

Policy Wording

Terrorism

Please read this document carefully. Should you have any questions, please contact your insurance agent.

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Introduction

Thank You for choosing Arch Insurance to be Your insurance provider. Please read this Policy, the Schedule and any Endorsements in conjunction with the Statement of fact carefully. Make sure the cover provided meets Your requirements and that the details shown on the Schedule and Statement of fact are correct. We are keen to work in partnership with You and avoid any misunderstandings.

The documents have been prepared in accordance with Your instructions. Your premium has been based on the information shown in Your Statement of fact and recorded in the Schedule.

Immediate notice should be given to Us of any changes which may affect the insurance provided by this Policy.

Alterations in the cover required after the issue of the Policy will be confirmed by a separate Endorsement and/or Schedule and/or Statement of Fact which You should file with Your Policy. You should refer to the Schedule and Statement of Fact and Endorsement(s) and the Policy to ascertain precise details of cover currently in force.

If You have any questions about any of Your insurance documents, or You require a hard copy of the Policy documents, please contact Your insurance agent. This insurance is written in English and all communications about it will be in English. Unless We have agreed otherwise with You, this insurance is governed by English law.

Making a Claim

To report or make a claim follow the instructions provided in the General Conditions – Claims Procedure

Notify a claim

To register a claim You should email full details of the claim including Your Arch policy number to commercial.claims@archinsurance.co.uk

or call

0345 258 3880.

If You need additional assistance, please contact Your insurance agent

How to Complain

If You have an enquiry about Your Policy, please contact Your insurance agent who arranged the Policy for You.

If You have a complaint arising from Your Policy please contact:

Complaints Manager
Arch Insurance (UK) Limited
5th Floor
Plantation Place South
60 Great Tower Street
London EC3R 5AZ
complaints@archinsurance.co.uk

If We have not resolved Your complaint within eight weeks or You are not satisfied with Our response, You may be able to refer it to the Financial Ombudsman Service. You must do this within six months of receiving Our final response letter. Contact details for the Financial Ombudsman Service are:

Financial Ombudsman Service
Exchange Tower
London E14 9SR
www.financial-ombudsman.org.uk
Telephone: 0800 023 4567/ 0300 123 9 123
Fax: 020 7964 1001
Email: complaint.info@financial-ombudsman.org.uk

Following the complaints procedure does not affect Your rights to take legal action.

Financial Services Compensation Scheme

Arch Insurance (UK) Limited is covered by the Financial Services Compensation Scheme (FSCS).

If we are unable to meet Our obligations, You may be entitled to compensation from the scheme, depending on the type of insurance and the circumstances of the claim.

Further information is available from the FSCS at www.fscs.org.uk

Fair Processing Notice

The privacy and security of Your information is important to Us. This notice explains who we are, the types of information we hold, how we use it, who we share it with and how long we keep it. It also informs You of certain rights you have regarding Your personal information under current data protection law. The terms used in this Fair Processing Notice relate to the Information Commissioner's Office guidance.

Who are we?

Arch Insurance (UK) Limited which is part of the Arch Insurance group ("Arch"). Arch is the Data Controller of the information You provide us and is registered with the Information Commissioner's Office for the products and services we provide to You.

You can contact us for general data protection queries by email to DPO@archinsurance.co.uk or in writing to Compliance Team, 5th Floor Plantation Place South, 60 Great Tower Street, London EC3R 5AZ. Please advise us of as much detail as possible to comply with Your request.

What information do we collect?

We will collect personal information which may include Your name, telephone number, email address, postal address, occupation, date of birth, additional details of risks related to Your enquiry or product and payment details (including bank account number and sort code) which we need to offer and provide the service or product or deal with a claim.

We may need to request and collect sensitive personal information such as details of convictions or medical history that are necessary for providing You with the product, service or for processing a claim.

We only collect and process sensitive personal data where it is critical for the delivery of a product or service and without which the product or service cannot be provided. We will therefore not seek explicit consent to process this information as the processing is legitimised by its criticality to the service provision. If You object to use of this information then we will be unable to offer You the product or service requested.

How do we use Your personal information?

We will use Your personal information to

- assess and provide the products or services that You have requested
- communicate with You
- develop new products and services
- undertake statistical analysis

We may also take the opportunity to

- contact You about products that are closely related to those You already hold with us
- provide additional assistance or tips about these products or services
- notify You of important functionality changes to Our websites

We make outbound phone calls for a variety of reasons relating to many of Our products or services (for example, to update You on the progress of a claim or to discuss renewal of Your insurance contract). We are fully committed to the regulations set out by Ofcom and follow strict processes to ensure We comply with them.

To ensure confidentiality and security of the information We hold, We may need to request personal information and ask security questions to satisfy ourselves that You are who You say You are.

We may aggregate information and statistics on website usage or for developing new and existing products and services, and We may also provide this information to third parties. These statistics will not include information that can be used to identify any individual.

Securing Your personal information

We follow strict security procedures in the storage and disclosure of Your personal information in line with industry practices, including storage in electronic and paper formats.

We store all the information You provide to us, including information provided via forms You may complete on Our websites, and information which We may collect from Your browsing (such as clicks and page views on Our websites).

Any new information You provide us may be used to update an existing record We hold for You.

When do We share Your information?

To help us prevent financial crime, Your details may be submitted to fraud prevention agencies and other organisations where Your records may be searched, including the Claims and Underwriting Exchange (CUE) and the Motor Insurers Anti-Fraud and Theft Register (MIAFTR).

In addition to companies within the Arch Insurance group, third parties (for example insurers or loss adjusters) deliver some of Our products or provide all or part of the service requested by You. In these instances, while the information You provide will be disclosed to these companies, it will only be used for the provision and administration of the service provided (for example verification of any quote given to You or claims processing, underwriting and pricing purposes or to maintain management information for analysis).

This may also include conducting a search with a credit reference bureau or contacting other firms involved in financial management regarding payment.

The data We collect about You may be transferred to, and stored at, a destination outside of the European Economic Area ("EEA"). It may also be processed by staff operating outside of the EEA who work for us or for one of Our suppliers. Such staff may be engaged in, amongst other things, the provision of information You have requested.

If We provide information to a third party We will require it and any of its agents and/or suppliers to take all steps reasonably necessary to ensure that Your data is treated securely and in accordance with this fair processing notice.

We may of course be obliged by law to pass on Your information to the police or other law enforcement body, statutory or regulatory authority including but not limited to the Employer's Liability Tracing Office (ELTO) and the Motor Insurance Bureau (MIB).

