

A large, abstract geometric pattern composed of many overlapping triangles in various shades of blue, centered on the page.

Motor Trade Combined Advantage

Giving you the advantage

QBE: A name to trust in Commercial Motor Insurance

QBE helps businesses build resilience through risk management and insurance

With almost a century of insuring commercial vehicles, 50 years' experience in insuring bus and coach fleets, and 30 years as the UK leader in minibuss insurance, QBE is fully committed to the motor sector and proactively helping customers to manage risk and drive down claims. This approach has made QBE a name to trust in commercial motor insurance.

Our claims commitment to you

At QBE, our priority is getting customers back on track as fast as possible after suffering a loss. We look to settle claims fairly and promptly. We have an excellent record for paying claims. As one of the world's leading insurers, we have the financial strength and security to deliver on the promises we make.

In the event of a claim, we're committed to reducing vehicle downtime, controlling repair and car hire costs, and minimising business interruption. And if a claim is made against you, we do all that we can to reduce the costs involved and defend you robustly against fraudulent claims. Working together to reduce claims costs, we can reduce your premium spend.

Need to claim? Report it early

If you have an incident and need to make an insurance claim, please report it to us as soon as possible and in line with the relevant **section** of this **policy**.

Reporting a claim early can save time and help you to receive any claim payments faster, as well as allowing us to help mitigate the cost of third-party claims.

After you've notified us you will benefit from our approved repair network, fixed labour rates, and a proactive parts management service which means that on average vehicles are back on the road up to seven days quicker than via non-approved repairers. Our service includes:

- Nationwide repair capability for all vehicle types;
- Recovery of undriveable / unroadworthy vehicles;
- Free collection and re-delivery of drivable vehicles up to a 30-mile radius;
- Mobile repair service and Xpress one day repairs of minor / medium damage;
- Preferential repair costs;
- BS10125 certified repairers;
- All repair work guaranteed for three years;
- Online repair tracker via web portal.

This is available to all customers. All that comprehensively insured customers will pay is any applicable excess and VAT. While your vehicle is being repaired, if you use our approved repairer network, we can arrange a courtesy car (category A or grade 1) subject to availability.

If you would like to speak to a member of our claims relationship team, please use the email below and a member of the team will help guide you through our claims philosophy and discuss any queries you may have.

Email: QBEclaimsrelationship@uk.qbe.com

Risk Solutions

Managing a fleet of vehicles carries the risk of accidents, claims from third parties and possibly fraudulent claims. We can help you to identify and reduce these risks. We encourage you to take advantage of our:

- Free online QRisk self-assessment to help you be more prepared;
- Driver training, driver assessor training, driver profiling and e-learning;
- Collision investigation training;
- Risk management articles and material.

Please get in touch with us for more information on any of these and for your QRisk login details. Email: QBEMotor.Risksolutions@uk.qbe.com.

Also, if you're considering a new fleet management / telematics system or other services, we may be able to help save you some money. As a QBE customer you can benefit from discounted rates from our trusted suppliers across telematics, fleet management, driver behaviour, road safety and breakdown cover. Please ask us for more information.

Mental Health

Mental health issues are the single biggest cause of workdays lost in the UK, accounting for approximately 57%, and costing businesses up to £45 billion a year in lost revenues.

To help businesses meet the mental health challenge, we have collaborated with renowned charity Mind and other trusted mental health providers to launch an organisational mental health self-assessment optimisation tool, unique in the insurance market.

Keep up to date with our publications

We are obliged to contact you from time to time regarding the Motor Insurance Database (MID) and other regulatory matters.

In addition, we publish articles regularly on business continuity, resilience and managing risk. We invite you to read our latest articles and subscribe to receive notification of new ones at our website <https://qbeurope.com>.

Finally, as well as your vehicles, we can also insure most other business risks, so if you need any type of business insurance, please ask your broker about QBE business insurance.

1. Contents

This **policy** consists of the following:

1. Contents	4
2. Policy Guide	5
3. Notification of Claims	8
4. General Definitions	9
5. Property Damage	24
6. Business Interruption Section	35
7. Extensions for the Property Damage and Business Interruption Sections	44
8. Exclusions to Property Damage and Business Interruption Sections	49
9. Other terms and conditions for the Property Damage and Business Interruption Sections	54
10. Terrorism	62
11. Fidelity.....	66
12. Wrongful Conversion.....	70
13. Loss of MOT Licence	71
14. Employers' Liability	74
15. General Liability	79
16. Extensions to the Employers' Liability and General Liability Sections	92
17. Motor Road Risks	94
18. Self Drive Hire	105
19. Legal Expenses	112
20. General Exclusions	118
21. General Claims Conditions and Requirements	122
22. General Terms	126
23. How To Complain	134
Working for a better world	135
Premiums4Good	135

2. Policy Guide

2.1 Your policy

- a) The **policy** is made up of (i) this document; (ii) the **schedule** (including any substitution schedule) and endorsements; and (iii) the **certificate of motor insurance**.
- b) Together these documents form the **policy** and set out the scope of this insurance.
- c) **Your policy** is a legally binding insurance contract. Please read all parts carefully and if **you** require clarification of the terms, conditions or exclusions, please contact **us** via **your** broker.
- d) If **your policy** is incorrect, or **you** believe that it does not meet **your** needs, please raise this with **your** broker.
- e) All headings in the **policy** are included in bold. Other than in the headings, words in bold carry specific meanings which are set out in the 'General Definitions' or within any definitions specific to and contained within any **section** or **sub-section** of this **policy**.
- f) Words importing the singular will include the plural and vice versa and words importing the masculine will import the feminine and the neuter. References to 'a person' will be construed to include any individual, company, partnership or other legal entity.
- g) Any reference to legislation or regulations or industry guidance or standards in the **policy** extends to apply to any, or any subsequent, amending or replacement legislation or regulations, guidance or standards and to other legislation or regulation, guidance or standards of similar intent if applicable.
- h) Any reference to the United States of America includes its territories and possessions.

2.2 Navigation

- a) This **policy** sets out the cover in different **sections** which describe the extent of cover, how the indemnity under this **policy** may be limited or excluded and other terms and conditions applicable to the relevant head of cover. Cover is subject to the terms, conditions, limitations and exclusions of the **policy**.
- b) Certain terms that may apply to a **section** or may apply to the whole **policy** are also set out in:
 - i. General Definitions;
 - ii. General Exclusions;
 - iii. Claims Conditions and Requirements;
 - iv. General Terms; and
 - v. How to Complain.
- c) Unless expressly stated otherwise elsewhere in the **policy**, **limits of indemnity**, Section Limits and **sub-limits** (as applicable) are set out in the **schedule** and operate in accordance with the relevant provisions in the relevant specific **sections**, the 'General Definitions' **section** and/or the 'General Terms' **section** of the **policy**.

2.3 Fair presentation

- a) It is important that **you** have made a fair presentation of the risks insured by the **policy**, in accordance with the terms of the Insurance Act 2015.
- b) **Your** obligations in this regard, and **our** rights, are as set out in the Insurance Act 2015. **We** would advise **you** to obtain full details from **your** broker.

- c) If **you** have failed to make a fair presentation of the risk, this could lead to a reduction in the amount for which **we** will indemnify **you**, no payment being made under the **policy**, or the **policy** being treated as never having come into force in the first place, depending on the circumstances.

2.4 Conditions precedent

- a) The **policy** contains a number of terms which are conditions precedent to **our** obligation to indemnify **you** under the **policy**. These terms are specifically identified where they appear in the **policy** by the words "CONDITIONS PRECEDENT" which appear in capitals next to the title of the term.
- b) The consequences for breach of conditions precedent are serious. If **you** breach a condition precedent, **we** will not indemnify **you** for any part of **your** claim subject to the terms of the Insurance Act 2015. **We** would advise **you** to obtain full details from **your** broker.
- c) Additional terms may also be included in any endorsements to the **policy**, and **you** should check these carefully as these form part of the **policy** and may also be conditions precedent to **our** obligation to indemnify **you** under the **policy**.

2.5 Limit(s) of indemnity, section limits and sub-limits

- a) Any **limit of indemnity**, **section** limit and/or any **sub-limit**, and/or **benefit** (as applicable) act as a cap or caps on the amount for which **we** will indemnify **you** under the **policy**. The way these provisions operate is set out in the relevant specific **sections** or the 'General Definitions' **section** of the **policy**.
- b) It is essential that any **limit of indemnity**, **section** limit and/or **sub-limit** (where applicable) is/are adequate for **your** needs. If a claim exceeds the **limit of indemnity**, **section** limit or any applicable **sub-limit**, **you** will face uninsured liability and costs.
- c) It is **your** responsibility to request appropriate **limits of indemnity**, **section** limit and/or **sub-limits**. If **you** are in any doubt as to their adequacy, **you** should contact **your** broker and seek advice.

