

HSBC Insurance Brokers

Business Choice

Policy Document

HSBC Insurance 

Underwritten by Allianz Insurance plc

Introduction

Your Insurer

Allianz Insurance plc is one of the largest Insurers in the UK. Our long and consistent track record gives you the peace of mind that you can trust us to be there when you need us.

Our friendly, efficient and professional people are committed to provide you with a high quality service.

In the event of having a claim, you will be in good hands. Our professional teams of claims handlers will deal with your loss promptly and seek flexible solutions to get your business back to full strength as soon as possible.

Allianz Insurance plc is authorised and regulated by the Financial Services Authority, registration number 121849. This can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Your Insurance Adviser

HSBC Insurance Brokers is a leading global specialist insurance and reinsurance broker.

HSBC Insurance Brokers have arranged a high quality package solution of bespoke insurance products and services designed to meet your business and individual needs, which is competitively underwritten by Allianz Insurance plc.

For further information please ring HSBC Insurance Brokers on 0845 604 2417.

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Please note that this *Policy* has several *Sections*.

Check the *Schedule* which *You* will find in the pocket opposite to see which *Sections* are in force.

Insuring Clause

The Application Form and any information supplied by or on behalf of the **Insured** forms the basis of this contract between the **Company** and the **Insured**.

In consideration of payment of the premium the **Company** will indemnify or otherwise compensate the **Insured** against loss, destruction, damage, injury or liability (as described in and subject to the terms, conditions, limits and exclusions of this **Policy** or any **Section** of it) occurring or arising in connection with the **Business** during the **Period of Insurance** or any subsequent period for which the **Company** agrees to accept a renewal premium.

For Allianz Insurance plc.



Andrew Torrance
Chief Executive

Allianz Insurance plc. Registered in England number 84638
Registered office. 57 Ladymead, Guildford, Surrey, GU1 1DB, United Kingdom.

Allianz Insurance plc is a member of the Association of British Insurers and the Financial Ombudsman Service.
Allianz Insurance plc is authorised and regulated by the Financial Services Authority. Our registration number is 121849.
This can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234

General Definitions

Certain words have special meanings which apply wherever they appear in the *Policy* and *Schedule*.

These words and their meanings are shown below.

Other words are given particular meanings at the beginning of individual *Sections* of this *Policy*. For these words the meaning only applies within that *Section*.

Business Address

The business address specified in the *Schedule*.

Company

Allianz Insurance plc.

Damage

Loss, destruction or damage.

Employee(s)

Any person while working for the *Insured* in connection with the Business who is under a contract of service or apprenticeship, a self-employed person, a person hired to or borrowed by the *Insured*, a voluntary helper, a person participating in a work experience or similar scheme or a labour master or labour only subcontractor, or any person supplied by them.

Excess

The amount for which the *Insured* is responsible for each loss in the circumstances described within the *Policy*.

Insured

The person, people or the company shown as the Insured in the *Schedule*.

Limit of Indemnity

The Limit of Indemnity specified in the *Schedule*, any limits apply after the *Excess* has been deducted.

Money

Business cash or any negotiable money instrument.

Non-negotiable Instrument

Any Money instrument which is by its nature non-negotiable or which has been made expressly non-negotiable.

Period of Insurance

The duration of this *Policy* as shown in the *Schedule* and any further period for which the *Company* accepts the premium.

Policy

This booklet incorporating the *Schedule* and any endorsements applying.

Premises

The building described in the *Schedule* at each *Business Address*.

Schedule

The latest schedule issued by the *Company* as part of the *Policy*.

Sum Insured

The maximum amount the *Company* will pay for each item insured under any *Section*, any sums insured apply after the *Excess* has been deducted.

Section/Sections

The parts of the *Policy* that detail the insurance cover provided by this *Policy*.

General Conditions

1 Changes in risk

If the risk of **Damage**, Injury or liability increases, this **Policy** will end immediately unless the **Company** agrees to the change in writing.

2 Arbitration

Should a disagreement arise over any amount payable to the **Insured** (liability being admitted), the matter will be decided by an arbitrator appointed in line with the legal procedures in force at the time.

If a disagreement goes to arbitration, this making of an award shall be a condition precedent to any right of action against the **Company**.

3 Cancelling the policy

The Insured's cancellation rights

The **Insured** may cancel the **Policy** within fourteen (14) days of receipt of the **Policy** documents or within a period of fourteen (14) days of receipt of the renewal documentation (referred to as the "cooling off" period). The **Insured** should exercise this right by contacting HSBC Insurance Brokers Limited.

Should the **Insured** exercise this right to cancel during the cooling off period, they will be entitled to a return of the premium paid unless a claim has been made which leads to the contract of insurance being fully completed. Any return of premium will be calculated on a proportionate basis. There is no cancellation charge. However, if the proportional amount due is less than £25 no refund will be made. The amount of premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

Should the **Insured** not exercise the right to cancel during this cooling off period, the **Policy** premium becomes due, the **Insured** may not be entitled to a refund of premium and the **Policy** may run for its full term.

If the cooling off period has expired, the **Insured** may cancel the **Policy** during the **Period of Insurance** by giving fourteen (14) days notice in writing to HSBC Insurance Brokers Limited. Provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current **Period of Insurance** the **Insured** will be entitled to a proportionate return of the premium paid. There is no cancellation charge. However, if the proportional amount due is less than £25 no refund will be made. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

In the event of cancellation the **Insured** must return to HSBC Insurance Brokers Limited the current Certificate(s) of Employers Liability Insurance.

The Company's cancellation rights

The **Company** may cancel the **Policy** by letter sent to the **Insured's** last known address giving fourteen (14) days notice. The **Insured** will then be entitled to a proportionate return of the premium in respect of the unexpired **Period of Insurance**. The amount of premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

If the premium for the **Policy** is paid by instalments, please refer to the instalment agreement for details of the cancellation procedure that will apply.

In the event of cancellation the **Insured** must return to HSBC Insurance Brokers Limited the current Certificate(s) of Employers Liability Insurance.

4 Claims procedure

If any event gives or is likely to give rise to a claim, the **Insured** or their representative must:

- a) report the details immediately to the **Company** and send a written claim within 30 days, (within 7 days if the claim is for riot, civil commotion or malicious damage)
- b) give all evidence, information and assistance required at their own expense
- c) send unacknowledged every letter, claim, writ, summons and process immediately to the **Company** and not make any admission of fault or offer or promise to make a payment without the written permission of the **Company**
- d) tell the police immediately if the **Damage** has been caused by rioters, vandals, thieves or if **Money** or **Non-Negotiable Instruments** have been lost
- e) if demanded, make a statutory declaration of the truth of the claim and of any matters connected with it.

General Conditions (continued)

This Condition does not apply to the Legal Expenses *Section* of this *Policy*.

5 Company rights after a claim

The *Company* is entitled, at its own discretion and expense:

- a) to take over and defend or settle any claim and to enforce any rights against any other party, in the name of the *Insured* before or after meeting the claim
- b) in connection with claims for property owned by the *Insured*, to enter any premises where *Damage* has occurred and take possession of, or have delivered to the *Company*, any property insured and to deal with such property in any reasonable manner, provided that no property may be abandoned to the *Company*
- c) to elect to replace, reinstate or repair any property as far as circumstances permit and in a reasonably sufficient manner. In any case, the *Company* will not pay more than the relevant *Sum Insured* or *Limit of Indemnity*.

6 Fraud

If any claim is fraudulent or if any fraudulent means or devices are used by the *Insured* or their representative to obtain any benefit under this *Policy*, or if any *Damage* results from a wilful act or with connivance of the *Insured*, all benefit under this *Policy* will be forfeited.

7 Misdescription

This *Policy* may be cancelled if the *Insured* misrepresents, misdescribes or fails to disclose any material fact.

Until the *Company* has full knowledge of all material facts and has given notice of avoiding the *Policy*, no act or omission by the *Company* or its representative(s) is to be treated as affirming the continuation of the *Policy*.

8 Other insurance

If at the time of a claim (other than for personal accident assault benefit), any other policy covers the same *Damage*, Injury or liability, the *Company* will pay no more than its share of the claim. No other Policy can increase the liability of the *Company*.

9 Observance

The due observance and fulfilment of the terms, exclusions, conditions, endorsements and clauses of this *Policy* in so far as they relate to anything to be done or complied with by the *Insured* and the truth of the statements and answers in the Application Form will be conditions precedent to the liability of the *Company* to make any payment under this *Policy*.

10 Reasonable precautions

The *Insured* must:

- a) take all reasonable precautions to prevent or minimise *Damage*, Injury or liability
- b) comply with all relevant legal requirements, manufacturers' recommendations and other regulations relating to the use, inspection and safety of property and the safety of persons.

11 VAT

The *Company* will not include VAT in any claim payment where the *Insured* is accountable to the tax authorities for VAT.

12 Law Applicable to Contract

Unless it is agreed otherwise:

- a) the language of the *Policy* and all communications relating to it will be English; and
- b) all aspects of the *Policy* including negotiation and performance are subject to English law and the decisions of English courts.

13 Payment of Premium

The *Insured* shall pay the premium of any agreed instalment upon request.

14 Rights of Parties

A person or company who was not a party to this *Policy* has no right under the Contracts (Rights of Third

General Conditions (continued)

Parties) Act 1999 or any subsequent legislation 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 such Act.

15 Survey and Risk Improvement Condition

If this **Policy** has been issued or renewed subject to the **Company** completing a survey or surveys of the **Premises** or of any other location(s) as specified by the **Company**, then pending completion of such survey(s) Cover is provided by the **Company** on the terms, conditions, provisions, exclusions and limits as specified in the **Policy** and the **Sections** of the **Policy**.

In the event that a survey should show that a risk or any part of it is not satisfactory in the opinion of the **Company**, then the **Company** reserves the right to either alter the terms and conditions of Cover or to suspend or withdraw Cover from the date Cover was incepted or renewed or for any other period specified by the **Company**.

It is a condition precedent to liability of the **Company** that the **Insured** must comply with all survey risk improvements required by the **Company** within completion time scales specified by the **Company**.

In the event that a risk improvement is not completed or risk improvement procedures are not introduced within the completion time scales specified by the **Company**, then the **Company** reserves the right to either continue Cover subject to alteration of the terms and conditions of such Cover, or to suspend or withdraw Cover effective

- a) from the date Cover was incepted or renewed, or
- b) from the expiry of any time period specified by the **Company** for completion/ introduction of the required survey risk improvements, or
- c) for any other period specified by the **Company**.

If the terms or conditions of Cover are amended by the **Company**, then the **Insured** will have fourteen (14) days to accept or reject the revised basis of Cover.

If the **Insured** elects to reject the revised basis of Cover, then the **Insured** may be entitled to a refund of premium (subject to an administration charge) provided that no claim has been made during the **Period of Insurance**.

If the **Company** exercises the right to suspend or withdraw Cover, then the **Insured** may be entitled to a refund of premium in respect of such period that Cover is suspended or for any period beyond the effective date from which Cover is withdrawn, provided that no claim has been made during the current **Period of Insurance**.

Except in so far as they are expressly varied by this condition, all the terms, conditions, provisions, exclusions and limits of the **Policy** and of the **Sections** of the **Policy** shall continue to apply until the **Company** advises otherwise.

To the extent that this condition conflicts with any other cancellation condition, this condition shall prevail.

General Exclusions (Applying to the whole **Policy**)

This **Policy** will not cover the following:

1 War and Kindred Risks

Loss destruction damage death injury disablement or liability or any consequential loss occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

2 Terrorism

- a) in respect of England, Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 : loss or destruction or damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with
 - i) any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism
 - ii) any action taken in controlling, preventing or suppressing any Act of Terrorism, or in any other way related to such Act of Terrorism.

In respect of a) above an Act of Terrorism (Terrorism) means :

Acts of Persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

- b) in respect of territories other than those stated in a) above :
 - loss or destruction or damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with
 - i) any act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such act of Terrorism
 - ii) any action taken in controlling, preventing or suppressing any act of Terrorism, or in any other way related to such act of Terrorism.

In respect of b) above an act of Terrorism (Terrorism) means :

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

In any action, suit or other proceedings where the **Company** alleges that by reason of this General Exclusion any loss or destruction or damage or any consequential loss is not covered (or is covered only up to a specified **Limit Of Indemnity**), the burden of proving to the contrary shall be upon the **Insured**.

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

3 Terrorism Limit of Indemnity

- a) Where Employers Liability cover is operative the **Limit of Indemnity** shall not exceed £5,000,000 in respect of an act of Terrorism
- b) Where Public Liability cover is operative the **Limit of Indemnity** shall not exceed the **Limit Of Indemnity** shown in the **Schedule** or £5,000,000 (whichever is the lesser) in respect of an act of Terrorism.

For the purposes of this limitation the Definition of an act of Terrorism is:

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

If the **Company** alleges that by reason of this limitation any loss damage cost or expense is not covered the burden of proving the contrary shall be upon the **Insured**.

In the event that any part of this General Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

4 Northern Ireland

Loss or destruction or damage or any consequential loss in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion and (except in respect of loss or destruction or damage or any consequential loss by fire or explosion) strikers, locked-out workers, persons taking part in labour disturbances or malicious persons.

General Exclusions (continued)

5 Terrorism – Personal Accident and Sickness

Where Personal Accident (Assault) cover and/or the Personal Accident **Section** are operative benefits are not payable as a result of any event directly or indirectly arising out of any nuclear, chemical or biological contamination due to any act of Terrorism regardless of any other cause or any other event contributing at the same time or in any other sequence to such event.

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

Contamination means contamination or poisoning of people by nuclear and/or biological substances which cause illness and/or disablement and/or death. If the **Company** allege that by reason of this General Exclusion any loss, damage, cost or expense is not covered, the burden of proving the contrary shall be upon the **Insured**.

6 Radioactivity

Damage to any property or any expense whatsoever resulting or arising there from or any consequential loss or legal liability of whatsoever nature directly or indirectly caused or contributed to or arising from:

- a) ionising radiations or radioactive contamination from nuclear fuel or nuclear waste
- b) the radioactive, toxic, explosive or other hazardous properties of explosive nuclear equipment.

7 Specific sites

any liability arising from or in connection with work on or at:

- a) any gas works, bulk oil, petrol, gas or chemical storage tanks or chambers
- b) any aircraft, airport, ship, dock, pier, wharf, harbour, reservoir, motorway, railway or pylon;
- c) or involving travelling to or from any offshore oil/gas installation, supply, support or accommodation vessel or structure relating to such an installation, or transit by sea or air;
- d) any power station or nuclear installation;
- e) any chemical works;
- f) any computer installation or computer room;
- g) any tower, steeple, chimney shaft, blast furnace, dam, canal, viaduct, bridge, tunnel, mine or colliery.