We may also share Your information with anyone You have authorised to deal with us on Your behalf.

How long do We keep Your information for?

We will not keep Your personal information longer than is necessary for the purpose for which it was provided unless We are required by law or have other legitimate reasons to keep it for longer (for example if necessary for any legal proceedings).

We will normally keep information for no more than 6 years after termination or cancellation of a product, contract or service We provide. In certain cases, We will keep Your information for longer, particularly where a product includes liability insurances or types of insurance for which a claim could potentially be made by You or a third party at a future date, even after Your contract with us has ended.

Your rights

Under data protection law You have the right to change or withdraw Your consent and to request details of any personal data that We hold about You.

Where We have no legitimate reason to continue to hold Your information, You have the right to be forgotten.

We may use automated decision making in processing Your personal information for some services and products. You can request a manual review of the accuracy of an automated decision that You are unhappy with.

Further details of Your rights can be obtained by visiting Our long form notice at www.archcapgroup.com/Privacy-and-Data-Protection-Policy

The Contract of Insurance and the Underwriters

This Policy is underwritten by Arch Insurance (UK) Limited ("the Underwriters")

In consideration of payment of the premium We will indemnify You within the limits terms conditions and exceptions of this Policy against the events set out in the sections operative and occurring in connection with the Business during the Period of Insurance, and any subsequent period for which You pay and We agree to accept a premium

IMPORTANT

This Policy is a legal contract between You and Us and designed to be as easy to understand as possible. You must make a fair presentation of the risk to Us at inception, renewal and variation of the Policy.

The Schedule, Policy Wording and any Endorsements shall be considered one legal document.

It is important that You read all Your documents carefully and let Your insurance agent know immediately if the insurance does not meet Your requirements or if any information is inaccurate or incomplete. If any changes are required this may result in changes to the terms and conditions of the Policy or a refusal to provide cover

Your obligations under the Policy

The Policy imposes certain obligations upon You which if not complied with may invalidate this insurance or a claim.

Some of these obligations are expressed to be Conditions or General Conditions. These are extremely important. If You are in breach of any of these obligations at the time of a loss We will have no obligation to indemnify You in relation to any claim for that loss. However, if a Condition or General Condition is intended to reduce the risk of a loss of a particular kind at a particular location or at a particular time, We will not rely on the breach of that Condition or General Condition to exclude limit or discharge our liability if the breach could not have increased the risk of the loss which actually occurred, in the circumstances in which it occurred

Steps to be taken if you cannot comply

If You are unable to comply with any Condition or General Condition, You should contact Us as soon as reasonably possible through Your insurance agent. We will decide whether We might be prepared to agree a variation in the Policy.

All Conditions and General Conditions remain effective unless You receive written confirmation of a variation from Us through Your insurance agent.

You should keep a written record (including copies of letters) of any information You give Us or Your insurance agent at inception renewal or making variation to this Policy.

Steve Bashford
Chief Executive of Arch UK Regional Division



A division of Arch Insurance (UK) Limited

Arch Insurance (UK) Limited, 5th Floor, Plantation Place South, 60 Great Tower Street, London EC3R 5AZ – (FCA Register No 229887) authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

Arch Insurance Group consist of FCA registered companies, including Thomas Underwriting Agency Limited (FCA number 304302) and Axiom Underwriting Agency Limited (FCA number 441460), registered at the address provided, who may act as intermediaries for certain insurers.

You can check this information on the Financial Conduct Authority register by visiting the FCA's website www.fca.org.uk/register or by contacting the Financial Conduct Authority on **0800 111 6768**. Information relating to the Prudential Regulation Authority can be found at www.bankofengland.co.uk/pru

General Definitions

Each time We use one of the words or phrases listed below it will have the same meaning wherever it appears in Your Policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the Policy, except for headings and titles

Each Section of the Policy contains definitions which apply to that particular Section and they must be read in conjunction with the following General Definitions

We/Us/Our

The Underwriters as set out in the section of the Policy headed The Contract of Insurance and the Underwriters

You/Your/Policyholder

The person(s) or company, companies, partnership(s) or unincorporated association(s) specified in the Schedule as the Policyholder

Act of Sabotage

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

Act of Terrorism

means an act or series of acts including the use of force or violence of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) committed for political religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes

Business

Activities as detailed in the Schedule

Excess

The first amount of each and every claim for which You shall be responsible as shown in the Schedule after the application of Average

Injury

Bodily injury including death illness or disease

Occurrence

shall mean any one loss or series of losses arising out of and directly occasioned by any one act or series of Acts of Terrorism or Acts of Sabotage for the same purpose or cause sustained by You at the Premises during any period of 72 consecutive hours arising out of the same purpose or cause.

However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless You shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy

Period of Insurance

The period specified in the Schedule for which We accept Your premium

Policy

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

- a) Policy Wording
- b) Schedule
- c) endorsements

Premises

The part of the premises at the address or addresses specified in the Schedule

Property

Material property

Property Insured

All property as detailed in the Schedule

Schedule

The schedule for the time being in force showing sections of cover which apply

Statement of Fact

This is a record of the information that You provided to Your insurance agent

Sum Insured / Sums Insured

The sum (or sums) insured specified in the Schedule

Vacant or Disused

The Premises or any part thereof that have become unoccupied untenanted or which have not been actively used for a period of more than 30 consecutive days

General Conditions

Each Section of the Policy contains conditions and must be read in conjunction with the following General Conditions which apply to all Sections unless otherwise stated

Arbitration

Any dispute arising out of or relating to this insurance including over its construction application or validity will be referred to a single arbitrator in accordance with the Arbitration Act then in force

Burden of Proof

In any action suit or other proceedings where We allege that by reason of a General Exception as far as it relates to an Act of Terrorism or an Act of Sabotage any damage loss or expense or consequential loss is not covered by this insurance the burden of proving that such damage loss expense or consequential loss is covered shall be upon You

Cancellation

This Policy shall be non-cancellable either by Us or by You except

1. in the event of non-payment of premium where We may cancel the Policy at Our discretion.
2. As provided for under General Conditions - Change of Risk or Subjectivity

In the event of non-payment of premium this Policy may be cancelled by or Us on Our behalf by delivery to You or by mailing to You or Your insurance agent by registered, certified, or other first class mail, at Your address as shown in this Policy, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

Choice of Law and Jurisdiction

In the absence of agreement to the contrary this Policy shall be governed by and construed in accordance with the laws of England and Wales Any dispute relating to limits terms conditions and exceptions or validity of this Policy shall be subject to the jurisdiction of the courts of England and Wales

Claims Procedure

You must notify us of any occurrence likely to give rise to a claim under this Policy as soon as reasonably practicable.