2.6 Setting your sums insured

In relation to the 'Property Damage' and 'Business Interruption' **sections**:

- a) For all items of **property insured** for which a **sum insured** is stated in the **schedule** under 'Property Damage', the **sum insured** should be set at the maximum amount for which **we** could indemnify **you** under the 'Basis of settlement' conditions in the 'Other terms and conditions for the Property Damage and Business Interruption Sections' **section** were that item of **property insured** to be entirely destroyed. The **sum insured** needs to remain adequate throughout the **period of insurance** (unless it is stated in the **schedule** that the item is covered on the Day One (1) Basis). That means **you** should make allowance for any potential increases that may occur during the **period of insurance**.
- b) For cover under the 'Property Damage' **section** it is important that **you** check that all **sums insured** and **declared values** stated in the **schedule** are correct. If **you** are in any doubt **you** should ask **your** broker for advice. All **sums insured** and **declared values** are subject to the provisions of the 'Underinsurance conditions' in the 'Other terms and conditions for the Property Damage and Business Interruption sections' **section**, unless expressly stated otherwise. This means that if, when making a claim, a **sum insured** or **declared value** (as applicable) is found not to be adequate, the amount **you** are able to claim under this **policy** will be reduced. For example, if the **sum insured** or **declared value** for **property insured** is £500,000, but the **sum insured** or **declared value** ought to have been £1,000,000, **we** will only pay fifty percent (50%) of the valid claim. The way that this works is explained in the 'Underinsurance' conditions in 'Other terms and conditions for the Property Damage and Business Interruption Sections' **section**.

- c) If **you** have purchased cover under the 'Business Interruption' **section** for **estimated insurable gross profit** or **estimated gross revenue** the **sum insured** will include an uplift to allow for some element of unexpected growth of **your business** during the **period of insurance**.
- d) For cover under the 'Business Interruption' **section** **you** must ensure that the figure **you** have provided for **estimated insurable gross profit** or **estimated gross revenue** is as accurate as possible and is based on the best information available to **you** at the time, which should be **your** latest budget where available. A margin of error of up to thirty three percent (33%) is allowed against the estimated figures **you** have provided. **We** will not apply any reduction to **your** claim on account of underinsurance provided this margin is not exceeded. However, if that margin of error is exceeded then the amount for which **we** will indemnify **you** for any loss will be proportionally reduced. The way this works is explained in the 'Declaration linked condition' in 'Other Terms and Conditions for the Property Damage and Business Interruption Sections' **section**. Please note that the waiver of any underinsurance reduction within the thirty three percent (33%) margin of error does not relieve **you** of **your** obligation to make a fair presentation under the Insurance Act 2015. This means that if the estimated figures **you** have provided were deliberately or recklessly false, the remedies in the Insurance Act 2015 will be available to **us** regardless of whether the thirty three percent (33%) margin of error was exceeded.

2.7 Premium payment

- a) **We** will indemnify **you** in accordance with and subject to the terms of the **policy**, in consideration of the payment to **us** of the premium set out in the **schedule** for the **period of insurance**.
- b) Unless expressly stated otherwise in a separate written agreement, if **you** do not pay when due, any premium or premium instalment plus applicable taxes/levies to **your** broker or **us**, **we** may give **you** written notice cancelling the **policy**.
- c) The **policy** will continue if the late premium instalment and any other remaining premium instalments are paid and accepted before the cancellation takes effect.
- d) In the event of cancellation, premium is due to **us** on a pro rata basis for the period that **we** are on risk. However, the full contract premium shall be payable to **us** in the event of a loss or **occurrence** prior to the date of termination, which gives rise to a valid claim under this contract.
- e) **We** may, at **our** discretion, deduct overdue unpaid premium from claims settlements but shall not set off or deduct premium that is not overdue. Pursuant to **your** and **our** obligations under any relevant compulsory insurance legislation, **we** shall not set off or deduct premium from any amounts payable under the 'Employers' Liability', Motor Road Risks or Self Drive Hire **sections**.

3. Notification of Claims

We pride ourselves on placing the effective management and handling of claims at the heart of **our** business. **Our** claims teams have the skills and expertise to ensure that all claims are processed effectively and in a timely manner.

The claim notification procedures are explained in this wording booklet at the 'General Claims Conditions and Requirements' **section**. Please ensure that **you** are familiar with those procedures, as **we** may not pay **your** claim if **you** do not comply.

Claim notification contact details are set out in the **schedule**.

4. General Definitions

The following words, when used in bold type, have the meaning set out below unless otherwise stated. Where words are defined for any particular **section(s)** they will have that defined meaning within that or those **section(s)** only. Where terms are used in the **policy** without bold type they have their ordinary meaning.

4.1 Accessory

Means spare parts, audio equipment, fitted telephone equipment, multi-media equipment, communication equipment and satellite navigation equipment, providing they are permanently fitted to the **insured vehicle** and (except for fitted telephone equipment) fitted from first registration.

4.2 Accident

Means a single and unexpected event which occurs at an identifiable time and place.

4.3 Act of terrorism

In respect of all **sections** other than the 'Terrorism' **section**, means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) endangers life other than that of the person committing the action;
- b) involves violence against one or more persons;
- c) involves **damage** to property;
- d) creates a risk to health or safety of the public or a section of the public; or
- e) is designed to interfere with or to disrupt an electronic system.

4.4 Additional vehicle technology

Means any electronic devices with an independent power source in or on an insured vehicle including but not limited to dashcams, telematics equipment and driver coaching technology, which are designed to improve road safety, enhance driver assistance, reduce accident frequency or severity, and/or assist with the defence of claims.

4.5 Advanced driver assistance systems (ADAS)

Means any integrated in-vehicle safety systems, including those which use vehicle sensors to aid the driving process and/or reduce accident frequency and severity.

4.6 Asbestos

Means asbestos, asbestos fibres, asbestos dust or asbestos-containing materials.

4.7 Bodily injury

Means death, disease, illness, physical or mental injury of or to an individual.

4.8 Breakdown

Means the actual failure, distortion, breaking or burning out of any part of a machine or computer whilst in use caused solely by either mechanical or electrical defects in the internal components or failure or fluctuation of the electricity supply, in either case resulting in sudden stoppage of the functions of the machine or computer and necessitating repair or replacement of components before it can resume working.

4.9 Building(s)

For the 'Property Damage', 'Business Interruption', 'Extensions for the Property Damage and Business Interruption Sections', 'Exclusions to the Property Damage and Business Interruption Sections', and 'Other Terms and Conditions for the Property and Business Interruption Sections' **sections** means the fixed permanent structures within the boundaries of the **premises** belonging to **you** or for which **you** are responsible, including:

- a) walls, gates, fences, yards, roadways, pavements, drains and sewers;
- b) landlords' fixtures and fittings, annexes and outbuildings;
- c) foundations, landscaping, ponds/pools/ water features, fixed glass, solar panels or other electricity generating equipment;
- d) security, fire or monitoring devices;
- e) pipes, cables and wires and associated control gear, instruments and accessories including any part of any such pipes, cables or wires and associated control gear, instruments and accessories extending beyond the boundary of the **premises** but only to the lesser of either:
 - i. the public mains and which partly or wholly serves to supply the **premises**; or
 - ii. up to fifty (50) metres beyond the perimeter of the premises; and
- f) underground storage tanks.

4.10 Business

For the purposes of the 'Motor Road Risk' and 'Self Drive Hire' **sections** means **your** activities set out in the **schedule** including:

- a) repair, maintenance and servicing of **insured vehicles**, sale or disposal of **your own property** and **goods**, including **insured vehicles**;
- b) the pre-delivery check of new vehicles and the fitting of additional **accessories** to such vehicles;
- c) the examination of motor vehicles in accordance with the Motor Vehicles (Tests) Regulations;
- d) private work undertaken by any **employee** for any fellow principal **employee**, **director** or partner or executive of **you**;
- e) the employment of subcontractors for performance of work on **your** behalf;
- f) the organisation of charitable events or similar fund raising activities;
- g) the sponsorship of events, organisations, entities and individuals.