8 E Risks

- a) loss or destruction of or damage to any Computer Equipment (as defined below) consisting of or caused directly or indirectly by:
 - i) programming or operator error whether by the **Insured** or any other person
 - ii) virus or Similar Mechanism (as defined below)
 - iii) hacking (as defined below)
 - iv) malicious persons
 - v) failure of external networksunless, in respect of i), ii) and iii) above, such loss or destruction or damage results from a concurrent or subsequent cause not excluded by this or any other **Policy** Exclusion
- b) any financial loss or expense of whatsoever nature, including but not limited to business interruption, resulting directly or indirectly from the type of loss or destruction or damage described in paragraph a. of this General Exclusion
unless, in respect of a. i. ii. or iii. above, the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other **Policy** Exclusion.
- c) loss or destruction of or damage to any property other than Computer Equipment where it arises directly or indirectly out of loss or destruction of or damage to any Computer Equipment of the type described in paragraph a. of this General Exclusion unless in respect of loss or damage to other property arising from a. i., ii., and iii. above, resulting from a concurrent or subsequent cause not excluded by this or any other **Policy** Exclusion
- d) loss or destruction of or damage either to Computer Equipment or any other property where it consists of or arises directly or indirectly out of:
 - i) the erasure, loss, distortion, corruption or unauthorised access to or modification of information on computer systems or other records, programs or software by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions, or malicious persons

General Exclusions (continued)

ii) the erasure, loss, distortion, corruption or unauthorised access to or modification of information on computer systems or other records, programs or software due to any cause not included in d. i. above

iii) any misinterpretation, use or misuse of information on computer systems or other records, programs or software

unless, in respect of d. ii. and iii. above, such loss destruction or damage results from a concurrent or subsequent cause not excluded by this or any other **Policy** Exclusion.

e) any financial loss or expense of whatsoever nature including but not limited to business interruption, where it arises directly or indirectly from the type of loss or destruction or damage described in paragraphs c. and d. of this General Exclusion

unless, in respect of c., d. ii. and iii., the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other **Policy** exclusion.

For the purpose of this General Exclusion:

Computer Equipment means computer equipment, component, system or item which processes, stores, transmits or retrieves data, or any part thereof, whether the property of the **Insured** or not, whether tangible or intangible and including without limitation any information, programs or software.

Virus or Similar Mechanism means any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations (whether involving self replication or not), including but not limited to 'Trojan Horses', 'Worms' or 'Logic Bombs'.

Hacking means unauthorised access to any computer or computer equipment, component, system or item, whether the property of the **Insured** or not, which processes, stores, transmits or retrieves data.

9 Computer Date Recognition

a) The Property, Business Interruption, Computer Breakdown and Buildings **Sections** of this **Policy** do not cover loss destruction or damage directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the **Insured** or not, and whether occurring before, during or after the year 2000, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date including the failure

i) correctly to recognise any date as its true calendar date;

ii) to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date;

iii) to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any date.

b) The Public and Products Liability of this **Policy** does not cover any legal liability arising directly or indirectly from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the **Insured** or not, and whether occurring before, during or after the year 2000, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date including the failure

i) correctly to recognise any date as its true calendar date;

ii) to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date;

iii) to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any date.

10 Loss of value

Loss of market value beyond the cost of repair or replacement.

Property Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Building(s)

The Buildings at the **Premises** which include:

- a) landlord's fixtures and fittings
- b) annexes, gangways, outbuildings and extensions
- c) walls, gates and fences
- d) yards, car parks, roads and pavements.

Except as otherwise stated all buildings are:

- a) constructed of incombustible materials
- b) not artificially heated other than by:
 - i) low pressure water apparatus, fixed electrical heaters or fixed gas or oil heaters with a fuel source outside the **Premises**
 - ii) portable electric heaters in areas occupied solely as offices.

Business

The business stated in the **Schedule**.

Defined Perils

Fire; lightning; explosion; aircraft or other aerial devices or articles dropped therefrom; riot; civil commotion; strikers; locked-out workers; persons taking part in labour disturbances; malicious persons other than thieves; earthquake; storm; flood; bursting, overflowing or leaking of water tanks, apparatus or pipes; escape of oil from any fixed heating installation; impact by any road vehicle or animal.

Geographical Limits

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

Injury

Accidental bodily injury solely and directly as a result of violent attack.

Intruder Alarm System

Any intruder alarm system including ancillary transmission lines and equipment installed at the **Premises** details of which have been provided to the **Company**.

Keyholder

Any **Insured** or any person or keyholding company authorised by the **Insured** who is available at all times to accept notification of faults or alarm signals relating to the **Intruder Alarm System**, attend, and allow access to the **Premises**.

Machinery

Machinery, trade fixtures and fittings, and all other contents in or at the **Premises** including:

- a) tenant's improvements, alterations and decorations
- b) the **Insured's** personal belongings or those of the **Insured's Employees**, directors and visitors (other than motor vehicles). The most the **Company** will pay is £500 to any one person.
- c) documents, manuscripts and business books for the cost of the materials and of clerical labour in reproducing them
- d) computer systems records for the cost of the materials and of clerical labour in reproducing them. The most the **Company** will pay is £5,000
- e) patterns, moulds, models, plans or designs all belonging to the **Insured** or for which the **Insured** is legally liable.

The following are not included as Machinery:

- a) **Stock**
- b) **Target Stock**
- c) Landlord's fixtures and fittings
- d) any cost in connection with producing information to be recorded in documents, manuscripts, business books or computer systems records

- e) motor vehicles and their accessories
- f) the *Insured's* personal belongings or those of the *Insured's Employees*, directors and visitors, comprising jewellery, furs and property insured more specifically
- g) cash, stamps or banknotes except as provided for elsewhere in this *Section*
- h) glass except as provided for elsewhere in this *Section*
- i) deeds, bonds, bills of exchange, promissory notes, securities, medals, coins or stamps forming part of a collection.

Rent

Periodic payments made to or by the *Insured* for the lease of the *Buildings*.

Responsible Person

Any person authorised by the *Insured* to be responsible for the security of the *Premises*.

Stock

Stock and materials in trade, (excluding *Target Stock*), the property of the *Insured* or held by the *Insured* in trust or on commission for which the *Insured* is responsible in or at the *Premises*.

Target Stock

Tobacco, cigarettes and cigars, spirits, watches, jewellery, precious or semi precious stones, articles of gold or silver or other precious metals, computer and data processing equipment and accessories, drugs, audio, TV and video equipment, non-ferrous metals, photographic equipment, sports goods, oriental carpets, clothing, furs and leather goods, works of art, mobile phone vouchers and mobile phones.

Cover and amount payable

In the event of the property suffering accidental *Damage* during the *Period of Insurance*, the *Company* will pay the amount of the *Damage* or at its option replace or repair such *Damage*.

Provided that:

- i) the liability of the *Company* will not exceed the value of the property at the time of the *Damage* or the cost of the *Damage*
- ii) the maximum amount payable will not exceed the individual *Sum Insured* or limit set against each item in the *Schedule* in any one *Period of Insurance*.

Cover extensions

Architects', surveyors', consulting engineers' and legal fees

The insurance by each item on *Buildings* or *Machinery* includes an amount for architects', surveyors', consulting engineers' and legal fees necessarily and reasonably incurred in the reinstatement or repair of the property, consequent upon its *Damage* but not for preparing any claim. It is understood that the amount payable for the *Damage* and fees will not exceed the *Sum Insured* in total for a particular item.

Capital additions

The insurance for *Buildings* and *Machinery* includes:

- a) newly acquired or erected property
 - b) alterations, additions and improvements but not any appreciation in value,
- all within the *Geographical Limits*.

Provided that:

- i) at any one situation this cover will not exceed 10% of the total sums insured on such property or £250,000 in total, whichever is the less
- ii) immediately such specific insurance is effected, cover by this Extension will be fully restored.

Contract price

For goods sold but not delivered, for which the *Insured* is responsible and with regard to which under the conditions of sale, the sale contract is cancelled by reason of any *Damage* insured by this *Section*, either wholly or to the extent of the *Damage*, the liability of the *Company* will be placed on the contract price, and for the purposes of Average the value of all goods to which this Extension would in the event of *Damage* be applicable will be ascertained on the same basis.

Contracting purchaser

Where the *Insured* contracts to sell his interest in any *Building* insured by this *Section*, the contracting purchaser who completes the purchase, has the benefit of the insurance by this *Section* up to the date of the completion in so far as the *Buildings* are not otherwise insured and without prejudice to the rights and liabilities of the *Insured* or the *Company*.

Cost of re-erection

The insurance on *Machinery* extends to include the cost of re-erecting, fitting and fixing machinery and plant consequent upon *Damage* insured by this *Section*.

Designation

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

European union and public authorities

The insurance by each item on *Buildings* or *Machinery* includes the additional cost of reinstating any *Damage* to the Property Insured incurred solely by reason of the necessity to comply with the stipulations of European Union Legislation or building or other regulations under, or framed in pursuance of, any act of parliament or with byelaws of any public authority (hereafter referred to as 'the stipulations'), excluding:

- a) the cost incurred in complying with any of the aforesaid stipulations:
 - i) in respect of *Damage* occurring prior to the granting of this Extension
 - ii) in respect of *Damage* not insured by this *Section*
 - iii) under which notice has been served upon the *Insured* prior to the happening of the *Damage*
 - iv) in respect of property entirely undamaged by any peril hereby insured against
- b) the additional cost that would have been required to make good the *Damage* to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property by the owner of it by reason of compliance with the stipulations.

European Union and Public Authorities Special Conditions

- 1 The work of reinstatement must be commenced without unreasonable delay and in any case must be completed within 12 months after the happening of the *Damage* or within such further time as the *Company* may allow (during the said twelve (12) months) and may be carried out upon another site (if the Stipulations so necessitate), subject to the liability of the *Company* under this Extension not being increased.
- 2 If the liability of the *Company* under any item of this *Section* apart from this Extension will be reduced by the application of any of the terms and conditions of the *Policy*, then the liability of the *Company* under this Extension for any such item will be similarly reduced.
- 3 The total amount recoverable under any item of this *Section* in respect of this Extension shall not exceed:
 - a) in respect of the damaged property,
 - i) 15% of its *Sum Insured*.
 - ii) where the *Sum Insured* by the item applies to property at more than one premises 15% of the total amount for which the *Company* would have been liable had the Property Insured by the item at the *Premises* where the *Damage* has occurred been wholly destroyed.
 - b) in respect of undamaged portions of property (other than foundations) 15% of the total amount for which the *Company* would have been liable had the Property Insured by the item at the *Premises* where the *Damage* has occurred been wholly destroyed.

- 4 The total amount payable under this Extension and the **Section** for any item will not exceed its **Sum Insured**.
- 5 All the terms and conditions of this **Section**, except in so far as they may be expressly varied by this Extension, will apply as if they had been incorporated.

Exhibitions

The **Company** will pay up to a maximum of £5,000 during any one **Period of Insurance** for **Stock, Target Stock** and **Machinery** while at any exhibition taking place within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands following **Damage**.

Glass breakage

The **Company** will at their option pay for or make good to the **Insured** any breakage or malicious scratching of internal or external fixed glass being the property of the **Insured** for which they are responsible at the **Premises** occurring during the **Period of Insurance** and being in sound condition at the inception of this **Policy**.

The **Company** will in addition pay for the cost of:

- a) breakage of fixed sanitary ware
- b) boarding up and repair to associated framework reasonably incurred as a result of an insured breakage. The **Insured** may without prior consent of the **Company**, instruct builders or glaziers to board up where necessary
- c) repair or replacement of fixed mirrors provided that the **Company's** maximum liability for any one loss shall not exceed £500
- d) repair or replacement of window alarm foil, ornamental glass, lettering and silvering provided that the **Company's** maximum liability for any one loss shall not exceed £250
- e) removal or replacement of fixtures and fittings which may be necessary in connection with the replacement of the glass provided that the **Company's** maximum liability for any one loss shall not exceed £500

excluding any breakage more specifically insured by or on behalf of the **Insured**.

Index linking

The **Sum Insured** for **Buildings, Stock, Target Stock** and **Machinery** will be increased at monthly intervals in line with the movement of the Producer Price Index for Home Sales of Manufactured Products issued by the Central Statistics Office (or an alternative index selected by the **Company**). Each renewal premium will be calculated on the revised **Sum Insured**.

Index linking of the **Sum Insured** will continue during repair or replacement of **Damage** provided that the **Sum Insured** at the time of the **Damage** represents the value at risk and that the work of repair or replacement is carried out without delay.

Loss of money

The **Company** will indemnify the **Insured** in respect of loss of **Money** from any cause held in connection with the **Business**:

- a) while in transit within the **Geographical Limits** or in a bank safe
- b) while in the private dwelling of any principal or authorised **Employee** of the **Insured**
- c) on the **Premises** during Business hours
- d) on the **Premises** when closed for Business
 - i) not contained in a locked safe
 - ii) in a locked safe.

The **Company** will also pay for loss of **Non-negotiable Instruments** held in connection with the **Business**.

The liability of the **Company** will not exceed the cost of the **Damage**. The maximum amount payable for any one loss will not exceed the **Limit of Indemnity** stated in the **Schedule**.

The **Company** will also pay for **Damage** to any safe, till, cash register, cash carrying case or security waistcoat arising from theft of **Money** or **Non-negotiable Instruments**.

It is a condition precedent to liability that whenever **Money** in transit exceeds £3,000 at any time:

- a) the **Money** will be accompanied by not less than 2 responsible adult persons
- b) not more than £3,000 will be carried by any one person
- c) all notes will be carried on the person and coins will be carried in a bag.

Excluding:

- a) loss arising from fraud or dishonesty of the **Insured's Employees** unless such loss be discovered within 14 clear working days of the occurrence
- b) loss due to clerical or accounting errors
- c) loss from unattended motor vehicles
- d) any consequential loss.

Motor vehicles

Any insurance provided by this **Section** for motor vehicles and their contents is limited to the amount in excess of that recoverable under any more specific insurance. The **Company** will not be liable for any amount excluded from such more specific insurance by reason of the application of an excess or deductible.

Personal accident - assault

If the **Insured** or any director or **Employee** or partner of the **Insured** within the age limits 16 to 70 years shall suffer bodily **Injury** caused solely or directly as a result of robbery or any attempt there at in the course of the **Business**, the **Company** will pay compensation on the following basis:

1	Death	£10,000
2	Total loss or permanent and total loss of use of one or more limbs	£10,000
3	Total and irrecoverable loss of all sight in one or both eyes, total loss of speech, or total and irrecoverable loss of hearing in one or both ears	£10,000
4	Temporary total disablement from engaging in usual occupation for any period up to a maximum of 104 weeks	£100 per week (payable monthly)

occurring
within 12
months of
sustaining the
bodily **Injury**

Provided that:

- a) no compensation is payable under the Personal Accident **Section** of this **Policy**
- b) compensation will not be payable under more than one of the above items for the same **Injury**
- c) no further liability will attach to the **Company** for bodily **Injury** arising from or influenced by an existing physical defect or infirmity or the medical condition of any person entitled to compensation hereunder or resulting from pregnancy or childbirth.

The insurance is extended to pay for **Damage** to cash carrying devices, clothing, personal effects and money belonging to the **Insured** or any **Employee** of the **Insured** up to a limit of £100 for personal money and £500 in total for any one person.

Loss of metered water and heating oil

The **Company** will indemnify the **Insured** in respect of loss of metered water or heating oil consumed as a direct result of **Damage** up to a maximum of £2,500 any one loss.

Mortgagees, freeholders and lessors clause

The act or neglect of any mortgagor or leaseholder or lessee or occupier of any **Building** insured by this **Section** where the risk of **Damage** is increased without the authority or knowledge of any mortgagee or freeholder or lessor will not prejudice the interest of the latter party(ies) in this insurance provided they notify the **Company** immediately on becoming aware of such increased risk and pay an additional premium if required.