You must give Us such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If We require, You must submit to examination under oath by any person We designate.

You must provide Us with proof of loss within sixty (60) days after the occurrence of a loss (unless such period is extended with Our written agreement) stating

1. the time, place and cause of loss, and
2. Your interest and the interest of all others in the property, and or business interruption being claimed for, and
3. the sound value thereof, and
4. the amount of loss or damage thereto.

If We have not received such proof of loss within two years of the expiry date of this Policy, We shall be discharged from all liability under the Policy.

You are not entitled to abandon Property to Us

Change of Risk

You must notify Us prior to or immediately if during the Period of Insurance there is any change in Your ownership of the Business or if there is any change

1. in or to the Business
2. due to the Business being wound up or carried on by a liquidator or receiver or permanently discontinued

3. due to its disposal or removal
4. in respect of which Your interest ceases except by operation of law
5. in respect of the risk of subsidence ground heave or landslip where any demolition construction ground works or excavation work is being carried out on any site adjoining the Premises
6. to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by You to Us at inception renewal or change of the Policy which materially increases risk of loss or Damage as Insured by this Policy

Should You be in any doubt as to whether information should be presented to Us You must

1. discuss it with Your agent or
2. disclose it to Us

Upon being notified of any such change We may at Our absolute discretion

1. continue to provide cover under the appropriate Section on the same terms
2. restrict the cover provided by the Section
3. impose additional terms
4. alter the premium
5. cancel the Section and or the Policy

If You fail to notify Us of any such change We may at Our absolute discretion

1. treat the appropriate Section and the Policy as if it had come to an end as at the date of the alteration of the risk returning a proportionate amount of the premium for the unexpired Period of Insurance if We would have cancelled the Section and the Policy had We known of the increase in risk
2. treat the Section and the Policy as if it had contained such terms other than relating to premium or other restrictions from the date of change in risk as We would have applied had We known of the increase in risk
3. reduce proportionately the amount paid or payable on any claim the proportion for which We are liable being calculated by comparing the premium actually charged as a percentage of the premium which We would have charged had We known of the increase in risk

Contribution

Applicable to all Sections insured by this Policy

1. Where any Damage or liability covered by the Policy is also covered by another policy (or would be but for the existence of this Policy) We will only pay a rateable share of the loss
2. If the other insurance is subject to a condition of average and this Policy is not this Policy will become subject to the same condition of average
3. If the Property covered by the other insurance is subject to a provision excluding proportional payment in whole or part the payment We make will be limited to the proportion of Damage as the Sum Insured bears to the value of the property

Contracts (Rights of Third Parties) Act 1999

A person or company who was not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act

Discharge of Liability

We may at any time pay

1. The Sum Insured or maximum amount shown in the Policy
2. A smaller amount for which a claim can be settled after deduction of any sum already paid

We will not make any further payments except for costs and expenses incurred prior to the payment of the claim

Fraud

If You or anyone acting on Your behalf to obtain a benefit under this Policy

1. makes any false or fraudulent claim
2. makes any exaggerated claim
3. supports a claim by false or fraudulent documents devices or statements whether or not the claim is itself genuine
4. makes a claim for loss or damage which You or anyone acting on Your behalf deliberately caused We will
 - a. refuse to pay the whole of the claim and
 - b. recover from You any sums that We have already paid in respect of the claim

We will also notify You if We will be treating the Policy as having terminated with effect from the date of any acts set out in 1 – 4 above

In that event You will

1. have no cover under the Policy from the date of the termination and
2. not be entitled to any refund of premium

Interest Clause

The interests of third parties in the Property which You are required to include on this Policy under the terms of any mortgage property lease or hiring leasing or hire purchase agreement are automatically noted subject to You advising Us as soon as is reasonably practicable

Fair Presentation of the Risk

We are keen to work in partnership with You and avoid any misunderstandings

1. You must make a fair presentation of the risk to Us at inception renewal and variation of the Policy. This means You must have clearly disclosed all material facts which You, Your senior management and/or persons responsible for arranging the Policy knew or ought to have known. Should You be in any doubt as to whether information should be presented to Us You must
 - a. discuss it with Your insurance agent or
 - b. disclose it to Us
2. We may at Our absolute discretion avoid the Policy and refuse to pay any claims where any failure to make a fair presentation is
 - a. deliberate or reckless or
 - b. of such other nature that if You had made a fair presentation We would not have issued the Policy

We will return the premium paid by You unless the failure to make a fair presentation is deliberate or reckless

3. If We would have issued the Policy on different terms had You made a fair presentation We will not avoid the Policy except where the failure is deliberate or reckless but We may instead at Our absolute discretion
 - a. reduce proportionately the amount paid or payable on any claim the proportion for which We are liable being calculated by comparing the premium actually charged as a percentage of the premium which We would have charged had You made a fair presentation and or
 - b. treat the Policy as if it had included such additional terms other than those requiring payment of the premium as We would have imposed had You made a fair presentation

For the purposes of this condition references to

1. avoiding a Policy means treating the Policy as if it had not existed from the inception date (where the failure to make a fair presentation of the risk occurs before the inception of the Policy) the renewal date (where the failure occurs at renewal of the Policy) or the date of change (where the failure occurs when the Policy is changed)
2. refunds of premium should be treated as refunds of premium back to the inception date renewal date or date of change as the context requires
3. issuing a Policy should be treated as the references to issuing the Policy at inception renewing or change of the Policy as the context requires
4. premium should be treated as the premium payable for the particular contract of insurance which is subject to this condition where there is more than one contract of insurance

Premium Payment

We will not make any payment under this Policy unless You have paid the premium

Protection Maintenance

Any protection provided for the safety of the Property Insured shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times.

Such protection shall not be withdrawn or varied to the detriment of Our interests without Our consent.