For the purposes of the 'Property Damage', 'Business Interruption', 'Extensions for the Property Damage and Business Interruption', 'Exclusions to the Property Damage and Business Interruption', and 'Other Terms and Conditions for the Property and Business Interruption' **sections** means **your** activities set out in the **schedule** at the **premises** including:

- a) maintenance of **property insured** and the **premises**;
- b) the provision and management of catering, social, sports and welfare organisations for the benefit of **employees** or volunteers;
- c) **your** first aid, security, fire and ambulance services;
- d) participation in exhibitions trade fairs conferences and the like; or
- e) provision of gifts and promotional material incidental to the business; but not including receipt of rent unless this activity is specifically included in the **schedule** as part of **your** business;
- f) private work carried out within the **territorial limits** by an **employee** for any of **your** directors or senior executives;
- g) the organisation of charitable events or similar fund raising activities;
- h) sponsorship of events, organisations, entities and individuals;

- i) employment of sub-contractors for performance of work on **your** behalf.

For the purposes of the 'Employers' Liability', 'General Liability' and 'Extensions to the Employers' Liability and General Liability Sections' **sections** means **your** activities set out in the **schedule** including:

- a) maintenance of property and premises owned or occupied by **you**;
- b) the provision and management of catering, social, sports and welfare organisations for the benefit of **employees** or volunteers;
- c) **your** first aid, security, fire and ambulance services;
- d) private work carried out within the **territorial limits** by an **employee** for **your** directors or senior executives;
- e) participation in exhibitions, trade fairs, conferences and the like; or
- f) provision of gifts and promotional material incidental to the **business**.

4.11 Business hours

Means the period during which the **premises** are opened for **business** or are otherwise occupied for **business** purposes by **you** or an authorised **employee**.

4.12 Business services

Means those services provided for a client as specified in the **schedule** in the conduct of **your business**.

4.13 Claim

For the purpose of the 'Employers' Liability', 'General Liability', 'Extensions to the Employers' Liability and General Liability', 'Motor Road Risks' and 'Self Drive Hire' **sections** means:

- a) the receipt by **you** of any written notice of demand for compensation made by a third party against **you**;
- b) any writ, statement of claim, claim form, summons, application or other originating legal or arbitral process, cross-claim, counterclaim or third or similar party notice served upon **you**;
- c) any notice of intention in writing to commence legal proceedings against **you**.

Where the word 'claim' is used as an undefined term (i.e. not in bold type) it refers to a claim by **you** under the **policy**, unless the context otherwise requires.

4.14 (to) Cause/caused by

For the purpose of the 'Employers' Liability', 'General Liability', 'Extensions to the Employers' Liability and General Liability', 'Motor Road Risks' and 'Self Drive Hire' **sections** means to result directly and solely in an **occurrence**, event or liability which would otherwise not have taken place.

4.15 Certificate of motor insurance

The certificate required by law to evidence the existence of the minimum compulsory insurance which describes who may drive an **insured vehicle** and the purpose for which it may be used.

4.16 Communicable disease

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

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

- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten **damage** to, deterioration of, loss of value, loss of marketability or loss of use of **property insured** by the **policy**.

4.17 Computer equipment

Means all desktops, laptops, tablets, servers, **data** storage devices, networking equipment or on-site back up facilities, and manufacturer installed software but not any item installed in any vehicle and/or any **vehicle computer system**.

4.18 Computer system

Means a computer or other equipment or component or system or item which processes stores transmits or receives **data** but not any item installed in any vehicle and/or any **vehicle computer system**.

4.19 (to) Contribute to/contributed to by

For the purpose of the 'Employers' Liability', 'General Liability', and 'Extensions to the Employers' Liability and General Liability' **sections** means to:

- a) result directly or indirectly in an **occurrence**, event or liability;
- b) contribute wholly or partly to an **occurrence**, event or liability; and/or
- c) increase the risk of an **occurrence**, event or liability.

4.20 Customers

Means **your** customers who obtain goods from **you** or use **your** services.

4.21 Cyber act

Means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer system**.

4.22 Cyber event

Means any programming or operator error whether by **you** or any other person or persons, or any unintentional or unplanned whole or partial outage of **your computer system** not directly caused by physical loss or damage; affecting access to, processing of, use of or operation of any **computer system**.

Where a **cyber event** is caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act**, the **cyber event** will be considered to be a **cyber act**.

4.23 Cyber incident

Means:

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system**; or
- b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**; or
- c) any **cyber act**.

4.24 Damage/damaged

Means:

- a) for the 'Property Damage', 'Business Interruption', 'Extensions for the Property Damage and Business Interruption Sections', 'Exclusions to the Property Damage and Business Interruption Sections', and 'Other Terms and Conditions for the Property and Business Interruption Sections' **sections**, physical loss of, physical destruction of or physical damage to tangible property. However for any claim in respect of an **insured vehicle** under the 'Property Damage' **section**, the definition at c) below shall apply;
- b) for the 'Employers' Liability', 'General Liability', and 'Extensions to the Employers' Liability and General Liability' **sections**, physical loss of, physical destruction of or physical damage to tangible property which is **caused by an occurrence**;
- c) for the 'Motor Road Risks' and 'Self Drive Hire' **sections**, means any immediate and permanent loss of, or any visible tangible or physical breakage alteration or change to, an **insured vehicle** that impairs its value, usefulness or normal function and damage to or loss of software within a **vehicle computer system**;
- d) for the remainder of the **policy**, loss of, or destruction of, or damage to, tangible property.

4.25 Data

Means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

4.26 Data processing media

Means any **property insured** on which **data** can be stored but not the **data** itself.

4.27 Data Protection Law

Means all applicable data protection and privacy legislation, regulations and guidance in any country, province, state, territory or jurisdiction which govern the use, confidentiality, security and protection of **personally identifiable information** and any guidance or codes of practice issued by any applicable **data protection regulator** or governmental entity from time to time including Regulation (EU) 2016/679 (the "General Data Protection Regulation" or the "**GDPR**") and Data Protection Act 2018, the **GDPR** as it forms part of the laws of the United Kingdom by virtue of section 3 of the European Union (Withdrawal) Act 2018, all legislation enacted in the UK in respect of the protection of personal data, and the Privacy and Electronic Communications (EC Directive) Regulations 2003; and any guidance or codes of practice issued by any **data protection regulator** from time to time (all as amended, updated or re-enacted from time to time).

4.28 Data Protection Regulator

Means the Information Commissioner's Office, the Article 29 Working Party and the European Data Protection Board and any other supervisory authority with jurisdiction over **you**, and in each case any successor body from time to time.

4.29 Deductible

Means the first amount payable by **you**, or the first continuous period of time that is uninsured, which shall apply in respect of any one **occurrence** unless stated otherwise in the **schedule**, as ascertained after the application of all other terms and conditions of this **policy**. The deductible forms part of the **sum insured**, **limit of indemnity** and/or **any sub-limit** as applicable.

4.30 Defence costs

For the 'Employers' Liability', 'General Liability', 'Extensions to the Employers' Liability and General Liability', **sections**, means the reasonable and necessary costs and expenses which **you** incur with **our** prior written consent for:

- a) the investigation, adjustment, defence or settlement of a **claim** which is insured by these **sections** of the **policy**;
- b) legal representation at a Coroner's Court or Fatal Accident Inquiry in respect of death which could give rise to a claim under the **policy**; and
- c) attendance at court as a witness at **our** request, payable at the following rates per day on which attendance is required:
 - i. for the 'Employers' Liability', 'General Liability', 'Extensions to the Employers' Liability and General Liability' **sections**:
 - A. a director or partner – £750; or
 - B. **other insured party** (besides a director or partner) – £250;

excluding costs and expenses which:

- a) are recoverable from **you** by any claimant or investigating or prosecuting authority;
- b) are **contributed to by** the deliberate act or omission of **you** or an **employee**;
- c) relate to improvement or prohibition notices, remedial or publicity orders or steps required to be taken by such orders;
- d) relate to attendance or representation at a public inquiry; or
- e) are covered wholly or partly by another insurance policy.

If **you** appoint a firm of solicitors other than a **panel firm**, **our** liability for **defence costs** will not exceed the **legal costs sub-limit(s)**.

Defence costs do not include and there is no indemnity for **your** own internal costs and expenses, management time or **employee** time or any adjusters' fees.

4.31 Director or Officer

Means any natural person who was, is or during the **period of insurance** becomes **your** director or officer (as determined by the applicable law of the jurisdiction in which **you** are domiciled) including the functional equivalents such as members of the executive or supervisory board of directors.

4.32 Documents

Means **your** hardcopy documents only, including **business** books and records.