No reduction in sum insured

In the event of a claim and in the absence of written notice by the *Company* or the *Insured* to the contrary, the relevant *Sum Insured* will be maintained, provided that the *Insured* agrees to pay any additional premium required.

Non invalidation

The insurance by this *Section* will not be invalidated by any act or omission or by any alterations whereby the risk of *Damage* is increased, either with or without the knowledge of the *Insured*, provided that the *Insured* advises the *Company* as soon as reasonably practicable or upon becoming aware of such alteration and pays any additional premium required.

Other interests

For property not belonging to the *Insured* but insured by this *Section*, the interest of other parties is included under this insurance if the *Insured* has, prior to any loss, accepted responsibility to insure such interest.

Reinstatement

In the event of any *Buildings* or *Machinery* insured by this *Section* sustaining *Damage* the basis upon which the amount payable under such items is to be calculated shall be the cost of Reinstatement subject to the provisions as follows.

“Reinstatement” means:

- a) where property is destroyed the rebuilding of the property if a *Building* or in the case of other property its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new
- b) where property is damaged the repair of the *Damage* and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

Provisions:

- 1 No payment beyond the amount which would have been payable had this Extension not been operative shall be made:
 - a) unless the work of Reinstatement is commenced and carried out with reasonable despatch
 - b) until the cost of Reinstatement has been incurred
 - c) unless any other insurance covering the *Insured's* interest in the property at the time of *Damage* is upon the same basis of Reinstatement as this *Policy*,
and if no such payment is made, then the rights and liabilities of the *Company* and the *Insured* shall be those which would have applied had this *Section* been operative.
- 2 Reinstatement may be carried out at another site and in any manner suitable to the *Insured* subject to the liability of the *Company* not being increased as a result.
- 3 In the event of partial *Damage* to any property insured under this Extension the *Company's* liability for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed.
- 4 Each item insured under this Extension is declared to be separately subject to the following Average Condition.

If the *Sum Insured* on any item at the time of *Damage* is less than 85% of the cost of reinstating the whole of the property insured by such item at the time of Reinstatement then the *Insured* shall be considered as being their own Insurer for the difference between the *Sum Insured* and the cost of Reinstatement of the whole of the property and shall bear a rateable proportion of the loss accordingly.

Removal of debris

The insurance by this *Section* extends to include costs and expenses incurred by the *Insured* with the consent of the *Company* in:

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up or propping,

of the portion(s) of the property which is the subject of a claim under this *Section*.

The liability of the *Company* under this Extension and the *Section* for any item will in no case exceed the *Sum Insured* for that item. The *Company* will not pay for any costs or expenses:

- i) incurred in removing debris except from the site of any property which is the subject of a claim under this *Section* and the area immediately adjacent to such site
- ii) arising from pollution or contamination of property not insured by this *Section*.

Rent

Any insurance on rent applies only if the said *Building* or any part of it is unfit for occupation in consequence of *Damage* and the amount payable will not exceed such proportion of the *Sum Insured* on rent as the period necessary for reinstatement bears to the period of rent insured.

Replacement of locks

The *Company* will pay up to a maximum of £1,000 for the necessary replacement of locks to any external doors to the *Premises* or safe or strongroom following the loss of keys (provided that any keys are not left in the *Premises* overnight).

Telephone, gas, electricity and water mains

The insurance by each item on *Buildings* or *Machinery* extends to cover telephones, gas, water and electrical instruments, meters, piping, cabling and accessories including similar property in adjoining yards and roadways or underground (and pertaining to any *Building* insured by this *Section*), all belonging to the *Insured* for which the *Insured* is responsible.

Temporary removals

The insurance extends to cover *Damage* within the *Geographical Limits* to:

- a) property insured (other than *Stock* and *Target Stock*) temporarily removed from the *Premises* for cleaning, renovation, repair or other similar purposes, provided that the liability of the *Company* will not exceed 10% of the *Sum Insured* on each item
- b) computer systems records, deeds and other documents (including stamps on them), manuscripts, plans, writing of plans, writing of every description and books (written and printed) temporarily removed from the *Premises* for an amount not exceeding their total value or £1,000, whichever is less.

Provided that this Extension does not apply to:

- a) property otherwise insured
- b) motor vehicles and motor chassis licensed for road use.

Theft damage to buildings

The *Company* will also pay for the amount for which the *Insured* is responsible to make good *Damage* to the *Buildings* of the *Premises* (if not otherwise insured) as a result of theft or attempted theft involving entry to or exit from such *Buildings* by forcible or violent means.

Waiver of subrogation rights

In the event of a claim arising under this *Section* the *Company* agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a) any company standing in the relation of parent to subsidiary (or subsidiary to parent) to the *Insured*
- b) any company which is a subsidiary of a parent company of which the *Insured* are themselves a subsidiary in each case as defined by current legislation.

Workmen

Workmen are allowed in and about any of the *Premises* for the purpose of making new erections or alterations, repair, decoration, plant installation, general maintenance and the like without prejudice to the terms and conditions of this *Section*.

Conditions

Average

If, at the time of any **Damage** to property, the **Sum Insured** by the relevant item is less than the full value of property insured by that item, the amount payable by the **Company** will be proportionately reduced.

Minimum security level

It is a condition precedent to the liability of the **Company** in respect of **Damage** by theft or attempted theft that the **Premises** are secured as follows or as agreed or stipulated by the **Company**:

Doors - all external doors (and internal doors leading to other parts of the **Premises** not in the **Insured's** sole occupancy):

Aluminium Doors - cylinder lock

Roller Shutter Doors - a guide pin lock or a locking bar and close shackle padlock, with a staple set into concrete and the locking bar secured to the shutter.

Other Doors - mortice deadlock conforming to BS 3621.

For double doors, key operated locks or bolts must be fitted top and bottom to the first closing leaf, in addition to a lock as described above to the second closing leaf.

Windows - all external basement, ground floor and other accessible windows which were originally constructed to open:

Key operated locks or Grilles or Bars (not more than 5 inches apart) securely fixed to the brickwork or masonry surrounding the window.

Fire break doors and shutters

In respect of **Damage** by fire it is a condition precedent to the liability of the **Company** that all fire break doors and shutters will be kept closed except during working hours and will be maintained in efficient working order.

Fire extinguishing appliances

In respect of **Damage** by fire it is a condition precedent to the liability of the **Company** that any fire extinguishing appliances kept at the **Premises** will be maintained in efficient working order.

Protections

It is a condition precedent to the liability of the **Company** that:

- a) all protections provided for the safety of the property insured will be maintained throughout the **Period of Insurance** and will not be withdrawn or varied without the **Company's** written consent
- b) whenever the **Premises** are left unattended:
 - i) all protections provided for the safety of the property insured will be put into effect
 - ii) all keys for safes and doors and records of any combinations for safes and strongrooms will be removed from the **Premises**.

Intruder alarm system

Where an **Intruder Alarm System** is required by the **Company**, it is a condition precedent to the liability of the **Company** that:

- 1 The **Intruder Alarm System** is installed in the form agreed with the **Company**.
- 2 The **Intruder Alarm System** is maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company or such other company as agreed with the **Company**.
- 3 There will be no alteration or substitution of:
 - a) any part of the **Intruder Alarm System**
 - b) the procedures agreed with the **Insured** for Police or any other response to any activation of the **Intruder Alarm System**
 - c) the maintenance contract,without the written agreement of the **Company**.

- 4 The **Premises** or those portions of the **Premises** protected by an **Intruder Alarm System** will not be left unattended without at least one **Responsible Person** therein:
 - a) unless the **Intruder Alarm System** is set in its entirety with the means of communication used to transmit signals in full operation
 - b) if the Police have withdrawn their response to alarm calls
 - c) if the **Insured** or any **Responsible Person** is aware that the **Intruder Alarm System** is not fully operational
 - d) without the agreement of the **Company**.
- 5 Codes for the operation of the **Intruder Alarm System** are only disclosed to a **Responsible Person** or **Keyholder** and no details of the codes are left on the **Premises**.
- 6 All keys to the **Intruder Alarm System** are removed to a place of safe keeping whenever the **Premises** are unattended.
- 7 The **Insured** shall appoint at least two **Keyholders** and lodge written details (which must be kept up to date) with the alarm company and Police.
- 8 On notification of any activation of the **Intruder Alarm System** or interruption of the means of communication during any period that the **Intruder Alarm System** is set, a **Keyholder** will attend the **Premises** as soon as reasonably possible.
- 9 In the event of the **Insured** receiving notification:
 - a) that Police attendance in response to alarm signals/calls from the **Intruder Alarm System** may be withdrawn or the level of response reduced or delayed
 - b) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
 - c) that the **Intruder Alarm System** cannot be returned to or maintained in full working order, the **Insured** will advise the **Company** as soon as possible, and in any event, not later than 10.00am on the next working day of the **Company** and comply with any subsequent requirements stipulated by the **Company**.
- 10 Whenever a **Responsible Person** or **Keyholder** leaves the employment of the **Insured** then all codes for operation of the **Intruder Alarm System** will be changed as soon as possible.

Unoccupied or untenanted buildings

It is a condition precedent to the liability of the **Company** that:

- a) notice is to be given to the **Company** in the event of any **Buildings** (or part thereof) becoming unoccupied or untenanted or when any unoccupied or untenanted **Building** (or part thereof) is again occupied and a suitable additional premium will be paid if required
- b) when any **Building** (or part thereof) is untenanted or unoccupied:
 - i) all gas, water and electricity mains supplies will be kept disconnected (except electricity where needed to maintain any fire alarm system or **Intruder Alarm System** in operation)
 - ii) the water system will be drained
 - iii) all doors will be kept securely locked to prevent unauthorised entry
 - iv) all broken or defective windows will be kept boarded up and all other windows and openings will be firmly secured at all times
 - v) visits will be carried out at least twice a week by the **Insured** or the **Insured's** nominee in order to inspect the **Premises** internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
 - vi) all waste refuse and other disused combustible materials will be cleared from the **Building** and removed from the **Premises** at least once a week
 - vii) any **Intruder Alarm System** will be put into operation.

Exclusions

This **Section** does not cover **Damage**:

- 1 caused by pollution or contamination except (unless otherwise excluded) **Damage** to property insured caused by:
 - a) pollution or contamination which itself results from a **Defined Peril**
 - b) a **Defined Peril** which itself results from pollution or contamination.
- 2 to:
 - a) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects unless the **Damage** is caused by a **Defined Peril**, theft or attempted theft
 - b) vehicles licensed for road use (or their contents)
 - c) caravans, trailers, watercraft, aircraft or other aerial devices, locomotives, rolling stock and their contents
 - d) property or structures in the course of construction or erection including materials and supplies in connection with such property in the course of construction or erection
 - e) land, roads, pavements, dams, reservoirs, piers, jetties, bridges, culverts or excavations
 - f) growing crops, trees or animals
 - g) property in transit other than such **Damage** caused by a **Defined Peril** in so far as it is not otherwise excluded.
- 3 to a **Building** caused by its own collapse or cracking unless resulting from a **Defined Peril** which is not otherwise excluded.
- 4 caused by:
 - a) theft or attempted theft not involving entry to or exit from the **Premises** by forcible and violent means
 - b) actual threatened assault or violence or use of force against the **Insured** or any director, partner or **Employee** of the **Insured** or any other person lawfully on the **Premises**
 - c) theft or attempted theft by any person lawfully on the **Premises**
 - d) theft or attempted theft arising with the collusion of the **Insured**, any member of the **Insured's** family or any director or **Employee** of the **Insured**
 - e) theft of moveable property in the open.
- 5 caused by disappearance, unexplained or inventory shortage, shortage in supply or delivery, misfiling or misplacing information or clerical error.
- 6 to property:
 - a) by fire resulting from its undergoing a process involving the application of heat
 - b) (other than by fire) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.
- 7
 - a) caused by freezing or escape of water from any tank, apparatus or pipe
 - b) caused (other than by fire or explosion) by malicious persons in respect of any **Buildings** which are empty or not in use
- 8 caused by:
 - a) latent defect, inherent vice, error in design, defective workmanship or materials or misuse of lifting equipment
 - b) the bursting of a boiler (which is not for domestic use), economiser, or other vessel, machine or apparatus where the internal pressure results solely from steam and belongs to or is under the control of the **Insured**,but this will not exclude loss resulting from subsequent **Damage** which itself results from a cause not otherwise excluded.

- 9 caused by:
- a) variations in temperature or humidity, frost, change in water table level, corrosion, rust, contamination or pollution, wear and tear, marring, scratching, moth, vermin, insect, fungus, the process of dyeing, cleaning, repairing, redecorating or renovating any product or any gradually operating cause
 - b) joint leakage, failure of welds, cracking, fracturing, or overheating of boilers, economisers, superheaters, pressure vessels or any related range of steam and feed piping
 - c) mechanical or electrical breakdown, or derangement for the particular machine, apparatus or equipment in which such breakdown or derangement originates, but this will not exclude:
 - i) such **Damage** not otherwise excluded which itself results from a **Defined Peril** or from any other accidental loss, destruction or **Damage**
 - ii) subsequent **Damage** which itself results from a cause not otherwise excluded
 - d) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services, but this will not exclude loss resulting from:
 - i) such **Damage** not otherwise excluded which itself results from a **Defined Peril** or from any other accidental loss, destruction or **Damage**
 - ii) subsequent **Damage** which itself results from a cause not otherwise excluded.
- 10 the cause of which cannot be explained.
- 11 caused by operational error or omission on the part of the **Insured** or any of his **Employees**, but this will not exclude:
- a) such **Damage** not otherwise excluded which itself results from a **Defined Peril**
 - b) subsequent **Damage** which itself results from a cause not otherwise excluded.
- 12 caused by bursting, overflowing or leaking of water tanks, apparatus or pipes or the escape of oil from any fixed domestic heating installation to the water tank, apparatus, pipe or fixed domestic heating installation itself.
- 13 caused by:
- a) cessation of work
 - b) exposure of weather conditions to fences, gates, hoardings or to any moveable property left in the open air or in any **Building** which does not have permanent foundations
 - c) the freezing or solidification of molten materials
 - d) subsidence, ground heave, landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
 - e) normal settlement or bedding down of new structures.
- 14 to property which, at the time of the **Damage** is insured by or would, but for the existence of this **Section**, be insured by any marine policy, except for any **Excess** beyond the amount which would have been payable under the marine policy had this insurance not been effected.
- 15 to any property more specifically insured by other policies.
- 16 to electrical wiring, plant or apparatus caused by self-ignition but this Exclusion only applies to the part of the electrical wiring, plant or apparatus in which self-ignition occurs.
- 17 to jewellery, precious metals, bullion, precious stones, furs, curiosities, works of art or rare books unless specifically insured by this **Section**.

This **Section** does not cover the amount stated under the heading of **Excesses** in the **Schedule**. Such amount will be deducted from each claim for **Damage** after all other terms of the **Policy** have been applied, including any Condition of Average.

Business Interruption Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Business

The business stated in the **Schedule**.

Customers

Customers or individuals who obtain goods or services from the **Insured**.

Geographical Limits

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

Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the last day of the period specified in the **Schedule** as Maximum Indemnity Period during which the results of the **Business** will be affected in consequence of the **Damage**.