Reinstatement

When we decide or are required to reinstate or replace any Property You will at Your expense provide

1. plans
2. documents
3. books
4. information which we require

Sanction Limitation and Exclusion

We shall not be liable to pay any claim or provide any benefit under any insurance cover or extension to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Subrogation

Anyone making a claim under this Policy must at Our request and expense do everything We reasonably require to enforce a right or remedy or obtain relief or indemnity from other parties to which We will become entitled or subrogated because of payment of a claim hereunder

We may require You to carry out such actions before or after We make any admission of or payment of a claim

Language

The contractual terms conditions exclusions and other information relating to this Policy will be in the English language

Subjectivity

If this Policy has been issued or renewed subject to the following requirements

1.
 - a. You providing Us with any additional information requested
 - b. You completing any actions agreed between You and Us
 - c. You allowing Us to complete any actions agreed between You and Us by the required date(s)
2. You allowing Us access to the Premises Your contract sites and or the Business to carry out survey(s) within 60 days of the inception or renewal date, unless We agree otherwise in writing
3. You complying with all survey risk improvements to make alterations to the Premises or contract sites by the required date(s)

and You do not complete these requirements by the required date(s) then We may at Our absolute discretion

1. modify the premium
2. issue a mid-term amendment to the Policy or Section terms Conditions and Exceptions
3. exercise Our right to cancel the Policy
4. leave the Policy or Section terms Conditions and Exceptions and the premium unaltered

We will contact You with Our decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by You and or any decision by Us will take effect If the premium terms or conditions are amended by Us then You will have fourteen (14) days to accept or reject the revised basis of indemnity

If You elect to reject the revised basis of premium terms and conditions then You shall be entitled to a proportionate refund of premium for the unexpired period of cover provided that no claim has been made during the current Period of Insurance

If We exercise Our right to cancel the Policy then You shall be entitled to a proportionate refund of premium for the unexpired period of cover provided that no claim has been made during the current Period of Insurance

To the extent that this Condition conflicts with any other cancellation condition then this Condition shall prevail

Except in so far as they are expressly varied by this Condition all of the terms, conditions exclusions and limits of this Policy and of the Sections of the Policy shall continue to apply until We advise You otherwise

Value Added Tax

You must include VAT within each Sum Insured (including Declared Value) where it is known not to be recoverable. We will indemnify You for Value Added Tax paid by You on any claim under this Policy (including 'self-supply' Value Added Tax where appropriate) which is not subsequently recoverable provided

1. that
 - a. Your liability for such tax arises solely as a result of the reinstatement or repair of Damage and
 - b. We have paid or have agreed to pay for such Damage
 - c. If any payment by Us in respect of the reinstatement or repair of such Damage is less than the actual cost of reinstatement or repair any payment under this Cover Extension resulting from that Damage will be reduced in like proportion
2. Your liability for such tax does not arise from the replacement Property being better or more extensive than what was damaged
3. where an option to reinstate on another site is exercised Our liability will not exceed the amount of tax that would have been payable had reinstatement been on the original site
4. Our liability will not include amounts payable by You as penalties or interest for non-payment or late payment of tax

General Exceptions

Each Section of the Policy contains exceptions and must be read in conjunction with the following General Policy Exceptions which apply to all Sections unless otherwise stated

This Policy does not cover

Computer Virus and Hacking

loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.

Excluded Property

physical loss or physical damage to

1. land or land values,
2. aircraft or any other aerial device, or watercraft
3. animals, plants and living things of all types

Nuclear Risks

loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

Pollution and Contamination

loss or damage

1. directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
2. arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
3. arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.

Seizure, Confiscation

loss

1. by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage
2. or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives You of the use or value of the property
3. or damage arising from acts of contraband or illegal transportation or illegal trade.

Sonic Bangs

Loss destruction or damage or any consequential loss occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

Theft, Strikes, Malicious Persons

loss or damage caused by

1. vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion
2. or arising out of burglary, house - breaking, theft or larceny.
3. mysterious disappearance or unexplained loss.

War

Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.

General Extensions

The following General Extensions apply to all Sections of the Policy unless otherwise stated

Claims Preparation Costs

We will indemnify You for reasonable costs incurred by You for the preparation, presentation, certification, negotiation or verification of a specified claim under this Policy subject to prior written consent from Us

For the purposes of this extension a specified claim means any claim in excess of £50,000

Provided that

1. We have the right to review and audit all documentation relating to the costs
2. the costs are not otherwise covered under Your Policy
3. these costs will not include the fees and costs of lawyers, loss assessors and loss appraisers including any of their subsidiaries, related or associated entities either partially or wholly owned by them or retained by them for the purpose for assisting them

Our liability under will not exceed £100,000 for all claims arising under this Policy in any one Period of Insurance

Property Damage Section

Definitions

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in this Section. They should also be read in conjunction with the General Definitions at the start of the Policy

Damage

means physical loss, destruction or damage to Property

Property Insured

Comprises the following where shown in the Schedule

Buildings

1. Structures at the Premises
2. Landlords fixtures and fittings in and on the structures
3. Internal and external fixed glass sanitary ware and signs
4. Central heating systems
5. Concrete paved or asphalt forecourts yards terraces drives and footpaths
6. Walls gates and fences

Electronic Business Machines

1. All computer equipment (including peripheral devices interconnecting wiring fixed disks telecommunications equipment computerised telephone systems electronic access equipment and electronic point of sale systems) used for the storage and communication of electronically processed data including
 - a. portable computer equipment at the Premises
 - b. facsimile or photocopying machines but shall not include within its meaning
 - c. computer equipment controlling manufacturing processes
2. computer equipment manufactured for sale or held as stock for sale unless specified in the Schedule
3. Data carrying materials
4. All current and backup computer software and programs held on hard disks or data carrying materials unless specifically described otherwise in the Schedule
5. Computer lock down plates security enclosures security cables and other similar devices

all belonging to You or held by You in trust for which You are responsible but excluding any property which is more specifically insured

Plant Machinery Trade Fixtures

1. Machinery plant fixtures fittings and other trade equipment
2. Electronic Business Machines for an amount not exceeding £5000 unless specified separately on the schedule
3. Money and stamps including National Insurance Stamps (excluding Damage by theft or any attempt thereat) for an amount not exceeding £2,000
4. Documents manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to You of the information contained
5. Computer systems records but only for the cost of the materials and clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to You of the information contained therein up to an amount not exceeding £25,000
6. Patterns models moulds plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement
7. Directors partners customers employees and visitors personal effects of every description (other than motor vehicles) for an amount not exceeding £500 any one person in so far as they are not otherwise insured but any cover granted under this Section for Damage by theft shall not apply to personal effects partly or wholly of precious metal jewellery watches furs contact lenses portable electronic entertainment equipment mobile telephones cameras money and securities of any description

all belonging to You or held by You in trust for which You are responsible but excluding any property which is more specifically insured