4.33 Domicile

Means the country where the person is liable to pay income tax or social security fund payments (or similar such tax or payments).

4.34 DPA

Means the Data Protection Act 2018.

4.35 Earthquake

Means earth movement, including landslide, mudflow, tsunami, volcanic eruption, earth sinking, earth rising or shifting, including collapse, cracking or shifting of buildings, structures or their parts, as a direct and immediate result of a sudden release of energy in the earth's crust creating seismic waves and including **damage** resulting directly from earthquake.

4.36 Electronic data

Means facts, concepts, and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

4.37 Employee

Means a person:

- a) engaged under a contract of service or apprenticeship with **you**;
- b) acting in the capacity of **your** non-executive director; or
- c) who works for **you** in the course of **your business** including but not limited to:
 - i. persons on secondment from another company who are not an **insured** under the **policy**;
 - ii. labour masters or persons supplied by them;
 - iii. labour-only subcontractors;
 - iv. self-employed persons;
 - v. drivers or hired-in plant operators;
 - vi. persons engaged under work experience, training, study, exchange or similar schemes;
 - vii. any officer, member or voluntary helper of the organisations or services stated in the **business**;
 - viii. voluntary workers, helpers and instructors;
 - ix. persons working under the Sentencing Act 2020, or the Criminal Procedure (Scotland) Act 1995;
 - x. outworkers or homeworkers;
 - xi. any other person defined under Sections 32(3), 35(2) and 54(3)(b) of the National Minimum Wage Act 1998;
 - xii. prospective **employees** who are being assessed by **you** as to their suitability for employment; or
 - xiii. persons a court in the United Kingdom, Channel Islands or Isle of Man deems to be an **employee**.

4.38 Excess

Means the first amount payable by **you**, or the first continuous period of time that is not insured, which shall apply in respect of any one **occurrence** unless stated otherwise in the **schedule**, as ascertained after the application of all other terms and conditions of this **policy**.

4.39 Flood

Means the escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea, including run-off of water or flash flooding during or after a **storm**; rising water, surface water or waves; tidal waves or tidal water (but not tsunami); overflow of streams, rivers lakes, ponds, or other bodies of water; spray from any of the foregoing; all whether driven by wind or not.

4.40 GDPR

Means the General Data Protection Regulation 2016/679 and UK General Data Protection Regulation.

4.41 Geographical scope

Means, in respect of the 'Employers' Liability', General Liability and Extensions to the Employers' Liability and General Liability Sections' **sections**, the territory identified in the **schedule** for the relevant **section** in which an activity giving rise to a claim or potential claim under the applicable **section** must take place in order for cover under that **section** to apply.

4.42 Glass

Means an **insured vehicle's** windscreens, windows and panoramic glass roofs.

4.43 Goods

Means **machinery, plant, and all other contents, stock and materials in trade** and any property specified as goods in the **schedule** which is/are connected with the **business** belonging to **you**, or for which **you** are responsible or have accepted responsibility.

4.44 Incident

For the purpose of the 'Property Damage', 'Business Interruption', 'Extensions for the Property Damage and Business Interruption Sections', the 'Exclusions to Property Damage and Business Interruption Sections' and 'Other terms and conditions for the Property Damage and Business Interruption Sections' **sections** only means:

- a) accidental **damage** occurring during the **period of insurance** to property used by **you** at the **premises** for the purpose of the **business** within the **territorial limits**; or
- b) damage to other property, or any other contingency not involving **damage**, but in both cases only if expressly covered under an extension to the 'Business Interruption' **section** and occurring during the **period of insurance**.

However, definition (b) will not apply to the cover provided under the 'Rent Receivable' or 'Outstanding Debit Balances' **sub-sections** of the 'Business Interruption' **section**.

4.45 Insolvency event

Means:

- a) an application being made for an administration order or the purported appointment of, or the filing at court or issue of any notice of intention to appoint, an administrator in relation to **you**;
- b) a petition being presented, a meeting being convened or an effective resolution being passed otherwise than with **our** prior written consent of as part of a solvent reconstruction or amalgamation for **your** winding up;
- c) possession being taken of, or a receiver, sequestrator or similar officer being appointed in respect of, the whole or any part of **your** assets or undertaking;
- d) **you** suspending or threatening to suspend payment of **your** debts as they fall due or being, or unlikely to become, unable to pay its debts, whether within the meaning of Section 123 Insolvency Act 1986 or otherwise;
- e) **your** directors or partners making a proposal that **you** enter into a voluntary arrangement (within the meaning of Section 1 Insolvency Act 1986) or taking any steps to obtain a moratorium under Section 1A of that Act or **your** taking or being subject to any proceedings under the law for the readjustment, rescheduling or deferment of all or any of **your** debts, or proposing or entering into any general assignment or composition with or for the benefit of **your** creditors;
- f) **you** ceasing or threatening to cease to carry on all or a substantial part of **your business** or operations, or selling, transferring or otherwise disposing of the whole or a substantial part of **your** undertaking or assets, either by a single transaction or by a number of transactions; or
- g) the **occurrence** in respect of **you** of any event in any jurisdiction to which **you** are subject having an effect similar to that of any of the events referred to in paragraphs a) to f) above.

4.46 Insured

Means for all **sections** the person, entity, company or other organisation shown as insured in the **schedule** including its **subsidiary companies** which are in existence at the inception date of this **policy** and have been declared to **us** until such time as they may be sold or otherwise disposed of (but not excluding any liabilities incurred prior to disposal).

4.47 Insured person

You or **your** principals, directors, partners or **employees**; or any person acting on **your** behalf other than an **employee** of a security company or organisation.

4.48 Insured vehicle

Means:

- a) motor vehicle, mechanically propelled vehicle, trailer or agricultural implement which belongs to **you** or for which **you** are legally responsible including:
 - i. vehicles held under franchise;
 - ii. **your customers'** vehicles held in trust; or
 - iii. other motor vehicles and their accessories and plant and equipment fixed thereto;
- b) disabled motor vehicle and / or any trailer attached to a vehicle of a kind described above for the purpose of being towed; or
- c) vehicle and/or trailer whilst being conveyed on a vehicle or trailer described above used in connection with **your business** as described in the **schedule**.

Unless otherwise stated, **insured vehicle** includes its **accessories, advanced driver assistance systems** and **vehicle computer system**.

Except where **you** have requested and **we** have agreed to provide indemnity, **insured vehicle** does not include any motor vehicle registered elsewhere than the UK.

4.49 Insurer

Means the party specified as insurer in the **schedule** and any other subscribing insurers.

4.50 Legal costs

Means legal costs, charges, fees, expenses and advances in respect of the same (other than salaries, overheads, commissions, expenses or other benefits of any **insured**).

4.51 Legal costs sub-limit

Means the 'Non-Panel Firm Legal Costs' sum referred to in the **schedule**.

4.52 Legionella

Means any discharge, release or escape of legionella bacteria from water tanks, water systems, air-conditioning plants, cooling towers and the like.

4.53 Licence

Save for in the 'Loss of MOT Licence' **section** means a legal permit to drive a vehicle as required by the laws of any territory to which this **policy** applies and appropriate to the driver and the category of the vehicle being driven. **Licence** includes any related Certificate of Professional Competency (CPC) or other concurrent permit of any description necessary to use and drive an **insured vehicle**.

4.54 Limit of indemnity

Means **our** maximum liability as specified in the **schedule**.

4.55 Machinery, plant and all other contents

Means machinery and plant and other contents, including:

- a) fixtures and fittings, office equipment and **computer equipment**;
- b) any tenants' improvements and alterations;
- c) wines, spirits, cigarettes and tobacco held for entertainment purposes;
- d) fuel pumps, underground tanks and associated pipes and cables;
- e) patterns, models, moulds, plans and designs for an amount not exceeding the cost of the labour and materials expended in **reinstatement**;
- f) other contents or equipment; and
- g) so far as the same are not otherwise insured, personal property of **your** principals, **employees**, partners or directors or visitors except that cover on such property shall not exceed the **sub-limit** stated in the **schedule**,

at the **premises** which are owned by **you** or held by **you** on trust or for which **you** have otherwise accepted responsibility.

4.56 Market value

Means the cost of replacing an **insured vehicle** with one of a similar age condition and history as determined with regard to vehicle value websites and publications.

4.57 Money

Means both **negotiable money** and **non-negotiable money**.

4.58 Negotiable money

Means cash, bank and currency notes, uncrossed cheques or orders, or cash/sales/debit vouchers for use by **you** or any of **your** partners, **directors** or **employees** in connection with **your business**, all belonging to **you** or for which **you** have accepted responsibility.