Gross Profit

The amount by which the sum of the **Turnover** and the amount of the closing stock and work in progress will exceed the sum of the opening stock and work in progress and the amount of the **Uninsured Working Expenses**.

Note: The amount of the opening and closing stocks and work in progress will be arrived at in accordance with the **Insured's** normal accountancy methods, due provision being made for depreciation.

Rate of Gross Profit

The rate of **Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the **Damage**.

Turnover

The money paid or payable to the **Insured** for goods sold and delivered and for services rendered in the course of the **Business** at the **Premises**.

Annual Turnover

Turnover during the 12 months immediately before the date of the **Damage**.

Standard Turnover

Turnover during that period in the 12 months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

Outstanding Debit Balances

The total amount of the balances debited to **Customers** in the **Insured's** accounts after equitable allowances have been made for bad debts and for amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the incident) to **Customers** accounts at the date of the incident.

Uninsured Working Expenses

Bad debts and purchases (less discounts allowed) carriage, packing and freight.

To which such adjustments will be made as may be necessary to provide for the trend of the **Business** and for variations in or special 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 will represent as nearly as may be practicable the results which, but for the **Damage**, would have been obtained during the relative period after the **Damage**

Cover and amount payable

In the event of:

- a) any **Buildings**, or
- b) any other property,

used or owned by the **Insured** at the **Premises** for the purpose of the **Business** suffering accidental **Damage** during the **Period of Insurance** and the **Business** carried on by the **Insured** at the **Premises** being in consequence thereof interrupted or interfered with the **Company** will pay the amount of the loss resulting from such interruption or interference.

Provided that:

- 1 At the time of the **Damage** there is an insurance in force covering the interest of the **Insured** in the property at the **Premises** against such **Damage** under which:
 - a) payment has been made or liability admitted, or
 - b) payment would have been made or liability admitted but for the operation of any proviso in such insurance excluding liability for losses below a specified amount.
- 2 The liability of the **Company** will not exceed the **Sum Insured** stated in the **Schedule** in any one **Period of Insurance**.

The insurance is limited to loss of **Gross Profit** due to a) reduction in **Turnover** and b) increase in the cost of working and the amount payable will be:

- a) reduction in **Turnover**, being the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** will, in consequence of the **Damage**, fall short of the **Standard Turnover**
- b) increase in cost of working, being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **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 avoided,

less any sum saved during the **Indemnity Period** in respect of such 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** on **Gross Profit** is less than the sum produced by applying the **Rate of Gross Profit** to the **Annual Turnover** (or to a proportionately increased multiple thereof where the maximum **Indemnity Period** exceeds 12 months) the amount payable will be proportionately reduced.

Cover extensions

Book debts

In the event of the *Insured's* books of accounts or other *Business* records suffering accidental *Damage* whilst at the *Premises* during the *Period of Insurance* and the *Insured* being in consequence thereof unable to trace or establish debit balances due to him in whole or in part, the *Company* will pay the amount of the loss resulting from such *Damage*.

The liability of the *Company* will not exceed the *Sum Insured* stated in the *Schedule* in any one *Period of Insurance*.

The insurance by this Extension is limited to:

- a) the difference between the *Outstanding Debit Balances* and the total of the amounts received or traced in respect thereof
- b) the additional expenses incurred with the consent of the *Company* in tracing and establishing *Customers'* debit balances after the occurrence of *Damage*.

Customers premises

Loss as insured by this *Section* includes loss resulting from interruption or interference with the *Business* in consequence of *Damage* at the premises of any of the *Insured's Customers* in the *Geographical Limits*.

Provided that after the application of all other terms conditions and provisions of the *Policy* the liability of the *Company* in respect of any one occurrence shall not exceed 10% of the *Sum Insured* on *Gross Profit*.

Denial of access

Loss as insured by this *Section* includes loss resulting from interruption of or interference with the *Business* in consequence of accidental *Damage* to property in the vicinity of the *Premises* which shall prevent or hinder the use of the *Premises* or access thereto whether the *Premises* or property of the *Insured* therein shall be damaged or not (but excluding *Damage* to property of any supply undertaking from which the *Insured* obtains electricity, gas, water or telecommunications services which prevents or hinders the supply of such services).

Failure of utilities

Loss as insured by this *Section* includes loss resulting from interruption or interference with the *Business* in consequence of the accidental failure at the terminal ends of the supply undertaking's feed to the *Insured's Premises* of the supply of electricity, gas or water excluding:

- a) any failure lasting less than 30 minutes
- b) failure caused by industrial dispute
- c) any failure of telecommunications services.

Provided that after the application of all other terms, conditions and provisions of the *Policy* the liability of the *Company* in respect of any one occurrence shall not exceed 10% of the *Sum Insured* on *Gross Profit*.

No reduction in sum insured

In the event of a claim, and in the absence of written notice by the *Company* or the *Insured* to the contrary, the *Sum Insured* will be maintained provided that the *Insured* agrees to pay any additional premium.

Payments on account

Payments on account will be made to the *Insured* during the *Indemnity Period* if desired.

Professional accountants

Any particulars or details in the *Insured's* books of account or other information or evidence which may be required by the *Company* under the conditions of this *Policy* for the purpose of investigating or verifying any claim may be produced by professional accountants if, at the time, they are regularly acting as such for the *Insured* and their report will be prima facie evidence of the particulars and details to which such report relates.

The **Company** will pay the reasonable charges payable by the **Insured** to the accountants for producing such information.

Provided that the total amount payable under any item of this **Section** will not exceed its **Sum Insured**.

Suppliers premises

Loss as insured by this **Section** includes loss resulting from interruption or interference with the **Business** in consequence of **Damage** at the premises of any of the **Insured's** suppliers, manufacturers or processors of components, goods or materials all in the **Geographical Limits** but excluding the premises of any supply undertaking from which the **Insured** obtains electricity, gas, water or telecommunications services.

Provided that after the application of all other terms conditions and provisions of the **Policy** the liability of the **Company** in respect of any one occurrence shall not exceed 10% of the **Sum Insured** on **Gross Profit**.

Telecommunications breakdown

Accidental failure of telecommunications services to the **Insured's Premises** for a continuous period of not less than eight (8) hours excluding:

- a) the exercise by any telecommunications supplier of its power to withhold or restrict operation of the system
- b) the inability of any such supplier to maintain the system due to industrial action by any of its employees
- c) use by the **Insured** of machinery and equipment which is not acceptable to the telecommunications supplier as properly installed and compatible with the telecommunications system.

Provided that after the application of all other terms, conditions and provisions of the **Policy** the liability of the **Company** in respect of any one occurrence shall not exceed 10% of the **Sum Insured** on **Gross Profit**.

Waiver of subrogation rights

In the event of a claim arising under this **Section** the **Company** agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a) any company standing in the relation of parent to subsidiary (or subsidiary to parent) to the **Insured**
- b) any company which is subsidiary of a parent company of which the **Insured** are themselves a subsidiary, in each case as defined by current legislation.

Exclusions

This *Section* does not cover:

- 1 **Damage** caused by pollution or contamination except (unless otherwise excluded) **Damage** to property insured caused by:
 - a) pollution or contamination which itself results from a **Defined Peril**
 - b) a **Defined Peril** which itself results from pollution or contamination.
- 2 **Damage** to:
 - a) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects
 - b) vehicles licensed for road use (or their contents)
 - c) caravans, trailers, watercraft, aircraft or other aerial devices, locomotives, rolling stock and their contents
 - d) property or structures in the course of construction or erection including materials and supplies in connection with such property in the course of construction or erection
 - e) land, roads, pavements, dams, reservoirs, piers, jetties, bridges, culverts or excavations
 - f) growing crops, trees or animals
 - g) property in transit other than such **Damage** caused by a **Defined Peril** in so far as it is not otherwise excluded.
- 3 **Damage** to a **Building** caused by its own collapse or cracking unless resulting from a **Defined Peril** which is not otherwise excluded.
- 4 **Damage** caused by:
 - a) theft or attempted theft not involving entry to or exit from the **Premises** by forcible and violent means
 - b) actual threatened assault or violence or use of force against the **Insured** or any director, partner or **Employee** of the **Insured** or any other person lawfully on the **Premises**
 - c) theft or attempted theft by any person lawfully on the **Premises**
 - d) theft or attempted theft arising with the collusion of the **Insured**, any member of the **Insured's** family or any director or **Employee** of the **Insured**.
- 5 **Damage** caused by disappearance, unexplained or inventory shortage, shortage in supply or delivery, misfiling or misplacing information or clerical error.
- 6 **Damage** to property:
 - a) by fire resulting from its undergoing a process involving the application of heat
 - b) (other than by fire) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.
- 7 **Damage**:
 - a) caused by freezing or escape of water from any tank, apparatus or pipe
 - b) caused (other than by fire or explosion) by malicious persons, in respect of any **Buildings** which are empty or not in use
- 8 **Damage** caused by:
 - a) latent defect, inherent vice, error in design, defective workmanship or materials or misuse of lifting equipment
 - b) the bursting of a boiler (which is not for domestic use), economiser, or other vessel, machine or apparatus where the internal pressure results solely from steam and belongs to or is under the control of the **Insured**,but this will not exclude loss resulting from subsequent **Damage** which itself results from a cause not otherwise excluded.

- 9 **Damage** caused by:
- a) variations in temperature or humidity, frost, change in water table level, corrosion, rust, contamination or pollution, wear and tear, marring, scratching, moth, vermin, insect, fungus, the process of dyeing, cleaning, repairing, redecorating or renovating any product or any gradually operating cause
 - b) joint leakage, failure of welds, cracking, fracturing, or overheating of boilers, economisers, superheaters, pressure vessels or any related range of steam and feed piping
 - c) mechanical or electrical breakdown, or derangement for the particular machine, apparatus or equipment in which such breakdown or derangement originates, but this will not exclude:
 - i) such **Damage** not otherwise excluded which itself results from a **Defined Peril** or from any other accidental loss, destruction or **Damage**
 - ii) subsequent **Damage** which itself results from a cause not otherwise excluded
 - d) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services, but this will not exclude loss resulting from:
 - i) such **Damage** not otherwise excluded which itself results from a **Defined Peril** or from any other accidental loss, destruction or **Damage**
 - ii) subsequent **Damage** which itself results from a cause not otherwise excluded.
- 10 **Damage** for which the cause cannot be explained.
- 11 **Damage** caused by operational error or omission on the part of the **Insured** or any of his **Employees**, but this will not exclude:
- a) such **Damage** not otherwise excluded which itself results from a **Defined Peril**
 - b) subsequent **Damage** which itself results from a cause not otherwise excluded.
- 12 **Damage** caused by bursting, overflowing or leaking of water tanks, apparatus or pipes or the escape of oil from any fixed domestic heating installation to the water tank, apparatus, pipe or fixed domestic heating installation itself.
- 13 **Damage** caused by:
- a) cessation of work
 - b) exposure to weather conditions to fences, gates, hoardings or to any moveable property left in the open air or in any **Building** which does not have permanent foundations
 - c) the freezing or solidification of molten materials
 - d) subsidence, ground heave, landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
 - e) normal settlement or bedding down of new structures.
- 14 The amount stated under the heading of **Excesses** in the **Schedule**. Such amount will be deducted from each claim for **Damage** after all other terms of the **Policy** have been applied, including any Condition of Average.
- 15 Fines or damages for breach of contract for late or non-completion of orders or for any penalties of whatever nature.
- 16 a) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions or malicious persons
- b) other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **Defined Peril** in so far as it is otherwise not excluded.

Employers Liability Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Business

The Business as stated in the **Schedule** and including:

- a) provision and management of canteen, sports and social, educational, training and welfare organisations for the benefit of **Employees** and first aid, fire, security and ambulance services
- b) ownership, maintenance and repair of premises occupied by the **Insured** in connection with the Business
- c) repair or maintenance of vehicles or plant owned or used by the **Insured**
- d) participation in trade shows or exhibitions
- e) private work undertaken with the consent of the **Insured** by **Employees** for the **Insured** or any director or **Employee** of the **Insured**.

Costs

- 1 Legal fees and expenses:
 - a) recoverable from the **Insured** by any claimant which have been incurred before the **Company** has paid or offered to pay the full amount of the claim, or the **Limit of Indemnity** as stated in the **Schedule**
 - b) incurred with the written consent of the **Company** for representation at:
 - i) any coroner's inquest or fatal accident enquiry
 - ii) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty.
- 2 Other costs incurred by the **Insured** with the written consent of the **Company**.

Geographical Limits

- a) Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.
- b) Any other member country of the European Union for work undertaken by the **Insured** or any director or **Employee** who normally lives in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.
- c) Elsewhere in the world for commercial visits undertaken by the **Insured** or any director or **Employee** of the **Insured** normally resident in a) above, not involving the supervision or performance of manual work.

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore Installations

- a) any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- b) any installation in the sea or tidal waters which is intended for the storage or recovery of gas
- c) any pipe or system of pipes in the sea or tidal waters
- d) any installation which is intended to provide accommodation for persons who work on or from the locations specified in a, b or c above.

Cover

The **Company** will indemnify the **Insured** against all sums which the **Insured** becomes legally liable to pay as damages for accidental **Injury** to any **Employee**, occurring within the **Geographical Limits** during the **Period of Insurance** and arising in connection with the **Business** established and conducted within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

In addition the **Company** will pay **Costs**.

Amount payable

The total liability of the *Company* under this *Section* (including *Costs* and any cover extensions) for all claims arising out of one occurrence or number of occurrences arising directly or indirectly from one source or cause will not exceed the *Limit of Indemnity* stated in the *Schedule*.

Cover extensions

Court attendance costs

If at the request of the *Company* any of the undermentioned persons attend court as a witness in connection with a claim for which the *Insured* is entitled to indemnity under this *Section*, the *Company* will provide compensation to the *Insured* at the undernoted daily rates for each day on which attendance is required:

- a) the *Insured* or any director of the *Insured* £250
- b) any *Employee* £150

Cross liabilities

If more than one party is named in the *Schedule* as the *Insured*, this *Section* applies separately to each provided that the total liability of the *Company* will not exceed the applicable *Limit of Indemnity*.

Health and safety at work

With the *Company's* written consent, cover will extend to include legal fees and expenses incurred by the *Insured* (or, at the *Insured's* request, by any director or *Employee*) in defending any prosecution or appealing any judgement given, under the Health and Safety at Work etc Act 1974, or the Health and Safety (Northern Ireland) Order 1978, provided that:

- a) the offence relates to an activity involving the health, safety or welfare of any *Employee* and was committed in connection with the *Business* during the *Period of Insurance*
- b) indemnity does not apply to any deliberate act or omission.

Indemnity to other persons

The *Company* will indemnify in terms of this *Section*:

- a) if the *Insured* so requests:
 - i) any director or *Employee* for liability for which the *Insured* would have been entitled to indemnity if the claim had been made against him
 - ii) any officer or member of the *Insured's* canteen, sports and social, educational, training or welfare organisations and first aid, fire security and ambulance services
 - iii) the owner of plant hired in by the *Insured*, but only to the extent required by the terms of the contract
- b) any principal to the extent that the contract between the *Insured* and such principal so requires for liability arising from the performance of work on behalf of such principal
- c) the legal personal representatives of any person entitled to indemnity under this *Section* for liability incurred by that person.