Stock in Trade

Stock and materials in trade work in progress and finished goods owned by You or held by You in trust for which You are responsible

Tenants Improvements

Structural fixtures and fittings and decorations of Yours as occupier of the Premises

Specified Items

As described and at the Sums Insured shown in the Schedule, each subject to Average. Each specified item is covered according to the following Geographical Limits, as set out in the Schedule

Geographical Limits

1. anywhere in Great Britain Northern Ireland the Channel Islands and the Isle of Man including the Premises
2. anywhere in Great Britain Northern Ireland the Channel Islands and the Isle of Man and the countries of the European Union
3. anywhere in the World

Cover

We will indemnify You for any one Occurrence Damage to Property Insured caused by an Act of Terrorism or Act of Sabotage at the Premises (or as identified in the Geographical Limits for Specified Items shown in the Schedule, if applicable) during the Period of Insurance in accordance with the provisions of this Section and the General Conditions General Exceptions and General Extensions.

Limit of Liability

The maximum We will pay under this Section for any one Occurrence and in the aggregate will not exceed the Sum Insured for each item shown in the Schedule.

The Sum Insured under each item other than for items solely applying to fees and removal of debris is separately subject to Average.

Section Exceptions

The following exceptions apply to this Section

We will not indemnify You for

1. delay loss of market loss of use or consequential loss of any kind unless cover is specified in the Schedule and the Damage is not otherwise excluded
2. any Property more specifically insured by or on Your behalf

Conditions

The following conditions apply to this Section and should be read in-conjunction with the General Conditions applying to the whole Policy

Average

If the Sums Insured stated in the Schedule are less than their values as determined below, then any claim shall be reduced in the same proportion that the Sums Insured bear to the values that should have been declared, and You shall be deemed to be Your own insurer for the balance

Basis of Claims Settlement

In the event of Damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

1. The repairs, replacement or reinstatement (all hereinafter referred to as “replacement”) must be executed with due diligence and dispatch;
2. Until replacement has been effected the amount We will pay under this Policy in respect of loss shall be limited to the actual cash value at the time of loss;

Our liability for loss under this Policy shall not exceed the lower of the following amounts:

1. The Policy limit applicable to the destroyed or damaged property,
2. The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,
3. The amount actually and necessarily expended in replacing said property or any part thereof.

We will normally expect You to carry out repair or replacement of the insured property, but if You and We agree that it is not practicable or reasonable to do this, We will pay You an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. We will only pay You up to the Sum Insured shown in the Schedule.

Designation

For the purpose of determining where necessary the item heading under which any property is insured We agree to accept the designation under which such property has been entered in Your books or business records

Section Extensions

All the following extensions shall apply subject to all other terms conditions limits exceptions of this Policy

Annexes

The Property Insured of

1. annexes conveniences and external hoists gangways and staircases
2. extensions communicating with any of the buildings within described
3. sub-stations

are insured under the respective items applying to the Property Insured to which such Property is attached or belongs

Architects Surveyors Legal and Other Professional Fees

The Sum Insured under each item of Building and Machinery in the Schedule includes an amount in respect of architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement of the Property Insured consequent upon Damage thereto but not for preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such Damage and that the liability for such Damage and fees shall not exceed in the aggregate the Sum Insured by each such item

Day One Basis

Applicable only to those items showing a Declared Value (DV) as stated in the Schedule

1. You having stated in writing the Declared Value incorporated in each item to which this Extension applies the premium has been calculated accordingly
For the purposes of this Extension Declared Value shall mean
Your assessment of the cost of reinstatement of Buildings Electronic Business Machines Plant Machinery and Tenants Improvements arrived at in accordance with the Basis of Claims Settlement Condition above at the level of costs applying at the start of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with an allowance for
 - a. the additional cost of reinstatement to comply with
 - i. European Union Legislation
 - ii. Act of Parliament
 - iii. Bye-Laws of any public authority
 - b. professional fees
 - c. debris removal costs
2. You must notify Us of the Declared Value at the start of each Period of Insurance
If You fail to notify Us of the Declared Value at the start of any Period of Insurance We will use the last Declared Value notified to Us for the following Period of Insurance
3. The Average Condition above is restated as follows
4. If at the time of the Damage the Declared Value is less than the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (1) of this Condition at the start of the Period of Insurance Our liability for any Damage will be limited to that proportion which the Declared Value bears to the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (1) of this Condition
5. We will not pay under this Condition
 - a. until You have incurred the cost of replacing or repairing the Property Insured
 - b. if You or someone acting on Your behalf have insured the Property Insured under another policy which does not have the same basis of reinstatement
 - c. if You do not comply with any of the provisions of this Condition

However the Sums Insured will be limited to the percentage of the Declared Values stated in the Schedule

Debris Removal

The Sum Insured for each item of Property Insured under this Section includes costs and expenses necessarily incurred by You with Our consent in

1. removing debris from
2. dismantling and or demolishing
3. shoring up or propping of

the portion or portions of the Property Insured by the said items following Damage insured by this Policy

In addition, the sum insured in respect of Plant Machinery Trade Fixtures includes the costs and expenses necessarily incurred in the re-erection and fixing of said items following Damage

But we will not indemnify You in respect of costs and expenses

1. incurred in removing debris except from
 - a. the Premises where Damage occurred, and
 - b. the area immediately adjacent thereto
2. arising from pollution or contamination of Property not insured by this Section.