4.59 Non-negotiable money

Means crossed warrants or cheques or other money orders/drafts/bonds or invoices, all belonging to **you** or for which **you** have accepted responsibility.

4.60 Nuclear hazards

Means:

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- c) any weapon or device employing nuclear fission or fusion or other similar reaction or radioactive force or matter, or any combination of these; and/or
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or industrial purposes in accordance with all applicable laws and regulations governing such matters.

4.61 Occurrence

For the purpose of the Employers' Liability', 'General Liability', 'Extensions to the Employers' Liability and General Liability Sections' **sections**:

- a) means an **accident**. With the exception of **pollution** incidents, this includes continuous and repeated exposure to substantially the same general harmful conditions, which gives rise to liability insured by a **section** of the **policy**;

- b) means all **accidents** attributable to one original source or cause will be considered as a single **occurrence**.

For the purpose of the 'Property Damage', 'Business Interruption', 'Extensions for the Property Damage and Business Interruption', 'Exclusions to the Property Damage and Business Interruption', 'Other Terms and Conditions for the Property and Business Interruption', 'Terrorism', 'Wrongful Conversion', 'Motor Road Risks' and 'Self Drive Hire' **sections**, means a single loss or series of losses directly or indirectly **caused by**, arising out of or in connection with a single event or a single original **cause**.

4.62 Other insured party(ies)

For the purpose of the Employers' Liability', 'General Liability', 'Extensions to the Employers' Liability and General Liability' **sections** means any of the following:

- a) **your** directors, partners, **employees** or former **employees**;
- b) officers, members' committee and/or **employees** and voluntary helpers of **your** welfare and social organisations;
- c) officers and members of **your** security and emergency services or medical organisations (other than any qualified medical practitioner working in their professional capacities);
- d) **your** directors or partners or executives in respect of private work undertaken by any **employee** for **your** directors, partners or executives; and
- e) officers or trustees of **your** pension scheme(s), in their respective capacities as such.

4.63 Panel firm

Means any law firm that is formally appointed to **our** claims panel. Where there is no panel firm formally appointed to service the jurisdiction in which the claim is being pursued, any law firm appointed with **our** written consent. Such consent shall not unreasonably be withheld.

4.64 Period of insurance

Means the time period shown in the **schedule** which refers to GMT unless otherwise specified.

4.65 Personal injury

For the purpose of the Employers' Liability', 'General Liability', 'Extensions to the Employers' Liability and General Liability' **sections** means:

- a) bodily injury;
 - b) death and resulting losses which become payable under the Fatal Accidents Act 1976 and the Damages (Scotland) Act 2011;
 - c) physical illness and disease; and
 - d) medically diagnosed psychiatric condition,
- which is **caused** by an **occurrence**.

4.66 Policy

Means this document, the **schedule** (including any substitution **schedules**), the **certificate of motor insurance** and any endorsements.

4.67 Pollution

Means:

- a) the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed) at any time but not including any discharge release or escape of airborne or waterborne pathogens from water tanks, water systems, air conditioning plants, cooling towers or similar except in respect of **legionella**; and

- b) any cost, expense, claim or suit arising out of any request, demand or order arising from actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapour, soot, dust, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed) at any time that **you** or any **other insured party** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise or in any way respond to or assess the effects of such pollutants.

4.68 Powered transporter

Means any personal transport devices which are mechanically propelled as well as or instead of being manually propelled. It includes e-scooters, Segways, hoverboards, go-peds (combustion engine-power kick scooters), powered unicycles and u-wheels.

An electric bike will be classed as a powered transporter provided that it meets the EAPC criteria in the Electrically Assisted Pedal Cycles (EAPC) Regulation 1983 (as amended by the Electrically Assisted Pedal Cycles (Amendment) Regulations 2015).

4.69 Premises

Means the location(s) specified on the **schedule** up to the boundaries (including any boundary wall, fence and/or gate) legally occupied or owned by **you**.

4.70 Private car

Means an **insured vehicle** (or in respect of the Self Drive Hire **section**, a **rental vehicle**) (including its **accessories**, **advanced driver assistance systems** and **vehicle computer system**) which is a passenger carrying vehicle not exceeding eight (8) seats (excluding the driver).

4.71 Property insured

Means any tangible property described in the **schedule** to this **policy** and relating only to that **section** of the **policy** under which it is described.

4.72 Rental agreement

Means **your** rental agreement, which incorporates an insurance proposal and has been accepted by **us** and used when an **insured vehicle** is hired out on a self drive hire basis.

4.73 Retroactive date

Means the date specified in the **schedule** for any **section**. Where a retroactive date is given, the relevant **section** does not respond to any claims **caused by** an **occurrence** commencing prior to this date. Where no retroactive date is given for a **section**, **that section** provides no retroactive cover.

4.74 RIDDOR

Means the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.

4.75 State

Means sovereign state.

4.76 Schedule

Means the document which details **your** insurance, the limits of cover and any endorsements that apply.

4.77 Section, sub-section

Means a section of the **policy** or sub-section of a section (including extensions) that forms part of the **policy** but only if that section or sub-section is shown as being included in the **schedule**.

4.78 Specified states

Means China, France, Germany, Japan, Russia, UK or USA.

4.79 Stock and materials in trade

Means stock and materials in trade and work in progress, other than **insured vehicles**, including spare parts, fuel and oil stocks within the **buildings** being **your** property or held by **you** in trust for which **you** are responsible.

4.80 Storm

Means rainstorm, windstorm, hurricane, tornado, tempest, cyclone and typhoon but not including **flood** and **earthquake**.

4.81 Subsidiary company

Means any company being subsidiary to **you** within the meaning of the Companies Act 2006.

4.82 Sub-contractor

Means a business **you** do not own, operate or control, but that **you** hire for a fee under a written contract to perform **business services** on **your** behalf.

4.83 Sub-limit(s)

Means the sum(s) stated in the **schedule** as the maximum amount for which **we** will indemnify **you** under a **section**, **sub-section** or an extension of the **policy**.

The operation of the **sub-limits** are set out in the 'General Terms'.

4.84 Sum insured

Means the maximum amount for which **we** will indemnify **you** under this **policy** in respect of all claims during the **period of insurance** for the item of **property insured** or **section** of the **policy** against which the **sum insured** is stated in the **schedule** regardless of the number of **premises** or other locations or departments to which the claims relate or the number of territories or divisions or subdivisions of territories to which the claims relate or the number of entities, persons or interested parties making the claim or claims under this **policy**.

Where **property insured** has a **declared value** then the **sum insured** will be the **declared value** plus the additional uplift as provided in the **schedule**.

The operation of the **sums insured** is set out in the 'General Terms'.

4.85 Territorial limits

Means for the 'Property Damage', 'Business Interruption', Extensions for the Property Damage and Business Interruption Sections', 'Exclusions to the Property Damage and Business Interruption Sections', and 'Other Terms and Conditions for the Property and Business Interruption Sections', 'Terrorism', 'Fidelity', 'Wrongful Conversion', 'Loss of MOT Licence', Motor Road Risks and Self Drive Hire **sections** the territorial limits described for each **section** in the **schedule**. These **sections** cover only loss or **damage** caused by an event or events occurring within the applicable territorial limits.

Means for the 'Employers' Liability', 'General Liability' and 'Extensions to the Employers' Liability and General Liability Sections' **sections** the territorial limits described for each **section** in the **schedule**. These **sections** cover only claims made and/or proceedings brought against the **insured** within the applicable territorial limits (and only where these arise from activities taking place within the applicable **geographical scope**).

4.86 Trailer

Means any articulated semi-trailer or draw bar trailer.

4.87 Transit

Means being carried to its destination (other than by sea or air), by any transport vehicle including during loading and unloading, and whilst in temporary storage in the course of being carried to its destination.

4.88 United Kingdom

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

4.89 Unmanned aerial vehicle

Means unmanned aerial systems (or any part thereof) and radio-controlled helicopters.

4.90 Unoccupied

Means any **building** that is owned or used by **you** in the course of the **business** and has become vacant, disused or unfurnished and empty for a period in excess of thirty (30) days.

4.91 Valuables

Means gold, silver, jewellery, watches, curiosities/curios, furs, precious metals, precious stones, rare books, sculptures and works of art, or other individual items with an aesthetic quality.