Unsatisfied court judgements

In the event of judgement for damages:

- a) obtained in any court in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- b) against any company or individual operating from those territories described in a) above
- c) by any *Employee* for *Injury* arising out of and in the course of his employment by the *Insured* which remains unsatisfied in whole or in part six months after the date of such judgement,

the *Company* will at the request of the *Insured* pay to the *Employee* or his legal personal representative the amount of such damages or awarded costs to the extent that they remain unsatisfied.

Provided that:

- i) there is no appeal outstanding
- ii) the *Insured* would have been entitled to take over and prosecute for his own benefit any claim against any other person in pursuance of any remedies and the *Insured, Employees* or his legal personal representative will give all such information and assistance as the *Company* may require.

Conditions

Control of Claims

The *Company* will have sole control of all claims, procedures and settlements.

Right of Recovery

This insurance accords with the provisions of any law relating to compulsory insurance of liability to *Employees* in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, but the *Insured* will repay all sums paid by the *Company* which would not have been paid but for the provisions of such law.

UK Jurisdiction

The action for damages is to be brought against the *Insured* in a court of law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Exclusions

The *Company* will not indemnify the *Insured* for:

- 1 Any claim arising from or in connection with work on or at or transit by air or sea to or from:
 - a) any *Offshore Installation*;
 - b) any supply, support or accommodation vessel or structure relating to such an installation
- 2 Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic Act (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any subsequent compulsory Road Traffic Act legislation.

Public and Products Liability Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Business

The Business as stated in the **Schedule** and including:

- a) provision and management of canteen, sports and social, educational, training and welfare organisations for the benefit of **Employees** and first aid, fire, security and ambulance services
- b) ownership, maintenance and repair of premises occupied by the **Insured** in connection with the Business
- c) repair or maintenance of vehicles or plant owned or used by the **Insured**
- d) participation in trade shows or exhibitions
- e) private work undertaken with the consent of the **Insured** by **Employees** for the **Insured** or any director or **Employee** of the **Insured**.

Costs

- 1 Legal fees and expenses:
 - a) recoverable from the **Insured** by any claimant which have been incurred before the **Company** has paid or offered to pay the full amount of the claim, or the **Limit of Indemnity** as stated in the **Schedule**
 - b) incurred with the written consent of the **Company** for representation at:
 - i) any coroner's inquest or fatal accident enquiry
 - ii) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty.
- 2 Other costs incurred by the **Insured** with the written consent of the **Company**.

Geographical Limits

- a) Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.
- b) Any other member country of the European Union for work undertaken by the **Insured** or any director or **Employee** who normally lives in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.
- c) Elsewhere in the world for commercial visits undertaken by the **Insured** or any director or **Employee** of the **Insured** normally resident in a) above, not involving the supervision or performance of manual work.

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore Installations

- a) any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- b) any installation in the sea or tidal waters which is intended for the storage or recovery of gas
- c) any pipe or system of pipes in the sea or tidal waters
- d) any installation which is intended to provide accommodation for persons who work on or from the locations specified in a., b. or c. above.

Pollution or Contamination

- a) all Pollution or Contamination of buildings or other structures or of water land or the atmosphere: and
- b) all **Injury** loss or damage directly or indirectly caused by such Pollution or Contamination

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

Products

Goods (including containers, packaging, labels or instructions for use) manufactured, sold, supplied, repaired, altered, installed, erected, processed, tested, cleaned or treated by the **Insured**.

Property

- a) material property
and in the case of Public Liability
- b) obstruction, trespass or nuisance.

Cover

The **Company** will indemnify the **Insured** against all sums which the **Insured** becomes legally liable to pay as compensation for:

- a) accidental **Injury** to any person; and
- b) accidental wrongful arrest, detention or false imprisonment of any person
- c) accidental **Damage to Property**

occurring within, or caused by **Products** supplied from, the **Geographical Limits** (arising in connection with the **Business**) during the **Period Of Insurance**.

Amount payable

The **Company's** total liability for the following will not exceed:

- 1 Public Liability - the **Limit of Indemnity** stated in the **Schedule** for all claims arising out of one occurrence or number of occurrences arising directly or indirectly from one source, cause or incident. In addition the **Company** will pay **Costs**.
- 2 Product Liability - the **Limit of Indemnity** stated in the **Schedule** for all claims arising out of one occurrence or number of occurrences arising directly or indirectly from one source, cause or incident and for all occurrences or incidents arising during the **Period of Insurance**. In addition the **Company** will pay **Costs**.
- 3 **Pollution or Contamination** – the **Limit of Indemnity** shown in the **Schedule** or £5,000,000 whichever is the lower.

Cover extensions

Consumer Protection Act

The **Company** will indemnify the **Insured** for legal fees and expenses incurred with the written consent of the **Company** in the defence of any of any criminal proceedings, including an appeal against conviction resulting from proceedings following a breach of Part II of the Consumer Protection Act 1987, providing that the proceedings relate to an offence alleged to have been committed during the **Period of Insurance**, and in the course of the **Business**.

The **Company** will not indemnify the **Insured**:

- a) for any fine or penalty;
- b) where the prosecution is in respect of any deliberate act or omission;
- c) for legal fees and expenses insured by any other policy.

Contingent liability for employees' vehicles

Despite Exclusion 6b) of this **Section**, the **Company** will indemnify the **Insured** against all sums which the **Insured** becomes legally liable to pay as compensation for accidental **Injury** or accidental **Damage to Property** arising out of the use of any motor vehicle in connection with the **Business** and not being a motor vehicle which is the property of or provided by the **Insured**. Provided that the **Company** will not indemnify the **Insured** for:

- a) **Damage** to any such motor vehicle
- b) **Injury** or **Damage to Property** while any motor vehicle is being:
 - i) driven by the **Insured**
 - ii) used elsewhere than in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Court attendance costs

If at the request of the *Company* any of the undermentioned persons attend court as a witness in connection with a claim for which the *Insured* is entitled to indemnity under this sub-*Section*, the *Company* will provide compensation to the *Insured* at the undernoted daily rates for each day on which attendance is required:

- a) the *Insured* or any director of the *Insured* £250
- b) any *Employee* £150

Cross liabilities

If more than one party is named in the *Schedule* as the *Insured*, this sub-*Section* applies separately to each provided that the total liability of the *Company* will not exceed the applicable *Limit of Indemnity*.

Data Protection Act

The *Company* will indemnify the *Insured* for legal liability arising under the Data Protection Act 1984, provided that:

- a) the process of registration under the above Act has been commenced or completed by the *Insured* and the application has not been refused or withdrawn;
- b) no liability arises as a result of the provision by the *Insured* of the services of a computer bureau.

The *Company* will not indemnify the *Insured* for:

- i) the recording or provision of data for reward or for determining the financial status of any person;
- ii) any liability which arises as a result of a deliberate act or omission of the *Insured*;
- iii) legal fees and expenses insured by any other policy.

The total liability of the *Company* during any one *Period of Insurance* will not exceed £100,000.

Defective Premises Act

Following disposal of *Premises* owned or occupied by the *Insured* for the *Business*, cover will extend to apply to the *Insured's* legal liability under Section 3 of the Defective Premises Act 1972 or Article 5 of the Defective Premises (Northern Ireland) Order 1975 (except as regards the cost of rectifying defects or alleged defects).

Food Safety Act

The *Company* will indemnify the *Insured* for legal fees and expenses incurred with the written consent of the *Company* in the defence of any criminal proceedings, including an appeal against conviction resulting from proceedings following a breach of Part II of the Food Safety Act 1990, provided that the proceedings relate to an offence alleged to have been committed during the *Period of Insurance* and in course of the *Business*.

- a) for any fine or penalty;
- b) where the prosecution is in respect of any deliberate act or omission;
- c) for legal fees and expenses insured by any other policy.

Health and safety at work

With the *Company's* written consent, cover will extend to include legal fees and expenses incurred by the *Insured* (or, at the *Insured's* request, by any director or *Employee*) in defending any prosecution or appealing any judgement given, under the Health and Safety at Work etc Act 1974, or the Health and Safety (Northern Ireland) Order 1978, provided that:

- a) the offence relates to an activity involving health, safety or welfare of any person other than an *Employee* and was committed in connection with the *Business* during the *Period of Insurance*
- b) indemnity does not apply to deliberate act or omission.

Indemnity to other persons

The **Company** will indemnify in the terms of this **Section**:

- a) if the **Insured** so requests:
 - i) any director or **Employee** for liability for which the **Insured** would have been entitled to indemnity if the claim had been made against him
 - ii) any officer or member of the **Insured's** canteen, sports and social, educational training or welfare organisations and first aid, fire, security and ambulance services
 - iii) the owner of plant hired in by the **Insured**, but only to the extent required by the terms of the contract
- b) any principal to the extent that the contract between the **Insured** and such principal so requires for liability arising from the performance of work on behalf of such principal
- c) the legal personal representatives of any person entitled to indemnity under this **Policy** for liability incurred by that person.

If the **Company** is liable to indemnify more than one party the total amount of indemnity to all such parties, including the **Insured**, will not exceed the **Limit of Indemnity** as stated in the **Schedule**.

Leased or rented premises

Despite Exclusion 4 to this **Section** the **Company** will indemnify the **Insured** for liability for **Damage** to any building (including fixtures and fittings) leased, let, rented, hired or lent to the **Insured**. Provided that the **Company** will not indemnify the **Insured** for:

- a) the first £100 of each and every claim caused other than by fire or explosion
- b) liability arising solely because of a contract.

Conditions

Actions brought elsewhere in the world

The total liability of the **Company** for all compensation payable (including costs) will not exceed the **Limit of Indemnity** as stated in the **Schedule** for legal liability arising in any country not a member of the European Union or any action for damages brought there, or if any subsequent action in connection with non-member countries is brought elsewhere in the world.

Adjustment of premium

The premium for this **Section** is based on the Estimated Turnover provided by the **Insured**.

At each renewal the premium will be adjusted in line with the Index of Average Earnings (or an alternative index selected by the **Company**).

If the **Insured** subsequently supplies to the **Company** a statement of Estimated Turnover for the forthcoming **Period of Insurance** an adjustment to the premium can be paid by or allowed to the **Insured**.

Control of claims

The **Company** will have sole control of all claims, procedures and settlements.

Discharge of liability

The **Company** may, at any time, pay to the **Insured** the applicable **Limit of Indemnity** (after deduction of any sums already paid) or any lesser amount for which any claim or claims may be settled and the **Company** will be under no further liability, except for **Costs** incurred prior to the date of payment.

Exclusions

The **Company** will not indemnify the **Insured** for:

- 1 **Injury** to any **Employee**.
- 2 Fines, penalties, aggravated, liquidated, punitive or exemplary damages or multiplication of damages.
- 3 Any liability arising from or in connection with:
 - a) the giving of advice by or on behalf of the **Insured**, or
 - b) the design, plan, formula or specification of **Products** or work, for a fee other than where provided or performed in connection with any **Product** insured by this **Section**
- 4 **Damage to Property** or any consequential loss as a result of such **Damage to Property**:
 - a) owned by or hired to the **Insured**
 - b) held in trust by or in the custody or control of the **Insured** other than **Employees'** or visitors' personal effects and motor vehicles.
- 5 Any liability in respect of **Pollution or Contamination** occurring:
 - a) in the United States of America and/or Canada
 - b) elsewhere in the world other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the **Period of Insurance**.
- 6 **Injury** or **Damage to Property** caused by, or in connection with the ownership, possession or use by or on behalf of the **Insured** of any:
 - a) railway, watercraft (other than any hand - propelled boat), aircraft or hovercraft
 - b) mechanically - propelled vehicle (including attached trailers) provided that if there is no indemnity afforded by any other insurance, then in so far as such liability is not the subject of compulsory insurance or security requirements under any Road Traffic Act, this Exclusion will not apply to:
 - i) any vehicle not licensed for road use
 - ii) any vehicle licensed for road use; where liability arises solely from the use of such vehicle as a tool of trade
 - iii) the loading or unloading of any vehicle.
- 7 **Injury** or **Damage to Property**, caused by **Products** while remaining in the custody or control of the **Insured**.
- 8 Any liability caused by or in connection with **Products** supplied by or on behalf of the **Insured** where legal liability has been accepted by agreement (other than liability arising out of a condition or warranty of goods implied by Law) unless such liability would have attached in the absence of such agreement.
- 9 **Damage** to or the cost of recalling or making any refund on the price paid for any **Products** or of replacing, repairing, reinstating or making good defective workmanship or defective **Products**.
- 10 **Injury** or **Damage to Property** caused by, or in connection with **Products** supplied which to the knowledge of the **Insured** are for use in or on:
 - a) any aircraft spacecraft or watercraft and which are directly connected with the safety propulsion or navigation of such craft
 - b) any nuclear, petro - chemical or **Offshore Installation**, computers or process control equipment.
- 11 Any liability caused by or in connection with **Products** which to the knowledge of the **Insured** are directly or indirectly exported to the United States of America or Canada.
- 12 The amount of the **Excess** stated in the **Schedule** for which the **Insured** is responsible for each and every claim for **Damage to Property**.
- 13 Any claim from or in connection with work on or at or transit by air or sea to or from:
 - a) any **Offshore Installation**
 - b) any supply, support or accommodation vessel or structure relating to such an installation
- 14 Any liability arising from:
 - a) manual work undertaken away from the **Premises** by or on behalf of the **Insured** other than collection or delivery or the attendance of the **Insured** at any exhibition within the **Geographical Limits**
 - b) the supervision of any manual work away from the **Premises** whether carried out by or on behalf of the **Insured**
 - c) the use of any electric Oxy-acetylene or similar welding or flame cutting equipment blow lamps, blow torches, hot air guns, hot air strippers, angle grinders, tar bitumen or asphalt boilers or heaters or any other heat producing equipment away from the **Premises**.

Goods in Transit Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Business

The business stated in the **Schedule**.

Vehicle

Any vehicle (including any attached trailer) belonging, hired or lent to and used by the **Insured** in connection with the **Business**.

Property in Transit

Merchandise and goods used in connection with the **Business** belonging to or the responsibility of the **Insured** whilst being loaded on to, carried by and unloaded from any **Vehicle** (including temporary storage up to fifteen days during a journey).

Geographical Limits

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

Event

Any one occurrence or number of occurrences arising directly or indirectly from one source or original cause.

Cover and amount payable

In the event of accidental **Damage to Property in Transit** within or directly between the **Geographical Limits** during the **Period of Insurance**, the **Company** will pay the amount of the **Damage** or at its option repair or replace such **Damage**.

The liability of the **Company** will not exceed the value of the property at the time of the **Damage** or the cost of the **Damage**.

The maximum amount payable will not exceed the Limit Any One Vehicle or, in total, the **Event** Limit stated in the **Schedule**.

Cover extensions

Drivers' personal effects/sheets, ropes and chains/reloading costs

In the event of accidental **Damage to Property in Transit** for which the **Company** has admitted liability under this **Section** the **Company** will also pay for:

- a) accidental **Damage** to drivers' personal effects not otherwise insured subject to a limit of £100 for any one driver
- b) accidental **Damage** to sheets, ropes, chains, toggles and dunnage belonging to the **Insured** while being carried by any **Vehicle**, subject to a limit of £500 for any one loss
- c) the essential cost of reloading property, transferring property to another **Vehicle** or clearing debris following overturning or collision, subject to a limit of £500 for any one loss.

