable sums necessarily incurred in addition to your normal operating expenses to mitigate an interruption to and continue your business activities, provided that the costs are less than your expected actual loss sustained had these measures not been taken.
16. "Indemnity period" means  
the period beginning on the date the:
- damage was first discovered;
  - prevention of access first occurred;
  - initial 24 consecutive hours you have no water, gas, electricity, telephony or internet services has passed;
  - in respect of INSURING CLAUSE 2 (SECTION F only), act of terrorism or sabotage first occurred; or
  - in respect of INSURING CLAUSE 2 (SECTION G only), threat was first made to carry out an act of terrorism or sabotage at your premises;
- and lasting for the indemnity period stated in the Schedule.
17. "Independent expert" means  
a suitably qualified lawyer or accountant with a minimum of 5 years' experience in the subject matter of the claim.
18. "Limit of liability" means  
if expressed in the Schedule as:
- "limit of liability" or "amount insured", the maximum amount payable by us in respect of each claim; or
  - "aggregate limit of liability" or "aggregate amount insured", the maximum amount payable by us in respect of all claims under this Policy.
19. "Period of the policy" means  
the period between the inception date and the expiry date or until the Policy is cancelled in accordance with CONDITION 6.
20. "Pollutants" means  
any solid, liquid, gaseous, radiological or thermal irritant, toxic or hazardous substance, or contaminant including, but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials, including recycled, reconditioned or reclaimed materials.
21. "Premises" means
- the building;
  - any completed extension to the building;
  - any permanently installed machinery and equipment;

- d. any permanently attached fixtures and fittings;
- e. landlord's fixtures and fittings;
- f. retaining walls, outdoor walls, gates, fences, yards, car parks, roadways and pavements;
- g. trees, shrubs, plants and lawns;
- h. piping, ducting, cables, wires and accessories extending to the public mains that you are responsible for; and
- i. fixed glass in windows, doors, skylights, mirrors fixed to the building, glass showcases and shelves fixed to the building, sanitary fixtures and fittings and other fixed glass;

at the building address.

22. "Premium" means  
the amount stated as the premium in the Schedule and any subsequent adjustments.
23. "Property damage" means  
direct physical damage to, destruction of, loss of possession or loss of use of tangible property.
24. "Referral areas" means  
any purchase or interest located in the following Post Codes: E1, EC1, EC2, EC3, EC4, E14, SE1, W1, WC1, WC2 or SW1.
25. "Rental income" means
- a. the anticipated gross rental income from tenant occupancy of your premises;
  - b. the amount of all charges which are the legal obligation of the tenants, which would otherwise be your obligation; and
  - c. the fair rental value of any portion of your premises which is occupied by you.
26. "Third party" means  
any person who is not an employee or any legal entity that is not the company.
27. "Time franchise" means  
the number of hours stated as the time franchise in the Schedule.
28. "Total insured value" means  
the amount stated as the total insured value in the Schedule of Premises.
29. "We/our/us" means  
the Underwriters stated in the Schedule.
30. "You/your" means  
the company and employees.

## EXCLUSIONS

We will not make any payment under this Policy:

### EXCLUSIONS RELATING TO BODILY INJURY AND PROPERTY DAMAGE LIABILITY

In respect of INSURING CLAUSE 3 only:

1. Asbestos  
arising directly or indirectly out of any exposure to asbestos, materials or products containing asbestos or asbestos fibres or asbestos dust.
2. Employers' liability  
arising directly or indirectly out of bodily injury to your employees.
3. Toxic mould  
arising directly or indirectly from the toxic properties of any fungus, mould, mildew or yeast.

### EXCLUSIONS RELATING TO ALL INSURING CLAUSES

4. Chemical or biological exposure  
arising directly or indirectly out of any chemical or biological emission, release, discharge, dispersal, escape, or exposure of any kind.

However, this Exclusion will not apply to INSURING CLAUSE 1 (SECTION E only).