4.92 Vehicle computer system

Means any computer software, middleware, firmware, program, hardware, electronic product or component, application, tool, code, script, interconnecting wiring, fixed disks and all components thereof, as well as any associated input and output device, data storage device, networking equipment, sensors, actuator, wireless communication device affecting the operation and running of an insured vehicle, with no independent power source and factory fitted, permanently in-built, or installed by the manufacturer at first registration, including but not limited to engine management systems, driver-assistance, safety, **ADAS**, security, infotainment and telecommunications; and does not include any **additional vehicle technology**.

4.93 Virus

Means any computer malware, virus or similar mechanism, computer program or code, including but not limited to, any malicious software, file, ransomware, virus, boot sector virus, macro virus, hostile applet, Trojan horse program, java virus, ActiveX virus, worm, logic bomb or other executable program or code which initiates an event on infected computer equipment, causing modification of or damage to data, memory or data media or otherwise adversely affecting directly or indirectly the operation of or access to an **insured vehicle**, any **vehicle computer system** or any data or information therein.

4.94 War

For all **sections** (other than where the 'War, Cyber War and Cyber operation' exclusion within the 'General Exclusions' **section** applies) means:

- a) the use of physical force by a **state** against another **state** or as part of a civil war, rebellion, revolution, insurrection; and/or
- b) military or usurped power or confiscation or expropriation nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

whether war be declared or not, but not including an **act of terrorism**.

4.95 We/our/us

Means the **insurer** for each **section** as applicable.

4.96 You/your

Means the **insured**.

5. Property Damage

5.1 Property Damage Definitions

In addition to the defined terms contained in the 'General Definitions', the following definitions apply to this **section** and the 'Extensions for the Property Damage and Business Interruption Sections', the 'Exclusions to Property Damage and Business Interruption Sections' and the 'Other terms and conditions for the Property Damage and Business Interruption Sections' **sections**. In these **sections**, the definitions below replace any equivalent definition contained in the 'General Definitions' **section** or elsewhere in the **policy**.

5.1.1 Actual value

Means whichever of the following amounts is lower:

- a) the actual reduction in the market value of the **property insured** as a result of the **damage** from its value immediately prior to any **damage**; or
- b) the amount it would cost to repair or replace the **property insured** on the date of **damage** with similar material less a deduction for wear and tear, depreciation and, if applicable, obsolescence.

5.1.2 Assault/assaulted

Means **injury** occurring to an **insured person** directly due to theft or attempted theft of **money**.

5.1.3 Contract works

Means:

- a) property forming part of the permanent or temporary **works** completed or in the course of completion in the performance of the contract with **your** principal, and materials; and
- b) materials or other good supplied for incorporation into the **works** but not including property more specifically insured.

5.1.4 Declared value

Means **your** assessment of the cost of **reinstatement** of the **property insured** that would have been incurred at inception of the **period of insurance** if the **property insured** had been completely destroyed, ignoring inflationary factors which may operate subsequently, as set out in the **schedule**.

5.1.5 Defined Peril

Fire, lightning, explosion, **earthquake**, aircraft or other aerial device or satellite or missile or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, **flood**, **storm**, escape of water or oil from any tank or pipe, sprinkler leakage, theft or impact by any vehicle or animal provided that such perils are insured under the 'Property Damage' **section**.

5.1.6 Goods in transit

Means **property insured** (other than **money**) whilst in **transit** by road, rail or inland waterway within the **territorial limits** shown in the **schedule** for this **section**.

5.1.7 Hired-in plant and equipment

Means:

- a) temporary buildings and caravans; and
- b) constructional plant, tools and equipment,

supplied to **you** and for which **you** are responsible under the terms of a hiring agreement while anywhere within the **territorial limits** shown in the **schedule** for this **section**, including while in **transit**.

5.1.8 Injury

Means, for the purpose of the 'Money damage and assault' extension only, a specific physical injury occurring directly due to theft or attempted theft of **money** which:

- a) is sustained by the **insured person** during the **period of insurance**; and
- b) solely and independently of any other cause, causes death or disablement of the **insured person**.

5.1.9 Insured person

Means, for the purpose of the 'Money damage and assault' extension only:

- a) **you** (where **you** are a natural person) or, in any event, any of **your** principals, directors, partners or **employees**; or
- b) any person acting on **your** behalf, other than an **employee** of a security company or organisation, not being over seventy-five (75) years of age nor being under sixteen (16) years of age.

5.1.10 Reinstate/Reinstatement

Means the repair or replacement of the **property insured** that has sustained **damage**, to a condition substantially the same as but not better or more extensive than its condition when new, including, in the case of **damage to buildings** or to **machinery, plant and all other contents**, any reasonable and necessary costs and fees covered under the 'Reinstatement costs and expenses' **sub-section**.

5.2 Property Damage Cover

We will indemnify **you** in accordance with the 'Basis of settlement' conditions in the 'Other terms and Conditions for the Property and Business Interruption Sections' **section** for accidental **damage** to the **property insured** provided that:

- a) the **damage** occurs during the **period of insurance**;
- b) unless stated otherwise, the **property insured** is located at the **premises** within the **territorial limits**; and
- c) the amount for which **we** will indemnify **you** will not exceed in respect of any item its **sum insured** or any applicable **sub-limit** stated in the **policy**.

5.3 Reinstatement costs and expenses

Where **damage** has occurred to **buildings** or to **machinery, plant and all other contents** which are covered under this **section**, and where the cost of **reinstatement** is payable under the 'Basis of settlement' provisions in the 'Other terms and Conditions for the Property and Business Interruption Sections' **section**, **we** will indemnify **you**, as part of the cost of **reinstatement**, for the following costs and expenses that **you** may incur in consequence of the **damage**:

5.3.1 Architects', surveyors', consulting engineers' and others' fees

The reasonable and necessary fees of architects, surveyors, consulting engineers and others that **you** are reasonably obliged to incur in order to **reinstate** the **buildings** or the **machinery, plant and all other contents**.

5.3.2 Debris removal

The reasonable and necessary costs incurred by **you** in:

- a) removing debris of the **buildings** or the **machinery, plant and all other contents** from the **damaged** property site and the adjacent area within two hundred and fifty meters (250m) of the perimeter of the **damaged** property site;
- b) cleaning or clearing the drains, the sewers and/or the gutters of the **damaged** property site and the adjacent area within two hundred and fifty meters (250m) of the perimeter of the **damaged** property site;
- c) removing stock debris or extraneous materials from **buildings** or the **machinery, plant and all other contents**; and
- d) dismantling or demolishing, shoring up or propping or fencing of the **damaged property insured** that is covered by this **section**.

5.3.3 Public authorities

The additional cost of **reinstatement** of the **buildings** or the **machinery, plant and all other contents** which may be incurred by **you** to comply with any laws, rules or regulations set by national or local government which govern the construction or alteration of **buildings** or the design or specification of machinery or equipment with which **you** must comply in the country where **you**, or **your** assets, are based, provided that:

- a) the amount recoverable by **you** under this clause will not include any cost incurred, or which **you** were obliged to incur, prior to the happening of the **damage**;
- b) the amount for which **we** will indemnify **you** under this clause in respect of any such **property insured** will be reduced where the terms and conditions of the **policy** provide for a reduction;
- c) **we** will not indemnify **you** under this clause where **you** fail to mitigate losses or unreasonably delay **reinstatement**;
- d) the total amount for which **we** will indemnify **you** under this clause in respect of undamaged portions of **buildings** other than foundations will not exceed fifteen percent (15%) of the total amount for which **we** would have indemnified **you** had the **buildings** that have suffered **damage** been destroyed; and
- e) **we** will not indemnify **you** under this clause in respect of undamaged items of **machinery, plant and all other contents**.

5.3.4 Reinstatement costs and expenses - included within sums insured

The amounts for which **we** will indemnify **you** in respect of these 'Reinstatement costs and expenses' form part of the respective **sums insured** for **buildings** or for **machinery, plant and all other contents** as shown in the **schedule**.

5.3.5 All Risks – Specified Equipment

We will indemnify **you** for accidental **damage**:

- a) occurring during the **period of insurance**;
- b) to the **property insured**:
 - i. specified in the **schedule** as 'All Risks Specified Equipment';
 - ii. located within the **territorial limits**; and
 - iii. when away from the **premises** only.