Condition

Average

If, at the time of **Damage to Property in Transit**, the Limit Any One Vehicle stated in the **Schedule** is less than the full value of the **Property in Transit** in the **Vehicle**, the amount payable by the **Company** will be proportionately reduced.

Exclusions

This *Section* does not cover:

- 1 Delay, loss of market or consequential loss of any kind.
- 2 **Money** or documents.
- 3 Theft or attempted theft of tobacco, cigarettes and cigars, spirits, watches, jewellery, precious or semi precious stones, articles of gold or silver or other precious metals, computer and data processing equipment and accessories, drugs, audio, TV and video equipment, non-ferrous metals, photographic equipment, sports goods, oriental carpets, clothing, furs and leather goods, works of art, mobile phone vouchers and portable hand tools unless specified in the *Schedule*.
- 4 a) **Damage** caused by:
 - i) wear and tear, fungus, corrosion, frost, variations in temperature or humidity, vermin, insect, inherent vice, marring or scratching, depreciation or deterioration
 - ii) breakdown or malfunction of cooling machinery or inadequacy of insulation
 - iii) leakage, spillage or electrical or mechanical breakdown, derangement, failure or breakage.b) breakage of glass, china and other items of a similar brittle nature, except as a direct result of fire, theft or overturning or collision of the conveying *Vehicle*.
- 5 **Damage** caused by:
 - a) pollution or contamination except **Damage to Property in Transit** caused by:
 - i) pollution or contamination which itself results from **Damage** not otherwise excluded
 - ii) **Damage** not otherwise excluded which itself results from pollution or contamination
 - b) defective or inadequate packing
 - c) clerical or documentary error or omission, or delivery to the consignee
 - d) strikers or locked-out workers.
- 6 Theft or attempted theft from any unattended *Vehicle* unless there are outward signs of forced entry to the *Vehicle* and the following precautions have been observed:
 - a) the *Vehicle* has been securely locked at all points of access, any security devices have been put into full and effective operation and all keys removed from the *Vehicle* and
 - b) between the hours of 9 p.m. and 6 a.m. the *Vehicle* is garaged in an enclosed securely locked building or kept in a permanently manned security park.If the *Company* allege that by reason of this proviso any **Damage** is not covered, the burden of proving that it is covered rests with the *Insured*.
- 7 **Damage to Property in Transit** caused by weather conditions unless it is protected by adequate and effective tarpaulin or similar sheeting.
- 8 The cost of replacing:
 - a) any undamaged property
 - b) any undamaged parts of machines or other property which consist of more than one part when complete for sale or use.
- 9 The amount stated under the heading of **Excess(es)** in the *Schedule*. Such amount will be deducted from each claim for **Damage** at each separate location after all other terms of the *Policy* have been applied, including any Condition of Average.
- 10 Livestock

Portable Business Equipment Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Cover and amount payable

In the event of the property suffering accidental **Damage** within the Geographical Limits stated in the **Schedule** during the **Period of Insurance**, the **Company** will pay the amount of the **Damage** or at its option replace or repair such **Damage**.

The liability of the **Company** will not exceed the value of the property at the time of the **Damage** or the cost of the **Damage**. The maximum amount payable will not exceed the individual **Sum Insured** set against each item in the **Schedule** in any one **Period of Insurance**.

Condition

Average

If, at the time of any **Damage** to property, the **Sum Insured** by the relevant item is less than the full value of property insured by that item, the amount payable by the **Company** will be proportionately reduced.

Exclusions

This **Section** does not cover:

- 1 Consequential loss of any kind.
- 2 **Damage** to any property more specifically insured.
- 3 **Damage** caused by:
 - a) mechanical or electrical breakdown, derangement, failure or breakage
 - b) latent defect, inherent vice, error in design, defective workmanship or materials or misuse of lifting equipment
 - c) vermin, insect, wear and tear, depreciation, variations in temperature or humidity, fungus, corrosion, frost, pollution or contamination, atmospheric conditions, marring, scratching or any gradually operating cause
 - d) the actual process of testing, servicing, cleaning, repair, maintenance or renovation
 - e) the freezing or solidification of molten materials
 - f) cessation of work
 - g) subsidence, ground heave, landslip, settlement, shrinkage, expansion or collapse of any building
 - h) clerical error or omission, any unexplained cause or shortage discovered after inventory, or due to any shortage in supply or delivery
 - i) disturbance or failure of the power or fuel supply, except where such disturbance or failure results directly from **Damage** to the electrical or fuel installation at the **Premises**.
- 4 **Damage** to property in the open caused by exposure to weather conditions.
- 5 **Damage** to the property insured caused by its operation or its use as a tool.
- 6 **Damage** to the property insured caused by theft or attempted theft from any unattended vehicle unless there are outward signs of forced entry to the vehicle and the following precautions have been observed:
 - a) the vehicle is securely locked at all points of access at all times
 - b) between the hours of 9 p.m. and 6 a.m. the vehicle is garaged in an enclosed securely locked building.If the **Company** alleges that by reason of this proviso any **Damage** is not covered, the burden of proving that it is covered rests with the **Insured**.
- 7 Theft or attempted theft:
 - a) by any person lawfully on the **Premises**
 - b) with the collusion of the **Insured**, any member of their family or any director or **Employee** of the **Insured**.
- 8 **Damage** attributable solely to changes in the water table level.
- 9 The amount stated under the heading of **Excess(es)** in the **Schedule**. Such amount will be deducted from each claim for **Damage** at each separate location after all other terms of the **Policy** have been applied, including any Condition of Average.

Deterioration of Stock Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Appliance

Any frozen food cabinet, deep freezer, cold room, cold store, refrigerator or chilled unit on the **Premises**, or within the refrigeration unit of any vehicle belonging to or in the custody or control of the **Insured**.

Stock

Stock of foodstuffs in an **Appliance** which belong to the **Insured** or are the responsibility of the **Insured**.

Cover and amount payable

In the event of **Damage** during the **Period of Insurance** to **Stock** contained in any **Appliance**, or **Stock** elsewhere on the **Insured's Premises** which but for an event covered by this **Section** would normally have been placed in any **Appliance**, by deterioration or putrefaction due to:

- 1 a change in temperature resulting from:
 - a) mechanical or electrical breakdown of or **Damage** to any **Appliance**
 - b) failure of any thermostat or other control device belonging to the **Appliance**
 - c) accidental failure of the electricity supply.
- 2 accidental leakage of refrigerant or refrigerant fumes from the **Appliance**.

The **Company** will replace, or at its option pay the cost of replacing such **Stock** at prices which apply at the time the **Damage** takes place.

The maximum amount payable will not exceed the **Sum Insured** shown in the **Schedule**.

Conditions

Maintenance

If an **Appliance** is more than five (5) years old at the start of the **Period of Insurance**, it must be maintained regularly by a suitably qualified independent electrical engineer.

Average

If, at the time of any **Damage** to property, the **Sum Insured** by the relevant item is less than the full value of property insured by that item, the amount payable by the **Company** will be proportionately reduced.

Exclusions

This **Section** does not cover:

- a) the amount of the **Excess** shown in the **Schedule**
- b) **Damage** caused by an electricity power cut which the supplier had planned
- c) **Damage** due to any deliberate act or wilful neglect by the **Insured**
- d) any consequential loss.
- e) any amount exceeding £500 in respect of **Damage** to **Stock** contained within the refrigeration unit of any vehicle belonging to or in the custody or control of the **Insured**.

Personal Accident Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Business

The business stated in the **Schedule**.

Injury

Accidental physical injury caused by someone or something other than the person injured.

Insured Person

Anyone named in the **Schedule**.

Cover

The **Company** will pay benefits for the following during the **Period of Insurance**.

- 1 Death caused directly by **Injury** and within twelve (12) months of the **Injury**.
- 2 Loss of limbs, sight, speech or hearing caused directly by **Injury** within twelve (12) months of the **Injury**.
Loss of limbs means physical separation or permanent and total loss of use of one or more hands or feet.
Loss of sight means total and final loss of sight in one or both eyes.
Loss of speech means total loss of speech.
Loss of hearing means total and final loss of hearing in one or both ears.
- 3 Any other permanent total disability caused directly by **Injury** which, after 104 weeks from the date of the **Injury** and for the foreseeable future will prevent the **Insured Person** from doing any part of their job.
- 4 Any temporary total disability caused directly by **Injury** which prevents the **Insured Person** from doing all or a major part of their normal duties in the course of the **Business** but excluding the first fourteen (14) days of each period of disablement.

Amount payable

The **Company** will pay the amounts shown in the **Schedule** to any **Insured Person** or their personal representative.

- a) The **Company** will make a payment under only one of benefits 1 to 3 and that payment will end this cover.
- b) The **Company** will not pay more than 50% of the amount shown in the **Schedule** for loss of hearing in one ear.
- c) If the **Company** makes a payment under one of the benefits 1 to 3, any benefit under 4 that they are paying to the **Insured Person** will stop.
- d) The **Company** will pay the benefit under 4 for up to 104 weeks in total for each **Injury**.
The **Company** will not pay more than 75% of an **Insured Person**'s average weekly earnings before tax.

Exclusions

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

- a) any **Injury** happening outside the **Insured Person's** normal duties in the course of the **Business** where Occupational Cover Only is shown in the **Schedule**.

death or disability:

- a) caused or contributed to by a physical or mental condition which the **Insured Person** had before the accident
- b) if the **Insured Person** fails to obtain and follow proper medical or surgical advice as soon as possible
- c) to any person under 16 years of age or over 70 years of age.

any **Injury** caused by:

- a) suicide or attempted suicide
- b) the influence of drugs or alcohol
- c) flying, except as a fare-paying passenger on an aircraft
- d) pregnancy or childbirth
- e) Human Immunodeficiency Virus (HIV) or any HIV related illness including Acquired Immune Deficiency Syndrome (AIDS) or any mutant derivative or variation of HIV or AIDS
- f) using electric wood working machinery (except portable hand tools)
- g) accidents occurring while any **Insured Person** is engaged in or practising for:
winter sports (except sledging in the UK), horse racing, training or breaking, hunting, show jumping or polo, mountaineering, rock climbing, parachuting, potholing or caving, motor-racing competitions or trials, boxing, wrestling, judo, karate, martial arts, fencing or any other form of combat, squash, hockey or any type of football, power boating, water skiing or the use of underwater breathing apparatus, yachting or boating (except on inland waters or within three (3) miles of land).

Engineering Insurance Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Breakdown

The sudden and complete failure of **Plant** to function due to **Damage** to any of its components (including electrical burn-out) occurring during normal use.

British Isles

Great Britain, Northern Ireland, the Isle of Man, and the Channel Islands but not the Republic of Ireland.

Indemnity Limit

As stated in the **Schedule** to this **Section**.

Plant

The Plant described in the **Schedule** includes all its integral parts and connecting wires and pipes in so far as such wires and pipes need to be repaired or replaced as a result of **Damage** for which the **Company** has admitted liability.

Special plant definitions

Hot Water Heating Installation

The hot water heater boiler, its firing apparatus including any photoelectric cell and connected pipes, radiators, hot water storage cylinders, calorifiers, circulating pumps (including shunt pumps) and their motors, thermionic valves, motorised valves in oil pipes, oil filters (including motors), oil pre-heaters, oil level indicators and/or alarms and heaters in oil pipes and tanks.

Lifting Tackle

Chains, ropes, slings, hooks, shackles or eyebolts not forming an integral part of lifting plant by means of which a load or appliance can be attached to the hook, shackle or other lifting gear which do form an integral part of lifting plant.

Oil Burning Unit

The oil burner, its driving motor, the oil pre-heater, tank heater, line heater, photo-electric cell, thermionic valve, oil tanker level indicator and/or alarm, motorised valve(s) on the oil pipeline, the oil filter (including motor) and fan.

Cover

This cover applies during the **Period of Insurance** in the **British Isles**.

The cover is for

- a) accidental **Damage** to the **Plant**, including **Breakdown**
- b) accidental **Damage** to any property adjacent to the **Plant** by impact, blast or fragments from the explosion, implosion or collapse of the **Plant**.

If **Damage** covered above occurs, the **Company** will either:

- a) pay to the **Insured** the amount of the **Damage**, or
- b) at its option, replace the **Plant** or adjacent property or the **Damage** part of it.

The maximum cost to be borne by the **Company** for each item will not exceed the **Indemnity Limit** on that item.

Cover extensions

Additional Expenses

When approved by the *Company*, reasonable additional expenses up to £2,000 will be met including those incurred in making a temporary repair or in expediting the permanent repair of insured *Damage* (including overtime working).

Automatic Inclusion of Plant

Plant of similar type to that described in the *Schedule* which is added or substituted, will be included in this *Section* from the time it is installed and ready for use.

The *Insured* must tell of the installation of the additional or substituted plant before expiry of the current *Period of Insurance*.

Debris Removal

Each item includes expenses necessarily incurred, following destruction or *Damage* insured by this *Section*, in:

- a) removing debris and/or dismantling any *Plant* or adjacent property insured
- b) protecting any *Plant* or adjacent property whether damaged or not.

This Extension does not include expenses arising from pollution or contamination of anything which is not *Plant* or adjacent property insured by this *Section*.

Minor Repairs

If *Damage* occurs which is covered by this *Section*, the *Insured* may repair this up to a maximum cost of £500 and claim this under the insurance, without the prior agreement of the *Company*, provided the repairs are permanent and satisfactory (which may be verified by inspection by the *Company*).

Professional fees

Each item includes architects', surveyors', consulting engineers', legal and other fees necessarily incurred in the reinstatement or repair of the *Plant* resulting from its destruction or *Damage* but not for preparing any claim. Similar fees incurred in repairing insured *Damage* to property adjacent to the *Plant* are also included within each item.

Transit

While *Plant* is in transit, the cover on it is extended to include loss, destruction or *Damage* caused by fire, lightning, explosion, storm, flood, theft or attempted theft.

Special condition

Restriction of Cover

The *Company* reserves the right to restrict or withdraw cover on any *Plant* the *Company* considers to be unsuitable for insurance.

Exclusions

The *Company* will not be liable for:

- a) **Damage** caused by fire, lightning, explosion caused by ignition, aircraft, riot, malicious persons, storm, flood, escape of water or theft
- b) **Damage** which is the gradual deterioration in materials due to age or usage (but suddenly occurring damage arising from the weakening of materials due to age or usage is insured)
- c) **Damage** caused during maintenance, repairs, overhaul or modification of the *Plant*
- d) **Damage** caused by the deliberate imposition of conditions on the *Plant* beyond its specified safe working capabilities
- e) **Damage** to *Plant* hired out or in by the *Insured*, unless described in the *Schedule* as *Plant* hired out or in
- f) the amount of the *Excess* stated in the *Schedule*
- g) consequential loss of any kind

Machinery and Plant Inspection Section

(Please refer to the **Schedule** to see if this **Section** is in force)

Definitions

Period of Contract

The duration of the **Policy** as shown in the **Schedule** and any further period for which the **Company** accept the premium.

Plant

The plant described in the **Schedule**, excluding any chimneys, masonry, brickwork foundations or supporting structures, unless these are specified in the **Schedule**.