5. Civil unrest  
arising directly or indirectly out of any vandalism, protest, strike, labour unrest, riot or civil commotion.

However, this Exclusion will not apply to INSURING CLAUSE 1 (SECTION D only).

6. Cyber Perils  
arising directly or indirectly out of any:
  - a. actual or suspected unauthorised access to or electronic attack designed to damage, destroy, corrupt, overload, circumvent or otherwise impair the functionality of any computer systems, including a denial of service attack, cyber terrorism, hacking attack, Trojan horse, phishing attack, man-in-the-middle attack, application-layer attack, compromised key attack, malware infection (including spyware or ransomware) or computer virus;
  - b. unintentional human error in entering, processing or amending electronic data within any computer systems or in the upgrading, maintenance or configuration of any computer systems; or

- c. application bug, internal network failure, external network failure or hardware failure directly impacting any computer systems which renders them incapable of supporting their normal business function.

#### 7. Excluded property

for the costs to repair, replace or rebuild:

- a. land or growing crops;
- b. aircraft or any other aerial device or watercraft;
- c. a land conveyance, including vehicles, locomotives or rolling stock, unless the land conveyance is specifically insured under this Policy and was located at your premises at the time it is damaged;
- d. animals, plants and living things of all types; or
- e. property in transit not on your premises.

#### 8. Looting, burglary or theft

arising directly or indirectly out of looting, burglary or theft.

However, this Exclusion will not apply to INSURING CLAUSE 1 (SECTION D only).

#### 9. Nuclear

arising directly or indirectly from or contributed to by:

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

However, this Exclusion will not apply to INSURING CLAUSE 1 (SECTION E only).

#### 10. Other insurance

for which you are entitled to indemnity under any other insurance except for:

- a. any additional sum which is payable over and above the other insurance where that insurance has been declared to us; or
- b. any contribution that we are obliged to make by law and that contribution will be in proportion to the indemnity available under the Policies.

#### 11. Pollutants

arising directly or indirectly out of the discharge, dispersal, release, migration, seepage or escape of pollutants.

However, this Exclusion will not apply to INSURING CLAUSE 1 (SECTION E only).

12. Sanctions

or will be deemed to provide any cover, to the extent that the provision of such payment or cover will expose us to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, Canada, the European Union, United Kingdom or United States of America.

13. Threat of a malicious act

in respect of INSURING CLAUSES 1 and 2, arising directly or indirectly out of any threat to inflict bodily injury on any person at your premises or damage or destroy your premises or contents.

However, parts a. and b. of this Exclusion will not apply to INSURING CLAUSE 2 (SECTION G only).

14. Uninsurable fines

for fines, penalties, civil or criminal sanctions or multiple, punitive or exemplary damages, unless insurable by law.

15. Utilities failure

arising directly or indirectly out of any failure in the supply of water, gas, electricity, telephone or internet, including any surge or spike in voltage, electrical current or transferred energy.

However, this Exclusion will not apply to any act of terrorism or sabotage covered under INSURING CLAUSE 2 (SECTION C only).

16. War

arising directly or indirectly out of war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or mounting to an uprising, military or usurped power, or any action taken in controlling, preventing, suppressing or in any way relating to these acts or events.

## CONDITIONS

### 1. What you must do if an incident takes place

If you become aware of any incident which may reasonably be expected to give rise to a claim under this Policy, you must:

- a. report the act of terrorism or sabotage or threat of an act of terrorism or sabotage to the appropriate law enforcement authorities and provide us with a copy of this report at our request;
- b. notify the claims managers as soon as is reasonably practicable and follow their directions; and
- c. in respect of INSURING CLAUSE 3, not admit liability for or settle or make or promise any payment or incur any costs and expenses without our prior written agreement (which will not be unreasonably withheld).