The 'Theft and fraud' exclusion in the 'Exclusions to Property Damage and Business Interruption Sections' **section**, will not apply provided that:

- a) whilst the **property insured** specified in the **schedule** as 'All Risks Specified Equipment' is left unattended it is contained:
 - i. within an area which is locked and secured at all points of access; or
 - ii. in the locked boot of or out of sight within any motor vehicle which shall have been locked at all points of access, and
 - iii. the theft or attempt thereat involves forcible and violent entry into the area or motor vehicle; and
- b) where the value of the **property insured** specified in the **schedule** as 'All Risks Specified Equipment' contained in a motor vehicle exceeds £10,000, the motor vehicle is fitted with a proprietary system having an:
 - i. alarm activated by full perimeter and space protection, with a stand-by power supply; and
 - ii. anti-theft ignition immobiliser, passively armed, isolating a minimum of two circuits which are brought into operation whenever the vehicle is left unattended.

5.4 Property Damage Standard Extensions

We will indemnify **you** for:

5.4.1 Additional vehicle technology

In respect of any **accident** involving an **insured vehicle** indemnified under this **section**, we will pay up to £250 for loss or damage to **additional vehicle technology** in or on an **insured vehicle** provided that any relevant terms and conditions of the **policy** shall apply to this extension.

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

- a) the first £50 of any loss or damage;
- b) any loss or damage where:
 - i. any locks have not been engaged;
 - ii. any windows have been left open;
 - iii. the immobiliser is either not working or has not been activated;
 - iv. the keys or other removable ignition devices have been left in or on the **insured vehicle**;
 - v. any software, application or any connected device used to remotely operate the **insured vehicle** is left unlocked or unattended.

5.4.2 Arson, theft and criminal acts reward costs

The reasonable and necessary costs that **you** incur in paying rewards for information leading to a successful conviction, or information the police believe will lead to a conviction, following **damage** caused by arson, theft or other criminal acts.

5.4.3 Commercial loads belonging to customers

Your legal liability to pay for **damage** to commercial loads belonging to or held in trust by **your customers** whilst stored on the **premises** or in **transit** in or on any vehicle in **your** custody or control and carried in connection with the **business**.

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

- a) liability assumed by **you** under any agreement unless such liability would have attached in the absence of such agreement;
- b) any property belonging to **you** or hired by **you** or any member of **your** family or household or any partner, director or **employee** or any member of their family or household;
- c) **damage** caused by theft where there is no force or violence used, or there is no hold-up by violence or threats of violence, to enter or leave any **vehicle** or any **building** in which such property is stored;
- d) Any liability which is covered under the Motor Road Risk **section**.

5.4.4 Contract works

Damage to **contract works** for which **you** are legally responsible under the terms of the contract under which the **works** are being undertaken and which are not insured under any other policy; provided that the total value of all contracts under which the **contract works** are being undertaken does not exceed £100,000. Where the total value of the contracts exceeds £100,000 **we** shall only indemnify **you** under this extension if **you** have notified **us** prior to the commencement of the **works** and paid any additional premium **we** require.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £100,000 per **occurrence** and in the aggregate.

5.4.5 Continuing plant hire charges

The continuing hire charges that **you** incur as a result of **your** legal obligation while **hired-in plant and equipment** are out of commission in consequence of **damage** to **hired-in plant and equipment** provided that:

- a) **you** have made a claim under this **section** for the **damage**; and
- b) **we** have accepted the claim or would have but for the **excess** or **deductible**.

We will not indemnify **you** in respect of hire charges for any item of constructional plant having a replacement value in excess of the **sub-limit** as shown in the **schedule**.

5.4.6 Electric vehicles – leased batteries

In the event of loss or **damage** under this **section**, **we** will indemnify **you** for any payment **you** have to make to the owner of an **insured vehicle's** battery, if the battery is leased or hired to **you**.

5.4.7 Employee's tools

Damage to tools which are the property of **employees** for which **you** accept responsibility, whilst they are away from the **premises** but remaining within the **territorial limits**.

5.4.8 Exhibitions and trade fairs

Damage to **property insured** while at exhibitions and trade fairs within the **United Kingdom** and European Union, including **transit** directly to and from the exhibition or trade fair, except that **we** will not indemnify **you** for **damage**:

- a) to **valuables**;
- b) from defective packing, faulty assembly or dismantling; or
- c) caused by theft or attempted theft.

Regardless of the above exclusion c), this extension will apply where the theft or attempted theft takes place from a building or a motor vehicle and the theft or attempted theft meets the following conditions:

- i. if the theft or attempted theft takes place from a building, the theft or attempted theft must involve entry to or exit from the building by violent and forcible means, or must arise from robbery or attempted robbery; or
- ii. if the theft or attempted theft takes place from a motor vehicle belonging to or under **your** control, the vehicle must be:
 - A. occupied by **you** or **your employee**; or
 - B. if unattended, all doors windows and other means of entry must be closed and locked, and all valuable items locked in secure compartments and hidden from view.

5.4.9 Fire extinguishment expenses and emergency services damage

- a) Extinguishment expenses necessarily incurred by **you** in order to minimise **damage**;
- b) expenses incurred by **you** in recharging or repairing **damage** to any gas or sprinkler fire extinguishment system;
- c) fire brigade charges which **you** are legally obliged to pay;
- d) the reasonable and necessary costs incurred by **you** to restore **damage** to lawns, gardens, playing surfaces and landscaped areas, car parks, private roads and pathways at the **premises** caused by emergency service vehicles attending to **damage** at the **premises** for which **you** are covered by this **section**; and
- e) the reasonable and necessary costs and expenses incurred by **you** to upgrade or improve any gas or sprinkler fire extinguishment rendered necessary to comply with any regulations introduced after the installation of the existing system following an **incident** involving **damage** for which **we** have accepted a claim under this **section**, provided that:
 - i. the existing system installed prior to the **damage** complies with regulations in force at the time of installation;
 - ii. **we** will not indemnify **you** in respect of upgrading or improving any gas or sprinkler fire extinguishment in **property insured** that has not sustained **damage** for which **we** have accepted a claim under this **section**;
 - iii. **we** will not indemnify **you** for upgrading or improving undamaged portions of any existing gas or sprinkler fire extinguishment system if it is not required by any regulations.

5.4.10 Glass, glass surrounds and washroom facilities

Reasonable expenses for which **you** are is legally responsible and unable to recover from any other party and which **you** incur with **our** prior consent, such consent not to be unreasonably withheld, for the cost of:

- a) boarding up where necessary before the replacement of **damaged** glass;
- b) the replacement or **reinstatement** of frames or glass supports which arises from the **damage**;
- c) the **reinstatement** of intruder alarm protection equipment if the **damage** includes breakage of the glass to which it is fixed;
- d) the contents of display windows and cabinets if the **damage** includes breakage of such display windows and cabinets;
- e) if not insured elsewhere, replacement or repair to lettering or other ornamental work; and
- f) the removal or replacement of fixtures and fittings in order to replace the glass as a result of the breakage.

5.4.11 Lock replacement

The reasonable and necessary costs incurred by **you** of replacing external locks or safe room locks at the **premises** in consequence of **damage** to the keys occurring at the **premises**, or at the home of **your** principals, directors or partners, or in consequence of a hold-up.

5.4.12 Lock replacement for insured vehicles

The reasonable cost of replacing locks, lock mechanisms, keys, key cards and remote control transmitters, necessary to maintain the security of any **insured vehicle** following theft of keys from the **premises**, **your** home or the home of any principal, director, partner or authorised **employee**, or following a hold-up, while the keys, key cards and remote control transmitters, are in **your** personal custody or the custody of any principal, director, partner or authorised **employee**.

5.4.13 Loss mitigation costs

The reasonable and necessary costs incurred by **you** to:

- a) avoid or mitigate impending **damage** provided that:
 - i. the impending **damage** was not previously foreseeable and would have been the natural outcome if such costs were not incurred; and
 - ii. the costs incurred do not exceed the indemnity that would have been available under this **policy** for the **damage** avoided; and
- b) expedite permanent or temporary repairs to or replacement of **damaged property insured** following accidental **damage** covered by this **section**, provided that such costs do not include the costs of permanent repair or replacement or are not payable under any other provision of this **policy**.

5.4.14 Metered water or gas

Any charges for which **you** are legally responsible and unable to recover from any other party, in respect of loss of metered water or gas, provided that:

- a) the loss of water or gas is due to **damage** at the **premises** which is covered under this **section**;
- b) the lost water or gas is measured by the utility meter;
- c) the **building** to which this extension applies remains occupied and in use; and
- d) the amount for which **we** will indemnify **you** in respect of any one **occurrence** is limited to excess water or gas charges incurred in consequence of **damage**.