The maximum We will pay for costs and expenses in respect of Stock in Trade is £10,000

European Union and Public Authorities Clause

Following Damage as insured by this Section to each item under Buildings and Plant Machinery We will pay the additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with any

1. European Union legislation or
2. building or other regulations under or framed in pursuance of any Act of Parliament or by-laws of any public authority (both of which are hereinafter referred to as "Regulations" in respect of the destroyed or damaged Property Insured)

This Extension does not apply to

1. the cost incurred in complying with the Regulations
 - a. in respect of Damage occurring prior to the granting of this Section Extension
 - b. in respect of Damage not insured by this Section
 - c. under which notice has been served upon You prior to the happening of the Damage
 - d. for which there is an existing requirement which has to be implemented within a given period
 - e. in respect of undamaged Property Insured or undamaged portions of Property Insured other than foundations (unless specifically excluded) of that portion of the Property Insured destroyed or damaged for any amount in excess of 15% of the total amount for which We would have been liable had the Property Insured at the Premises where Damage occurred had been wholly destroyed
2. the additional cost that would have been required to make good the Property Insured destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Regulations not arisen
3. the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property Insured or by the owner thereof by reason of compliance with Regulations

Provided that

1. the work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the Damage or within such further time as We may allow (during the said 12 months) and may be carried out upon another site (if the regulations so necessitate) subject to the Our liability under this Section Extension not being thereby increased
2. if Our liability under any item of this Section apart from this Section Extension shall be reduced by the application of any of the terms conditions and Exceptions of this Section then Our liability under this Section Extension in respect of any such item shall be reduced in like proportion
3. the total amount recoverable under any item of this Section under this Section Extension shall not exceed
 - a. in respect of European Union Legislation
 - i. 15% of the Sum Insured
 - ii. where the Sum Insured by the item applies to Property Insured at more than one Premises 15% of the total amount for which We would have been liable had the Property Insured by the item at the Premises where Damage has occurred been wholly destroyed
 - b. in respect of Regulations the Sum Insured

Looting

We will indemnify You for looting to Property Insured at the Premises during the Period of Insurance following an Act of Terrorism or an Act of Sabotage.

Mortgagors Freeholders and Lessors

Mortgagors freeholders and lessors shall not be prejudiced by any increase in the risk of Damage resulting from any act of negligence of any mortgagee leaseholder lessee or occupier of any Buildings insured by this Section provided such increase in risk is without their prior knowledge or authority and We are notified immediately they become aware of such increase in risk

Non-invalidity

The insurance by this Section shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased unknown to or beyond Your control provided that immediately You become aware thereof You shall give notice to Us and pay an additional premium if required

Other Interests

The interest of parties supplying Property to You under a hiring leasing or similar agreement is noted in this insurance

The nature and extent of any such interest must be disclosed in the event of Damage

Subrogation Waiver

In the event of a claim arising under this Section We agree to waive any rights remedies or relief to which We might become entitled by subrogation against

1. any Company standing in the relationship of Parent to Subsidiary (Subsidiary to Parent) to You as defined in the Companies Acts or Companies (NI) Order as appropriate current at the time of Damage
2. any Company which is a Subsidiary of a Parent Company of which You are a subsidiary in each case within the meaning of the Companies Acts or Companies (NI) Order as appropriate current at the time of Damage

Temporary Boarding Up

Any cover granted under this Section in respect of Damage to fixed glass includes the reasonable costs of any necessary boarding up or temporary glazing pending the replacement of broken glass and of removing and re-fixing window fittings and other obstacles to replacement

The maximum we will pay in respect of any one claim under this Extension is £5,000

Business Interruption Section

Section Definitions

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section they should also be read in conjunction with the General Definitions at the start of the Policy

Damage

loss of or damage to the property

1. used by You at the Premises for the purpose of the Business and insured under the Property Damage Section of this Policy, or
2. within the Territorial Limits in respect of applicable Extensions to this Section

Indemnity Period

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

Territorial Limits

United Kingdom, Isle of Man and the Channel Islands but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987. This shall include the Channel Tunnel up to the frontier with the Republic of France as set out by the treaty of Canterbury.

Turnover

the money paid or payable to You for goods sold and delivered and for services rendered in the course of the Business at the Premises

Maximum Indemnity Period

the period detailed in the Schedule

Maximum Limit

The Sum Insured as stated in the Schedule for Increased Cost of Working which will apply to each and every Premises as specified in the Schedule and in the aggregate in respect of any one event unless otherwise stated

Gross Profit

the amount by which

1. the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed
2. the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses

The amounts of the opening and closing stocks (including work in progress) shall be arrived at in accordance with Your usual accounting methods due provision being made for depreciation and any discounts allowed

Uninsured Working Expenses

Purchases (less discounts received)

Carriage packing and freight

Discounts allowed

Bad debts

unless otherwise stated in the Schedule the words used in this definition will have the meaning usually attached to them in Your books and accounts

Gross Rentals

the money paid or payable to You for tenancies and other charges and for services rendered in the course of the Business at the Premises

Gross Revenue

the money paid or payable to You for services rendered in the course of the Business less the amount of any Uninsured Working Expenses

Estimated Gross Profit

the amount declared by You to Us as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months)

Estimated Gross Revenue

the amount declared by You to Us as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months)

Estimated Gross Rentals

the amount declared by You to Us as representing not less than the Gross Rentals which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months)

Outstanding Debit Balances

The money owed to You by Your customers at the date of the Damage taking into account

1. bad debts
2. debit and credit amounts owed and not passed through the books during the period between the last record and the date of the Damage
3. abnormal trading conditions affecting the Business
4. Your last record of amounts owed by customers

Rate of Gross Profit

the rate of Gross Profit earned on the Turnover during the financial year

immediately before the date of the Damage

Annual Turnover

the Turnover during the twelve months immediately before the date of the Damage

Standard Turnover

the Turnover during the period in the twelve months immediately before the date of the occurrence which corresponds with the Indemnity Period

Annual Gross Revenue

the Gross Revenue during the twelve months immediately before the date of the Damage

Standard Gross Revenue

the Gross Revenue during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

Annual Gross Rentals

the Gross Rentals during the twelve months immediately before the date of the Damage

Standard Gross Rentals

the Gross Rentals during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

Cover

In respect of each item in the Schedule We will indemnify You in respect of loss resulting from interruption of or interference with the Business at the Premises in consequence of Damage occurring during the Period of Insurance and caused by an Act of Terrorism or an Act of Sabotage

Provided that

1. payment shall have been made or liability admitted for the Damage under this Policy
or
2. payment would have been made or liability admitted for the Damage but for the operation of a provision in this Policy excluding liability for losses below a specified amount

Limit of Liability

Our liability under this Section shall not exceed

1. 133 1/3% of the Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals shown in the Schedule
and
2. 100% of the total Sum Insured shown in the Schedule for each other item stated in the Schedule

Basis of Claims Settlement

The following terms of settlement apply only if the paragraph title appears in the Schedule as the Specification

Gross Profit/Estimated Gross Profit

The insurance under this item is limited to loss of Gross Profit due to (1) reduction in Turnover and (2) increase in cost of working and the amount payable as indemnity thereunder shall be