Due to the nature of the coverage offered by this Policy, any unreasonable delay by you in notifying the claims managers of the above could lead to the size of the claim increasing or to our rights of recovery being restricted. We will not be liable for that portion of any claim that is due to any unreasonable delay in you notifying the claims managers.

In respect of INSURING CLAUSE 3, we require you to provide full details of the incident, including but not limited to:

- a. the time, place and nature of the incident;
- b. the manner in which you first became aware of this incident;
- c. the reasons why you believe that this incident could give rise to a claim;
- d. the identity of the potential claimant; and
- e. an indication as to the size of the claim that could result from this incident.

### 2. Agreement to pay claims (duty to defend)

We have the right and duty to take control of and conduct in your name the investigation, settlement or defence of any claim. Except as provided for in CONDITION 3, we will not have any duty to pay costs and expenses of any part of a claim that is not covered by this Policy.

We will always endeavour to settle any claim through negotiation, mediation or some other form of alternative dispute resolution and will pay on your behalf the amount we agree with the claimant. If we cannot settle using these means, we will pay the amount which you are found liable to pay either in court or through arbitration proceedings, subject always to the limit of liability.

If you refuse to consent to a settlement that we recommend and that the claimant will accept, you must then defend, investigate or settle the claim at your own expense. As a

consequence of your refusal, our liability for any claim will not be more than the amount that we could have settled the claim for had you consented, plus any costs and expenses incurred prior to the date of your refusal.

### 3. Allocation

In the event a claim includes both allegations that are covered under this Policy and allegations that are not covered under this Policy, then you and we will need to agree a fair and reasonable allocation of costs and expenses and any judgment or settlement amount.

If you and we cannot agree a fair and reasonable allocation an independent expert will be appointed to determine the allocation. The cost of the independent expert will be paid for by us. Their determination will be based upon written submissions only and will be final and binding. The independent expert will be mutually agreed between you and us. If you and we cannot agree on the independent expert, then the allocation will be referred to mediation, or arbitration in accordance with the applicable rules of the arbitration association in the country where the company stated as the insured in the Schedule is registered, the rules of which are deemed incorporated into this Policy by reference to this Condition.

Any mediation or arbitration proceeding will take place in the country of registration of the company named as the insured in the Schedule. In respect of any arbitration proceeding, a single arbitrator will be appointed who will be mutually agreed between you and us. If you and we cannot agree on a suitable appointment then we will refer the appointment to the arbitration association in the country where the company stated as the insured in the Schedule is registered. If the applicable rules of the arbitration association state that more than one arbitrator needs to be appointed then we will follow those rules.

The cost of the arbitration proceeding will be allocated between you and us by the appointed arbitrator. However, we will advance that portion of costs and expenses and any judgment or settlement amount that we consider to be fair and reasonable until this allocation is agreed or determined. In the event any amount of our advance payment exceeds the determined allocation, you agree to reimburse that amount to us.

Nothing in this Condition is intended to remove your rights under CONDITION 13. However, if an allocation is determined by the independent expert, or in any mediation or arbitration proceeding, CONDITION 13 is intended only as an aid to enforce this determination.

### 4. Automatic additions

If during the period of the policy you purchase or acquire interest in property of a similar type to your premises then cover will automatically continue, provided that the property you have purchased or acquired interest in:

- a. is located in any country insured under this Policy at the inception date; and
- b. is not located in the referral areas.

In the event you purchase or acquire interest in property located in a country that was not insured under this Policy at the inception date or you purchase or acquire interest in property located in the referral areas, then you must inform us as soon as is practicable. In this event we will consider providing cover for the additional property if you give us full details of the additional property, accept any amendment to the terms and conditions of this Policy and agree to pay any additional premium required by us.

#### 5. Calculation of loss

In the event of a claim for any financial loss sustained by you, you must provide the claims managers with your calculation of the financial loss including:

- a. how the loss has been calculated and what assumptions have been made; and
- b. supporting documents including account statements, sales projections and invoices.