Unless otherwise agreed, inspections of steam boilers will be of the pressure system defined in the written scheme of examination only and inspections of hot water heating installations will only examine the boiler (excluding the firing apparatus) and any part of the installation which is defined as a pressure system requiring statutory inspections.

Plant inspections

During the **Period of Contract**, the **Plant** will be inspected by the **Company** who will supply reports to the **Insured** at a frequency determined by legal requirements or annually where there is no legal requirement.

The inspections will be periodical examinations of those parts of the **Plant** which are accessible and have been sufficiently prepared for examination. The inspections and reports will comply with any relevant statutory requirements.

This contract does not include testing of **Plant** or witnessing of testing.

The responsibility for meeting all statutory obligations to have **Plant** inspected or tested remains with the **Insured**. The **Insured** is responsible for preparing any **Plant** for inspection at its own expense, when the **Company** give advance notice that inspection is due. The **Insured** are responsible for providing safe access to **Plant** which is to be inspected.

Fidelity Guarantee Section

(Please refer to **Your Schedule** to see if this **Section** is in force)

Definitions

Business

The Business as stated in the *Schedule*.

Cover

The *Company* will pay for:

- a) the direct loss of *Money, Non-Negotiable Instruments* or goods which belong to the *Insured* or are the *Insured's* legal responsibility
- b) auditors' fees incurred with the *Company's* written consent resulting from an act of fraud or dishonesty committed by an *Employee* during the *Period of Insurance*.

Amount payable

The maximum amount the *Company* will pay in any one *Period of Insurance* is the *Limit of Indemnity* shown in the *Schedule*.

Extensions of Cover

Automatic reinstatement of loss

In the event of a loss and unless the *Company* informs the *Insured* otherwise, the *Limit of Indemnity* will be automatically reinstated provided that:

- a) the *Insured* pays the appropriate additional premium
- b) the amount reinstated is only available for later acts of fraud or dishonesty.

Exclusions

The *Company* will not pay for:

- a) the amount of the *Excess* shown in the *Schedule*
- b) losses occurring before an *Employee* started work for the *Insured*.
- c) losses discovered 24 months after:
 - i) an *Employee* finished working for the *Insured*
 - ii) this *Policy* has expired
- d) losses arising from subsequent acts of fraud or dishonesty by an *Employee*
- e) losses by an *Employee* the *Insured* is unable to name
- f) losses arising outside the United Kingdom
- g) losses by any director of the *Business* who holds more than 5% of its share capital
- h) loss of interest, loss of profits or any kind of consequential loss.

Special conditions

Standards of control

The *Insured* must:

- a) obtain written references from previous employers for the three (3) years immediately before employment for each *Employee* responsible for *Money*, accounts, computer input and/or programming. School leavers require one character reference
- b) make sure that any *Money* that an *Employee* receives or collects for the *Business*, is banked on the day of receipt, or the next working day, or passed to the *Insured* daily
- c) send account statements to all the *Insured's* customers each month, by an *Employee* who is not authorised to receive *Money*
- d) check cash book entries, computer system records and other records of *Money* received each month against:
 - i) the bank statement
 - ii) receipt counterfoils
 - iii) vouchers
 - iv) supporting documents and cash in handThese checks are to be completed by an independent *Employee* not responsible for dealing with *Money* records
- e) ensure that the:
 - i) ordering
 - ii) receipt
 - iii) authorisation of payment of goods, is carried out by different *Employees* working independently
- f) make sure that cheques of £5,000 or over are signed by two (2) people and the paperwork for all cheques is independently checked
- g) make sure that all wage payments are independently checked before payment
- h) agree to keep accounts which are professionally audited every twelve (12) months.

Recoveries

Any *Money* that the *Insured* owes to an *Employee* will be deducted from the amount the *Company* pay to the *Insured* under this *Policy*.

The *Company* may at its own expense try to recover from the *Employee* or the *Employee's* estate any loss that the *Company* has paid or are liable to pay under this *Policy*. The *Company* may use the *Insured's* name and they must provide any information and help the *Company* may require to assist with the recoveries.

The *Company* will share any recoveries with the *Insured* in proportion to the amount of the loss sustained.

Legal Expenses Section

(Please refer to **Your Schedule** to see if this **Section** is in force)

Definitions

Appointed Representative

The lawyer, accountant or other suitably qualified person, who has been appointed to act for an **Insured Person** in accordance with the terms of this **Section**.

Aspect Enquiry

An examination by the Inland Revenue which considers one or more specific aspects of the **Insured's** self-assessment tax return.

Costs and Expenses

Legal Costs

All reasonable and necessary costs chargeable by the **Appointed Representative** on a standard basis. Also the costs incurred by opponents in civil cases if the **Insured** is ordered to pay them, or pay them with the **Company's** agreement.

Accountants Costs

A reasonable amount in respect of all costs reasonably incurred by the **Appointed Representative**.

Attendance Expenses

The **Insured Person's** salary or wages for the time that the **Insured Person** is off work to attend any court or tribunal hearing at the request of the **Appointed Representative** or as a defendant or while attending jury service. The **Company** will pay for each half or whole day that the court, tribunal or **Insured Person's** employer will not pay for.

The basis for settlement will be:

- a) the time the **Insured Person** is off work including the time it takes to travel to and from the court or tribunal. This will be calculated to the nearest half day assuming that a whole day is eight (8) hours
- b) if the **Insured Person** works full time, the salary or wages for each whole day equals 1/250th of the **Insured Person's** yearly salary or wages
- c) if the **Insured Person** works part-time, the salary or wages will be a proportion of the **Insured Person's** weekly salary or wages.

Date of Occurrence

- a) For civil cases (other than under Tax protection), the Date of Occurrence is when the cause of action accrued.
- b) For criminal cases, the Date of Occurrence is when the **Insured Person** commenced or are alleged to have commenced to violate the criminal law in question.
- c) For **Full Enquiries** or **Aspect Enquiries** the Date of Occurrence is when the Inland Revenue first notifies in writing the intention to make enquiries.
- d) For in-depth investigations, the Date of Occurrence is when the Inland Revenue first issues the form IR72 or the Inland Revenue's Code of Practice 2. For Employers Compliance and Value Added Tax disputes, the Date of Occurrence is when the relevant authority sends an assessment or written decision to the **Insured**.

Full Enquiry

An extensive examination by the Inland Revenue which considers all aspects of the **Insured's** tax affairs, excluding those enquiries which are limited to one or more specific aspects of the **Insured's** self-assessment tax return.

Insured Person

The **Insured**, the **Insured's** directors, partners, managers and **Employees**.

Territorial Limit

For insured incidents Legal defence (excluding 4 of Legal defence and Bodily injury)

The European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Bulgaria, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, Romania, San Marino, Serbia, Switzerland and Turkey (West of the Bosphorus).

For all other insured incidents

The United Kingdom of Great Britain and Northern Ireland, the Isle of Man, and the Channel Islands.

Employment disputes

Cover

The *Company* will represent the *Insured* in:

- 1 defending the *Insured's* legal rights prior to the issue of legal proceedings in a court or tribunal following the dismissal of an *Employee*; or
- 2 defending the *Insured's* legal rights in legal proceedings in respect of any dispute with an *Employee* or ex- *Employee* or a trade union acting on behalf of an *Employee* or ex- *Employee* which arises out of, or relates to, a contract of employment with the *Insured*; or
- 3 defending the *Insureds* legal rights in legal proceedings in respect of any dispute with an *Employee*, prospective *Employee* or ex- *Employee* from an alleged breach of their statutory rights under employment legislation.

Exclusions

The *Company* will not pay for:

- a) any employment dispute where the cause of action arises within the first 90 days of the indemnity provided by this *Section*
- b) any dispute with an *Employee* who was subject to a written or oral warning (formal or informal) within 180 days immediately before the inception date of the indemnity provided by this *Section* of this *Policy* if the *Date of Occurrence* was within the first 180 days of the indemnity provided by this *Section* of this *Policy*
- c) any redundancy or alleged redundancy or unfair selection for redundancy arising within the first 180 days of the indemnity provided by this *Section* of this *Policy*
- d) any claim in respect of damages for personal injury or loss of or *Damage* to property
- e) any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the Acquired Rights Directive.

Compensation awards

Cover

The *Company* will pay for:

- 1 any basic and compensatory award; and/or
- 2 an order for compensation following a breach of statutory duties under employment legislation in respect of a claim the *Company* have accepted under *Employment Disputes*

The following conditions apply:

- a) in cases relating to performance and/or conduct, the *Insured* has throughout the employment dispute either:
 - i) followed the ACAS Code of Disciplinary Practice in Employment as prepared by the Advisory Conciliation and Arbitration Service; or
 - ii) sought and followed advice from the *Company's* legal advice service
- b) for an order of compensation following the *Insured's* breach of statutory duty under employment legislation the *Insured* has at all times sought and followed advice from the *Company's* legal advice service since the date when the *Insured* should have known about the employment dispute
- c) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, the *Insured* have sought and followed the *Company's* advice prior to serving notice of dismissal
- d) the compensation is awarded by a tribunal under a judgement made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by the *Company*.

Exclusions

The *Company* will not pay for:

- a) any compensation award relating to the following:
 - i) trade union activities, trade union membership or non-membership
 - ii) pregnancy or maternity rights
 - iii) health and safety related dismissals brought under Section 44 Employment Rights Act 1996
 - iv) statutory rights in relation to trustees of occupational pension schemes
 - v) statutory rights in relation to Sunday shop and betting work
- b) non-payment of money due under the relevant contract of employment or statutory provision relating thereto
- c) any award ordered as a result of a breach of statutory rights in relation to the provision of relevant records to *Employees* under the National Minimum Wage Act 1998
- d) any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

Service occupancy

Cover

The **Company** will negotiate for the **Insured Person's** legal rights against an **Employee** or ex- **Employee** to recover possession of premises owned by, or for which the **Insured Person** is responsible.

Exclusions

The **Company** will not pay for any claim relating to defending the **Insured Person's** legal rights other than defending a counter-claim.

Legal Defence

Cover

At the **Insured's** request:

- 1 The **Company** will defend the **Insured Person's** legal rights:
 - a) prior to the issue of legal proceedings when dealing with the Police where it is alleged that the **Insured Person** has or may have committed a criminal offence; or
 - b) following an event which leads to the **Insured Person** being prosecuted in a court of criminal jurisdiction; or
 - c) if civil action is taken against the **Insured Person** for compensation under Section 13 of the Data Protection Act 1998. The **Company** will also pay any compensation award made against the **Insured Person** under Section 13 of the Data Protection Act 1998.
- 2 The **Company** will defend the **Insured's** legal rights following civil action taken against them for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **Period of Insurance**.
- 3 The **Company** will defend the **Insured Person's** (other than the **Insured's** own) legal rights if:
 - a) an event arising from their work as an **Employee** leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, disability, age, religious belief, or political opinion; or
 - b) civil action is taken against them as a trustee of a pension fund set-up for the benefit of the **Insured's Employees**.
- 4 The **Company** will represent the **Insured Person** in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting the **Insured's Business**.
- 5 The **Company** will represent the **Insured** in appealing against the refusal of the Data Protection Commissioner to register the **Insured's** application for registration.
- 6 The **Company** will pay the **Attendance Expenses** of the **Insured Person** for jury service.

The following conditions apply:

- a) in so far as proceedings under the Health and Safety at Work etc Act 1974 are concerned, the **Territorial Limit** shall be any place where the Act applies
- b) at the time of the insured incident, the **Insured** registered with the Data Protection Commissioner in respect of civil action taken against the **Insured** for compensation under Section 13 of the Data Protection act 1998.

The **Company** will not pay for:

- a) any claim which leads to the **Insured** being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

Property protection

Cover

Property protection

The *Company* will negotiate for the *Insured's* legal rights in any civil action relating to material property which is owned by, or the *Insured's* responsibility following:

- a) any event which causes physical *Damage* to such material property; or
- b) any nuisance or trespass.

Exclusions

The *Company* will not pay for:
any claim relating to:

- a) a contract entered into by the *Insured*
- b) goods in transit or goods lent or hired out
- c) goods at premises other than those occupied by the *Insured* unless the goods are at such premises for the purpose of installations or use in work to be carried out by the *Insured*
- d) mining subsidence
- e) defending the *Insured's* legal rights other than in defending a counter-claim
- f) a motor vehicle owned or used by, or hired or leased to the *Insured*.

Bodily injury

Cover

at the *Insured's* request, the *Company* will negotiate for the *Insured Person's* legal rights following an event which causes the death of, or bodily injury to, an *Insured Person*.

Exclusions

The *Company* will not pay for any claim relating to the following:

- a) any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident
- b) defending an *Insured Person's* legal rights other than in defending a counter-claim
- c) a motor vehicle owned or used by or hired or leased to the *Insured*.

Tax protection

Cover

The *Company* will pay for:

- 1 Inland Revenue Investigations, *Full Enquiries* or *Aspect Enquiries*
 - a) The *Company* will negotiate on the *Insured's* behalf and represent the *Insured* at any appeal proceedings in respect of:
 - i) an in-depth investigation carried out by the Inland Revenue into the *Insured's* business accounts; or
 - ii) a *Full Enquiry* and/or *Aspect Enquiry* carried out by the Inland Revenue.
- 2 Employers Compliance
 - a) The *Company* will negotiate on the *Insured's* behalf and represent the *Insured* at any appeal proceedings in respect of a dispute concerning the *Insured's* compliance with Pay As You Earn or Social Security Regulations following a review by the Inland Revenue or the Department of Social Security Contributions Agency.
- 3 VAT Disputes
 - a) The *Company* will negotiate on the *Insured's* behalf and represent the *Insured* in any appeal proceedings following an assessment issued by HM Revenue and Customs in respect of Value Added Tax due.

The following condition applies:

- a) The *Insured* has taken reasonable care to ensure that all returns are completed and correct and that such returns are submitted within the statutory time limit allowed

Exclusions

The *Company* will not pay for:

- a) the first £100 of *Costs and Expenses* in each and every claim for *Aspect Enquiries*
- b) The *Insured's* failure to register for Value Added Tax
- c) any investigations or enquiries undertaken by the Inland Revenue Special Investigations Section or Special Compliance Office
- d) any investigations or enquiry by HM Revenue and Customs into alleged dishonesty or criminal offences
- e) more than £1,000 for *Aspect Enquiries*.

Amount payable under the Legal Expenses Section

The *Company* agrees to provide the insurance in this *Section* as long as:

- a) the *Date of Occurrence* of the insured incident happens during the *Period of Insurance* and within the *Territorial Limit*; and
 - b) any legal proceedings will be dealt with by a court, or other body which the *Company* agrees to, in the *Territorial Limit*; and
 - c) in civil claims it is always more likely than not that the *Insured* will recover damages (or obtain any other legal remedy which the *Company* have agreed to) or make a successful defence
 - d) if an *Appointed Representative* is used the *Company* will pay the *Costs and Expenses* incurred for this.
- For all insured incidents the *Company* will help in appealing or defending an appeal as long as the *Insured* tells the *Company* within the time limits allowed that they want the *Company* to appeal. Before the *Company* pays any *Costs and Expenses* for appeals, the *Company* must agree that it is always more likely than not that the appeal will be successful.

The most the *Company* will pay for all claims resulting from one or more events arising at the same time or from the same cause is £50,000.