1. in respect of reduction in Turnover
the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the Damage
2. in respect of increase in cost of working
the additional expenditure (subject to the provisions of the Uninsured Working Expenses) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

Provided that

if the sum insured by the item on Gross Profit be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or at a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Gross Revenue/Estimated Gross Revenue

The insurance under this item is limited to (1) loss of Gross Revenue and (2) increase in cost of working and the amount payable as indemnity thereunder shall be

1. in respect of loss of Gross Revenue
the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of the Damage
in respect of increase in cost of working
2. the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

If the sum insured by the item on Gross Revenue be less than the Annual Gross Revenue (or at a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Gross Rentals/Estimated Gross Rentals

The insurance under this item is limited to (1) loss of Gross Rentals and (2) increase in cost of working and the amount payable as indemnity thereunder shall be

1. in respect of the loss of Gross Rentals
the amount by which the Gross Rentals during the Indemnity Period shall fall short of the Standard Gross Rentals in consequence of the Damage
2. in respect of increase of cost of working
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which but for the expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Rentals thereby avoided

less any sum saved during the Indemnity Period in respect of such of the expenses and charges payable out of Gross Rentals as may cease or be reduced in consequence of the Damage

If the sum insured by the item on Gross Rentals be less than the Annual Gross Rentals (or at a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

Book Debts

If Your account books or other Business books or records whilst on Your Premises or temporarily removed to any premises in Great Britain Northern Ireland the Isle of Man or the Channel Islands or in transit between them sustain Damage as defined which results in Your inability to trace or establish the Outstanding Debit Balances We will pay You

1. the difference between the Outstanding Debit Balances and the total of the amounts received or traced in respect thereof
2. the additional expenditure incurred with Our consent in tracing and establishing customers' debit balances after the Damage
3. auditors' or accountants' charges reasonably incurred for producing and certifying details of a claim under this specification

provided that if the Sum Insured stated in the Schedule is less than the Outstanding Debit Balances the amount payable shall be proportionately reduced

We will not indemnify You as a result of

1. erasure or distortion of information on computer systems or other records
2. deliberate falsification of business records
3. mislaying or misfiling of tapes and records
4. the deliberate act of the public supply undertaking in restricting or withholding electricity supply
5. wear and tear and gradual deterioration vermin rust damp or mildew
6. dishonest or fraudulent acts by any of Your employees

Special Condition

You will record the total amount of Outstanding Debit Balances at least once every seven days and keep a copy

1. in a locked fire-resistant safe or cabinet at the Premises or
2. away from the Premises

The total amount payable in respect of any one claim shall not exceed the Sum Insured stated in the Schedule at the time of the Damage

Increased Cost of Working

We will pay Your additional expenditure which has been reasonably and necessarily incurred as a result of Damage to continue the Business during the Indemnity Period

The maximum amount We will pay will not exceed 50% of the Maximum Limit during the first three months of the Indemnity Period and then pro rata for the balance unless specified otherwise in the Schedule

Additional Increased Cost of Working

We will pay in respect of additional cost of working the additional expenditure incurred due to the Damage to maintain the Business during the Indemnity Period which exceeds the amount recoverable in respect of increase in the cost of working insured by the Specification of this Section

The maximum We will pay is the Sum Insured stated in the Schedule

Conditions

The following conditions apply to this Section and should be read in-conjunction with the General Conditions applying to the whole Policy

Accumulated Stocks

The following condition is only applicable to items on a Gross Profit/Estimated Gross Profit Basis of Claims Settlement

In adjusting any loss account shall be taken and an equitable allowance made if any reduction in Turnover (where applicable) due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of raw materials, work in progress or finished goods, at the Premises or elsewhere.

Alternative Trading

If during the Indemnity Period goods shall be sold accommodation provided or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by You or by others on Your behalf the money paid or payable in respect of such sales accommodation or services shall be brought into account in arriving at the Turnover Gross Revenue Gross Profit or Gross Rentals during the Indemnity Period

Current Cost Accounting

For the purpose of these Section Definitions any adjustment implemented in current cost accounting shall be disregarded

Premium Adjustment

The following provisions apply separately to each item on Estimated Gross Profit or Estimated Gross Revenue

1. Where the premium paid is not on a provisional basis it may be adjusted at the end of the Period of Insurance We will allow a pro rata return of premium not exceeding 25% of the premium paid if the premium calculated at the appropriate rate on the actual Gross Profit or actual Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance as reported by Your auditors is less than the premium paid
If any Damage shall have occurred giving rise to a claim for loss of Gross Profit or Gross Revenue the above mentioned declaration shall be increased by Us for the purpose of premium adjustment by the amount by which the Gross Profit or Gross Revenue was reduced during the financial year solely in consequence of the Damage
2. Where a provisional premium is paid at the commencement of each Period of Insurance You shall declare to Us within six months of the expiry of each period the actual Gross Profit or actual Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance as reported by Your auditors
The premium will be calculated at the appropriate rate on the declaration and the premium paid will be adjusted as stated below provided that
if any Damage shall have occurred giving rise to a claim for loss of Gross Profit or Gross Revenue the above mentioned declaration shall be increased by Us for the purpose of premium adjustment by the amount by which the Gross Profit or Gross Revenue was reduced during the financial year solely in consequence of the Damage

- a. in respect of Limit of Liability (1) in this Section if the premium calculated is
 - i. less than the premium paid We will repay the difference to You
 - ii. greater than the premium paid You shall pay the difference
- b. in respect of Limit of Liability (2) in this Section if the premium calculated is
 - i. less than the premium paid We will repay the difference to You but not exceeding the difference between the premium paid and the premium payable on 50% of the Sum Insured
 - ii. greater than the premium paid You shall pay the difference not exceeding the difference between the premium paid and the premium payable on the full Sum Insured

In the event that no declaration is received within six months of the expiry of the Period of Insurance the Sum Insured will be deemed to be the declaration and the additional premium due will become payable

Excess

We will deduct the amount of the excess stated in the Schedule in respect of each and every claim as calculated after the application of all other terms of this Section

Departmental Clause

If you conduct the Business in departments and independent trading results are obtainable the Basis of Claims Settlement of the Gross Profit Gross Revenue or Gross Rentals will apply separately to each department affected by the Damage

If the insurance is not on a declaration linked basis if the Sum Insured by such item is less than the total of all the sums produced by applying the Rate of Gross Profit Gross Revenue or Gross Rentals for each department of the Business (affected by the Damage or not) to its relative Annual Turnover (proportionately increased where the Maximum Indemnity Period exceeds 12 months) You will be Your own insurer for the difference and bear a rateable share of the loss