If we are unable to agree with your calculation, an appropriate third party expert will be appointed by the claims managers.

#### 6. Cancellation

This Policy may be cancelled with 30 days written notice provided by you.

If you give us notice of cancellation, the return premium will be in proportion to the number of days that the Policy is in effect. However, if you have made a claim under this Policy there will be no return premium.

We reserve the right of cancellation in the event that any amount due to us by you remains unpaid more than 60 days beyond the inception date. If we exercise this right of cancellation it will take effect from 14 days after the date the written notice of cancellation is issued.

The Policy Administration Fee will be deemed fully earned upon inception of the Policy.

#### 7. Changes in total insured value

If during the period of the policy the total insured value of any premises increases due to:

- a. a revaluation;
- b. any construction or renovation work; or
- c. an unintentional error or omission in the valuation of your premises;

then cover will automatically continue, provided that the increase does not exceed 110% of the total insured value of the premises at the inception date.

In the event any of a.-c. above results in an increase that exceeds 110% of the total insured value of any premises at the inception date, then you must inform us as soon as is practicable. In this event we will consider continuing to provide cover for the premises if you accept any amendment to the terms and conditions of this Policy and agree to pay any additional premium required by us.



#### 8. Fraudulent claims

If it is determined by final adjudication, arbitral tribunal or written admission by you, that you notified us of any claim knowing it to be false or fraudulent in any way, we will have no responsibility to pay that claim, we may recover from you any sums paid in respect of that claim and we reserve the right to terminate this Policy from the date of the fraudulent act. If we exercise this right, we will not be liable to return any premium to you. However, this will not affect any non-fraudulent claim under this Policy which has been previously notified to us.

#### 9. No higher layer

In the event you decide during the period of the policy to purchase additional terrorism insurance to the cover provided by this Policy, such as excess terrorism insurance, you must notify us and obtain our written agreement prior to purchasing the additional terrorism insurance.

#### 10. Our rights of recovery

You must maintain all your rights of recovery against any third party and make these available to us where possible.

We will not exercise any rights of recovery against employees, unless this is in respect of any fraudulent or dishonest acts or omissions as proven by final adjudication, arbitral tribunal or written admission by you.

Any recoveries will be applied in proportion to the amounts paid by you and us.

#### 11. Protection maintenance

You must ensure any protection provided for the safety of the premises is maintained in good order throughout the period of the policy and be in use at all relevant times. This protection must not be withdrawn or varied to the detriment of our interest without our prior written agreement (which will not be unreasonably withheld).

#### 12. Your duty of disclosure

It is your duty to provide us with all information which may be material to the cover provided to you under this Policy. Failing this, you must provide sufficient information to put us on notice that we should make further enquiries in order to reveal material matters. A matter is material if it would influence a prudent insurer as to whether to accept the risk, the terms of cover provided or the amount of the premium charged.

In the event of any non-disclosure or misrepresentation by you of the information you provided prior to commencement of this Policy, including representations made in any application document or other material submitted during the underwriting process, the

following remedies will be available to us based upon what we would have done had the information been disclosed or not misrepresented:

- a. if we would have issued this Policy on different terms, we have the right to amend the terms and conditions of this Policy effective from the inception date;
- b. if we would have issued this Policy on the same terms but charged a higher premium, we have the right to reduce proportionately the amount to be paid on any claim under this Policy and if applicable, the amount already paid on prior claims under this Policy. The amount will be reduced by applying a percentage that has been calculated using the following formula:  $(\text{premium actually charged} / \text{higher premium}) \times 100$ ; or
- c. if we would not have issued this Policy, treat this Policy as if it had not existed and return any paid premium.

Nothing in this clause is intended to vary the position under the Insurance Act 2015.

### 13. Choice of law and jurisdiction

This Policy will be interpreted under, governed by and construed in all respects in accordance with the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

However, we will endeavour to settle any dispute through negotiation, mediation or some other form of alternative dispute resolution.