The total of the compensation awards payable by the *Company* shall not exceed £1,000,000 in any one *Period of Insurance*.

General Exclusions applying to the Legal Expenses Section

- a) Any claim reported to the **Company** more than 180 days after the **Insured Person** should have known about the insured incident.
- b) Any **Costs and Expenses** incurred before the written acceptance of a claim by the **Company**.
- c) Fines, penalties, compensation or damages which the **Insured Person** is ordered to pay by a court or other authority other than compensation awards covered under Compensation Awards and Legal Defence.
- d) Any claim deliberately or intentionally solicited by an **Insured Person**.
- e) Any claim relating to franchise rights, or agency rights where the **Insured** have the legal capacity to alter the legal relations of another.
- f) A dispute with the **Company** not otherwise dealt with under Special Condition 7.
- g) Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
- h) Any claim relating to a shareholding or partnership share in the **Business** unless such shareholding was acquired under a scheme open to all the **Insured's** employees or a substantial number of them of a certain minimum grade, other than the **Insured's** directors or partners.
- i) An application for judicial review.
- j) Any legal action an **Insured Person** takes which the **Company** or the **Appointed Representative** have not agreed to where the **Insured** do anything that hinders the **Company** or the **Appointed Representative**.
- k) When either at the commencement of or during the course of a claim, the **Insured** is bankrupt or has filed for a bankruptcy petition or winding-up petition, or has made an arrangement with its creditors, or have entered into a deed or arrangement or is in liquidation or part or all of its affairs or property are in the care or control of a receiver or administrator.

Special Conditions

- 1 The **Insured** must:
 - a) Keep to the terms and conditions of this cover
 - b) Take reasonable steps to keep any amount the **Company** have to pay as low as possible
 - c) Try to prevent anything happening that may cause a claim
 - d) Send everything the **Company** ask for, in writing
 - e) Give the **Company** full details of any claim as soon as possible and any information they need
 - f) Tell the **Company** immediately of any alteration which may materially affect the assessment of the risk.
- 2
 - a) The **Company** can take over and conduct in the **Insured's** name, any claim or legal proceeding at any time. The **Company** can negotiate any claim on behalf of an **Insured Person**
 - b) If the **Company** agree to start legal proceedings and it becomes mandatory for an **Insured Person** to be represented by a lawyer, or if there is a conflict of interest, an **Insured Person** can choose an **Appointed Representative** by sending the **Company** the suitably qualified person's name and address. The **Company** may choose not to accept the choice of representative, but only in exceptional circumstances. If there is a disagreement over the choice of **Appointed Representative**, another suitably qualified person can be appointed to decide the matter
 - c) Before an **Insured Person** chooses a lawyer or an accountant, the **Company** can appoint an **Appointed Representative**
 - d) An **Appointed Representative** will be appointed by the **Company** and represent an **Insured Person** according to its standard terms of appointment. The **Appointed Representative** must co-operate fully with the **Company** at all times

- e) The *Company* will have direct contact with the *Appointed Representative*
 - f) An *Insured Person* must co-operate fully with the *Company* and the *Appointed Representative* and must keep them up-to-date with the progress of the claim
 - g) An *Insured Person* must give the *Appointed Representative* any instructions that the *Company* requires.
- 3
 - a) An *Insured Person* must tell the *Company* if anyone offers to settle a claim
 - b) If an *Insured Person* does not accept a reasonable offer to settle a claim, The *Company* may refuse to pay further *Costs and Expenses*
 - c) The *Company* may decide to pay an *Insured Person* the amount of damages that the *Insured Person* is claiming or is being claimed against them instead of starting or continuing legal proceedings.
 - 4
 - a) If the *Company* asks, an *Insured Person* must tell the *Appointed Representative* to have *Costs and Expenses* taxed, assessed or audited
 - b) An *Insured Person* must take every step to recover *Costs and Expenses* that the *Company* has to pay and must pay them any *Costs and Expenses* that are recovered.
 - 5 If an *Appointed Representative* refuses to continue acting for an *Insured Person* or if an *Insured Person* dismisses an *Appointed Representative*, the cover the *Company* provides will end at once, unless they agree to appoint another *Appointed Representative*.
 - 6 If an *Insured Person* settles or withdraws their claim without the *Company's* agreement, or do not give suitable instructions to an *Appointed Representative*, the cover the *Company* provide will end at once and the *Company* will be entitled to re-claim any *Costs and Expenses* paid by them.
 - 7 If the *Company* and an *Insured Person* disagree about the choice of *Appointed Representative*, or about the handling of a claim, the *Company* and the *Insured Person* can choose another suitably qualified person to decide the matter. The *Company* and the *Insured Person* must both agree to this in writing. If the *Company* cannot agree with the *Insured Person* about the choice of the second suitably qualified person, they will ask the president of a relevant national law society to choose a suitably qualified person. Whoever loses the disagreement will have to pay the costs of settling it.
 - 8 The *Company* may at their discretion require the *Insured* to obtain an opinion from counsel at the *Insured's* expense as to the merits of a claim or proceedings. If counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid for by the *Company*.
 - 9 This cover will be governed by English Law.
 - 10 All acts of Parliament mentioned in this *Section* include equivalent legislation in Scotland, Northern Ireland, Isle of Man and Channel Islands as the case may be.
 - 11 The *Company* will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this *Section* of this *Policy* did not exist.

Helpline Services

To help the company check and improve our service standards, all calls are recorded.

UK Commercial Legal Advice

For confidential legal advice over the phone on any commercial legal problem affecting Your **Business**, under the laws of the United Kingdom phone **08705 234500**. Please state that you are a HSBC Business Choice policyholder and quote reference HSBCC.

This service is provided 24 hours a day, 7 days a week during the **Period of Insurance**.

UK Tax Advice

For confidential advice over the phone on any tax matters affecting your **Business**, under the laws of the United Kingdom phone **08705 234500**. Please state that you are a HSBC Business Choice policyholder and quote reference HSBCC.

This service is provided Monday to Friday 9.00am to 5.00pm (excluding public holidays) during the **Period of Insurance**.

Counselling

The Counselling helpline provides all **Employees** (including any member of their immediate family who permanently live with an **Employee**) with a confidential counselling service over the phone, including where appropriate, onward referral to relevant voluntary and/or professional services.

To contact the counselling helpline, phone The **Company** on **08705 234999**. Please state that you are a HSBC Business Choice policyholder and quote reference HSBCC.

The Company will not accept responsibility if the Helpline Services fail for reasons we cannot control. Please do not phone to report a general insurance claim.

If you need to make a claim

Phone the **Company** on **0870 2434340**. Please state that you are a HSBC Business Choice policyholder.

The **Company** will send you a claim form, complete the form and send it to the Claims Department at:

Allianz Legal Protection Claims,
Redwood House, Brotherswood Court,
Great Park Road, Bradley Stoke,
Bristol, BS32 4QW

The **Company** will contact you once we have received your claim form.

When the **Company** cannot help

Please do not ask for help from a solicitor or accountant in connection with your claim prior to obtaining the **Company's** agreement for such services. If you do the **Company** will not pay the costs involved.

Additional Benefits

Glass Replacement

Broken glass is dangerous for both you and your customers and in some circumstances can be a major security risk. Allianz Insurance plc have negotiated a special arrangement for you, with one of Britain's leading glass replacement specialists, Solaglas Windowcare.

Solaglas Windowcare will bill us direct – you pay nothing except the Policy Excess and the VAT.

The service is available 24 hours a day, all year round, and can be telephoned FREE on 0800 474747.

Please quote your name, policy number and reference HSBC123-AC.

Claims Handling

If an accident, loss or damage occurs or any circumstances arise which may cause a claim to be made:

- You should refer to the detailed requirements for claim notification contained in the General Conditions of your policy and the Special Conditions applying to individual sections. The Special Conditions must be complied with otherwise a claim may not be met.
- You should telephone the HSBC Claims Helpline on 0844 871 0941, operated by Allianz Insurance plc and available 24 hours a day
 - promptly, if an incident occurs that may lead to you making a claim
 - immediately, in the event of a serious accident, loss or damage

Any correspondence in connection with a claim should be addressed to:

Claims Centre Milton Keynes

Allianz Insurance plc

P.O. Box 5525

Milton Keynes, MK9 2XR

Please provide as much information as possible about the claim, and your policy reference if available

In addition if you need emergency assistance you can call the above number, but please do not use this number if you require UK Commercial Legal Advice, Tax Advice or Counselling, or to notify a Legal Expenses claim.

The number to call for Legal Expenses advice and claims can be found in the Legal Expenses section of your policy.

- We recommend you check that the accident, loss or damage is covered by your policy. If you are in any doubt please consult HSBC Insurance Brokers Limited
- You should comply with the requirements for claim notification contained in the policy Conditions, which detail your obligations and our rights in the event of a claim. If you are in any doubt please consult HSBC Insurance Brokers Limited
- You should carry out any emergency action to protect your property from further damage (e.g. turning off main services) or to make it waterproof or secure. We will be pleased to provide advice and assistance to find the right person or organisation to help you. If you do incur any charges please retain the bills as these may form part of your claim
- If emergency work has been completed on your own authority please contact us before permanent repairs begin
- Please do not dispose of damaged items before we have had the opportunity to inspect them
- You should report to the Police any loss or damage from theft, arson, malicious damage, or riot or civil commotion and obtain a crime book reference from them
- Please ensure that your responsibility for injury to someone or damage to their property is not discussed with or admitted to anyone else
- If an employee or someone else is holding you responsible for injury to them or for damage to their property then you should tell us promptly, and send any letters, writs or summons to us unanswered
- Our aim is to deal with your claim promptly and fairly. Depending on the type of claim and value involved we may:
 - forward a claim form for you to complete and sign
 - appoint an independent Loss Adjuster to deal with your claim
 - arrange for one of our Claims staff to visit you
 - reply to you by letter or by telephone.

Caring for Customers

If you have any complaints regarding your insurance policy, please see the Allianz Insurance plc section below. If you have any complaints regarding the sale of your policy or any other aspect of the service provided by HSBC Insurance Brokers Limited please see the HSBC Insurance Brokers Limited Section below.

Allianz Insurance plc

Our aim is to get it right first time, every time. If we make a mistake we will try to put it right promptly. We will always confirm receipt of your complaint within five working days and do our best to resolve the problem within four weeks. If we are unable to do so we will let you know when the answer may be expected. If we have not resolved the problem within eight weeks, we will provide you with information about the Financial Ombudsman Service.

Should you wish to make a complaint, then it should be directed to the Customer Satisfaction Manager at the following location:

Allianz Insurance plc
57 Ladymead, Guildford,
Surrey, GU1 1DB
Telephone: 01483 552438
Email: accesm@allianz.co.uk

If your complaint is about a claim that we are already handling then please direct your complaint to the office involved if different to the above address.

Whoever you are contacting, please always quote the policy number as it will help your complaint to be dealt with promptly.

Allianz Insurance plc is a member of the Financial Ombudsman Service.

Using our complaints procedure or referral to the Financial Ombudsman Service does not affect your legal rights.

HSBC Insurance Brokers Limited

HSBC Insurance Brokers Limited is authorised and regulated by the Financial Services Authority. Our Firm reference number is 310240. We are also a member of the Society of Lloyds

It is our intention to provide you with a high level of customer service at all times. However, if for any reason you are dissatisfied with the arrangement or servicing of your insurance, please contact:

Customer Services Manager
HSBC Insurance Brokers Limited
County Gates House
300 Poole Road
Dorset BH12 1AZ
Tel: 0845 604 2417
Fax: 0845 585 5290

We aim to resolve all complaints in a fair and speedy manner, usually by close of business on the business day following receipt of the complaint, and in accordance with the guidelines set down by the Financial Services Authority on Complaints handling.

If we cannot resolve the complaint by close of business the next day after the complaint has been received, we will:

- i) acknowledge your complaint in writing within 5 working days either with a full response or information about the progress of your matter and a contact name for future reference;
- ii) within 4 weeks of receipt of your complaint, provide you with a final response or if appropriate, a holding response if the matter has still not been resolved; and
- iii) within 8 weeks from the receipt of your complaint, send you a final response or offer you redress if appropriate.

If following our final response you are dissatisfied with the outcome of your complaint and you are an Eligible Complainant, you may refer it to the Financial Ombudsman Service within 6 months of receiving the final response.

Generally, an Eligible Complainant is one who is:

- a) a private individual;
- b) a business which has a group annual turnover of less than £1million at the time the complaint is made;
- c) a charity which has an annual income of less than £1 million at the time the complaint is made;
- d) a trustee of a trust which has a net asset value of less than £1million at the time the complaint is made.

The Financial Ombudsman Service

The Financial Ombudsman service was set up by law to provide consumers with a free independent service for resolving disputes with financial services firms. From 6 April 2007, it can also review complaints relating to consumer credit services.

Copies of the Financial Ombudsman Service's explanatory leaflet can be obtained free of charge at any of our offices. Details for the Financial Ombudsman Service can also be found by visiting their website www.financial-ombudsman.org.uk or by writing to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR, Telephone 0845 080 1800.

Financial Services Compensation Scheme

Allianz Insurance plc contributes to the Financial Services Compensation Scheme (FSCS).

You may be entitled to compensation from the FSCS if we are unable to meet our liabilities. Further information about compensation scheme arrangements is available from:

Financial Services Compensation Scheme

7th Floor, Lloyds Chambers

Portsoken Street

London E1 8BN

Tel: 020 7892 7300

Fax: 020 7892 7301

Email: enquiries@fscs.org.uk

www.fscs.org.uk

Data Protection Act

We may use the personal and business details you have given us or which are supplied by third parties including any details of directors, officers, partners and employees to provide you with a quotation; deal with your policy; to search credit reference and fraud agencies who may keep a record of the search; to share with other insurance organisations to help offset risks, to help administer your policy and to handle claims and prevent fraud; to support the development of our business by including your details in customer surveys, and for market research and compliance business reviews which may be carried out by third parties acting on our behalf. You agreed when you applied for the policy that your directors, officers, partners, and employees have consented to our using their details in this way.

We may need to collect data relating to Insured Persons, which under the Data Protection Act is defined as sensitive (such as medical history of Insured Persons) for the purpose of evaluating the risk or administering claims which may occur. You must ensure that you have explicit verbal or written consent from the Insured Persons to such information being processed by us and that this fact is made known to the Insured Persons.

Your details will not be kept for longer than is necessary.

Under the Data Protection Act 1998 individuals are entitled to a copy of all the personal information Allianz Insurance plc holds about them. Please contact the Customer Satisfaction Manager at the following address for further information: Allianz Insurance plc, 57 Ladymead, Guildford, Surrey, GU1 1DB.

Personal details may be transferred to countries outside the EEA. They will at all times be held securely and handled with the utmost care in accordance with all principles of English law.

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HSBC Insurance Brokers Limited
County Gates House
300 Poole Road
Dorset BH12 1AZ
Tel: 0845 604 2417
Fax: 0845 585 5290

Allianz Insurance plc. Registered in England number 84638
Registered office. 57 Ladymead, Guildford, Surrey, GU1 1DB, United Kingdom.

Allianz Insurance plc is a member of the Association of British Insurers and the Financial Ombudsman Service.
Allianz Insurance plc is authorised and regulated by the Financial Services Authority. Our registration number is 121849.
This can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234