New Business

For the purposes of any claims arising from Damage occurring before the completion of the first years trading of the Business such loss will be ascertained by applying the Gross Profit or Gross Revenue or Gross Rentals earned during the period between the commencement of the Business and the date of the Damage to the amount by which the Gross Profit or Gross Revenue or Gross Rentals during the period of interruption or interference will have fallen short of the proportional equivalent for that period of the Gross Profit or Gross Revenue or Gross Rentals realised during the period between the commencement of the Business and the date of such Damage

Payments on Accounts

Claims payments on account may be made to You during the Indemnity Period if required

Subrogation Waiver Clause

In the event of a claim arising under this Section We agree to waive any rights remedies or relief to which We may be entitled by subrogation against

1. any company whose relationship to You is either a parent to subsidiary or subsidiary to parent
2. any company which is a subsidiary of a parent company of which You are Yourself a subsidiary

as defined in or within the meaning of the relevant Companies Act or Companies (NI) Order current at the time of the Damage

Value Added Tax

To the extent that You are accountable to HM Customs and Excise for Value Added Tax all terms in this Section shall be exclusive of such tax

Extensions

The following extensions shall apply subject to all other terms, conditions, limits and exceptions of this Policy

Brand Rehabilitation

We will pay reasonable costs and expenses for advertising costs and/or costs of a public relations consultancy company following interruption of or interference with the Business caused by an Act of Terrorism or an Act of Sabotage at or within 1 mile of the Premises for up to a maximum amount of 60 consecutive days for the sole purpose of avoiding or diminishing a reduction in turnover or resuming or maintaining normal business.

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed

1. 10% of the Sum Insured or
2. £100,000

whichever is the lesser

Full Failure of Utilities

We will indemnify You for interruption of or interference with the Business as a result of failure in consequence of Damage caused by an Act of Terrorism or an Act of Sabotage at the premises of Your supply of

1. electricity or
2. water or
3. gas or

at the terminal ends of Your suppliers feed or incoming line terminals or receivers to or at the Premises

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed

1. 10% of the Sum Insured or
2. £1,000,000

whichever is the lesser

We will not indemnify You in respect of failure

1. lasting less than 4 consecutive hours
2. other than in Great Britain Northern Ireland the Channel Islands or the Isle of Man

Loss of Attraction

We will indemnify You interruption of or interference with the Business commencing during the Period of Insurance caused by an Act of Terrorism or an Act of Sabotage within 1 mile of the Premises that constitute an attraction to Your Business which causes a loss of custom to the Business directly due to a reduction in customers visiting the area.

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed

1. 10% of the Sum Insured or
2. £1,000,000

whichever is the lesser

Prevention of Access – Damage and Non Damage

We will indemnify You for interruption of or interference with the Business commencing during the Period of Insurance caused by an Act of Terrorism or an Act of Sabotage within 1 mile of the Premises which by order or action of civil or military authority prevents or prohibits access to the Premises.

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed

1. 10% of the Sum Insured or
2. £500,000

whichever is the lesser, or

3. £1,000,000 following Damage

We will not indemnify You in respect of failure lasting less than 24 consecutive hours

Property Stored

We will indemnify You in respect of interruption of or interference with the Business caused by an Act of Terrorism or an Act of Sabotage during the Period of Insurance to Your property whilst stored in any premises within Great Britain Northern Ireland the Channel Islands or the Isle of Man.

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed £500,000

We will not indemnify You in respect of property stored in any premises You partially or fully occupy

Telecommunications

We will indemnify You for interruption of or interference with the Business commencing during the Period of Insurance as a result of failure in consequence of Damage caused by an Act of Terrorism or an Act of Sabotage to property at any land based premises of Your telecommunications supplier in Great Britain, Northern Ireland the Channel Islands or the Isle of Man.

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed

1. 10% of the Sum Insured or
2. £1,000,000

whichever is the lesser.

We will not indemnify You in respect of failure lasting less than 24 consecutive hours

Threat or Hoax

We will indemnify You for interruption of or interference with the Business as a result of threat or hoax of an Act of Terrorism and/or Sabotage commencing during the Period of Insurance caused by

1. prevention of access to and/or from; or
2. evacuation of; or
3. emergency lockdown of

the Premises by order or action of any lawfully constituted authority provided that such order is a direct result of either of the following:

- a. a specific threat or hoax to inflict Injury to a person or persons; and/or
- b. a specific threat or hoax to damage or destroy any property.

In the event of that a. and/or b. above occur at a Premises or are made against the Insured (including its employees, directors, partners and/or officers), their owners and/or tenants or the Premises, then this insurance will cover 2. and 3. above without a prior order by a lawfully constituted authority, provided that the Insured subsequently reports such activity or threat to a lawfully constituted authority, as soon as reasonably practicable, and such threat or hoax is confirmed in writing by the lawfully constituted authority. However, nothing in this extension shall give any cover for Injury.

The maximum We will pay for any one Occurrence and in the aggregate for this extension will not exceed £500,000.

We will not indemnify You in respect of interruption or interference lasting less than 4 consecutive hours.

Unspecified Customers

We will indemnify You for interruption of or interference with the Business commencing during the Period of Insurance caused by an Act of Terrorism or an Act of Sabotage to property at the premises of Your customers within the United Kingdom the Channel Islands or the Isle of Man

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed

1. 10% of the Sum Insured or
2. £500,000

Whichever is the lesser

Unspecified Suppliers

We will indemnify You for interruption of or interference with the Business commencing during the Period of Insurance caused by an Act of Terrorism or an Act of Sabotage to property at the premises of Your suppliers within the United Kingdom the Channel Islands or the Isle of Man but excluding the premises of any supply undertaking from which You obtain gas water electricity or telecommunications services

The maximum We will pay for any one Occurrence and in the aggregate under this extension will not exceed

1. 10% of the Sum Insured or
2. £500,000

Whichever is the lesser



Arch UK Regional Division

Arch Insurance (UK) Limited, 5th Floor, Plantation Place South, 60 Great Tower Street, London EC3R 5AZ – (FCA Register No 229887) authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Arch Insurance Group includes FCA registered companies, such as Thomas Underwriting Agency Limited (FCA number 304302) and Axiom Underwriting Agency Limited (FCA number 441460), registered at the address provided, who may act as intermediaries for certain insurers.