5.4.15 New vehicle replacement

Where an **insured vehicle** is either a **private car**, motorcycle or a commercial vehicle with a gross vehicle weight of 3.5 tonnes or less and is within one year of registration and has been owned by **you** or bought under a hire purchase agreement or was leased or hired by **you** from new and has been:

- a) stolen and not recovered within twenty-eight (28) days; or
- b) **damaged** to the extent that the cost of repair exceeds fifty percent (50%) of the manufacturer's list price at the time of purchase;

at **your** request, and subject to the consent of any other interested parties known to **us**, **we** will replace the vehicle with a new one of the same make, model and specification.

If a replacement vehicle is not available then the most **we** will pay is the **market value** of the **insured vehicle** at the time and date of the loss or **damage**.

5.4.16 Seasonal increase

The **sum insured** for '**Insured vehicles** (at the premises)' shown under the 'Property Damage section' of the **schedule** will be increased by 30% for losses occurring during the calendar months of February, March, August and September.

5.4.17 Temporary removal

Damage to machinery, plant and all other contents while temporarily removed away from the **premises** including the direct **transit** to and from, provided that:

- a) the items temporarily removed are covered under this **section** while at the **premises**; and
- b) **we** will not indemnify **you** for **damage**:
 - i. caused by theft or attempted theft:
 - A. from a building unless the theft involves entry to or exit from the building by violent and forcible means; or
 - B. from an unattended vehicle unless all doors windows and other means of entry are closed and locked, and all valuable items are locked in secure compartments and hidden from view;
 - ii. to property of others held by **you** in trust; or
 - iii. to **valuables**.

5.4.18 Theft damage to uninsured structures

Damage caused by theft from fixed permanent lockable structures at the **premises** for which **you** are responsible but which are not insured by this **policy** unless the structure in question is **unoccupied**.

5.4.19 Theft of external parts of structures at the premises

Where the **buildings** at the **premises** are insured by this **policy**, **damage** caused by theft of:

- a) external parts of, or external fittings attached to, the fixed permanent lockable structures at the **premises** which form part of the **buildings** unless the structure in question is **unoccupied**;
- b) security lighting, security cameras and other security or fire protection devices, affixed signs, television, radio, satellite receiving aerials, communication aerials, their fittings and masts affixed to the walls, gates, fences, fixed poles or fixed pylons at the **premises** but not any equipment used for connection to the internet.

5.4.20 Undamaged stock

The loss to **you**, less the amount of any salvage monies obtained, in the event of undamaged **stock and materials in trade** becoming unusable for any reason whatsoever resulting solely from **damage**.

5.4.21 Undamaged tenants' improvements

In the event of **damage** that is insured by this **section** which directly results in a lease being terminated, the cost to **you** of reimbursing **your** tenants for their undamaged improvements.

5.4.22 Valuables

Damage to valuables.

5.5 Property Damage Optional Extensions

We will only indemnify **you** under each of these extensions if the extension is shown as 'INCLUDED' in the **schedule**.

We will indemnify **you** for:

5.5.1 Deterioration of stock

Damage by deterioration or putrefaction to **stock and materials in trade** whilst contained within refrigerating units or any other temperature-controlled environment caused by:

- a) change of temperature: the rise or fall in temperatures as a result of:
 - i. the breaking of the unit arising from mechanical or electrical defects;
 - ii. non-operation of the thermostatic or automatic controlling devices forming part of the unit; or
 - iii. accidental failure of the public electricity supply not occasioned by the deliberate act of any utility undertaking; or
- b) contamination caused by sudden and unforeseen leakage of refrigerant or refrigerant fumes from the unit;

provided that for both (a) and (b):

- i. the event giving rise to such deterioration, putrefaction or contamination occurs during the **period of insurance**;
- ii. there is in force a planned maintenance programme; and
- iii. the relevant refrigerating units or any temperature-controlled environment are less than ten (10) years old.

5.5.2 Goods in transit

Accidental **damage** to **goods in transit**.

Transfer expenses

We will also indemnify **you** for the reasonable and necessary costs and expenses incurred by **you** for:

- a) transferring the **goods in transit** to another vehicle;
- b) reloading the **goods in transit** onto the original vehicle for onward delivery or return to the point of origin; or
- c) the removal of debris of the **goods in transit** (but not the vehicle, the trailer or any part thereof),

should the vehicle carrying the **goods in transit** be involved in fire, explosion, collision or overturning.

Employees' personal property

We will also indemnify **you** for the **actual value** of **employees'** personal property if **damaged** by fire, explosion, theft, collision or overturning of the carrying vehicle, when the **employee** is accompanying **goods in transit**.

Ropes and sheets

We will also indemnify **you** for **damage** to ropes, sheets, tarpaulins and trolleys while in **transit**.

We will not indemnify **you** under this extension for:

- a) deterioration of **goods in transit** conveyed in a refrigerated condition, which results from variation in temperature unless as a result of an accident to the conveying vehicle;
- b) breakage of fragile **goods in transit** unless consequent upon an accident in which the carrying vehicle or vessel is **damaged**;
- c) **damage** caused by or attributable to inadequate packing or stacking or protection against climatic conditions (other than by lightning) or incorrect addressing of any parcel or package;
- d) malicious **damage** or vandalism of **goods in transit** carried in or on open sided / curtained vehicles, or on any vehicle that cannot be secured;
- e) **damage** of or to **valuables, documents, manuscripts**;
- f) **damage** to **data** caused while in transit;

- g) **damage** caused by or in respect of **property insured** that is subject to the Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009; or
- h) **damage**, loss or interruption or interference caused by theft or attempted theft:
 - i. from an unattended vehicle under **your** control unless while during the work day, shift period or during a break taken during the **transit**:
 - A. all doors have been securely locked and all windows and other openings securely and adequately fastened;
 - B. any immobiliser and any alarm fitted to the said vehicle is correctly set to operate; and
 - C. all keys are removed unless the vehicle is being operated as a tool of trade and such operation requires that the keys remain in the ignition so to provide power;
 - ii. after the last **transit** of the work day or shift unless:
 - A. all keys are removed until collected by the driver for the next transit; and
 - B. the vehicle is housed in a securely locked building of substantial construction or a compound which has secure walls and/or fences and securely locked gates;
 - iii. of **goods in transit** carried in or on open sided/curtained vehicles, or on any vehicle that cannot be secured.

5.5.3 Leased premises difference in conditions / difference in limits (DIC/DIL)

Damage to buildings at the **premises**, for which **you** are legally liable as tenant (but not as owner/freeholder) in accordance with the requirements of a lease and which are not **property insured** under this **policy** but are insured under another more specific insurance policy. The extent of the indemnity provided under this extension is set out below.

We will indemnify **you** under this extension for the difference between the amount recoverable under the other more specific policy and the amount that would have been recoverable under this **policy** had the buildings been insured under this **policy**, provided that **we** will not indemnify **you**:

- a) unless the sum insured under the other more specific policy represents the full amount that would be required to reinstate the buildings in accordance with the basis of cover provided in the other more specific policy;
- b) unless a claim for the **damage** has first been submitted to the insurer of the other more specific policy;
- c) if **you** had become aware, prior to the **damage**, that the landlord had not insured the buildings either at all or to the full extent required by the lease and failed to take prompt action to arrange alternative insurance;
- d) if **you** were required under the lease to insure the buildings;
- e) if the other more specific policy has been cancelled, has lapsed, or been avoided, or cover has been declined as a result of a breach of the policy's terms or conditions, as a result of an act or omission for which **you** are responsible;
- f) for any **deductible** or **excess** applicable to the other more specific policy;
- g) for the **deductible** or **excess** that would have been payable had the buildings been insured under this **policy**;
- h) for loss or **damage** directly or indirectly caused by or resulting from, or in connection with, an **act of terrorism**;
- i) for losses arising from underinsurance; or
- j) for any amount recoverable under **your** public or general liability policy.

References in this extension to "buildings" will include fixtures and fittings.

5.5.4 Money damage and assault

Accidental **damage to money**, but this does not include loss or **damage to money** contained in any unattended vehicle or occasioned by errors or omissions.

Where the value of **money** in **transit** exceeds £2,500 **you** must arrange for the **money** to be accompanied as follows:

- a) over £2,500 and up to £5,000 - at least two (2) able bodied adults;
- b) over £5,000 and up to £10,000 - at least three (3) able bodied adults;
- c) over £10,000 - by a professional security company.

You will ensure that any safe containing **money** is securely locked and all keys or combination numbers to that safe are kept in a secure place away from the **building** or portion of the **building** containing the safe.

Assault

If an **insured person** is **assaulted**, **we** will pay **you** the compensation benefit for **assault** provided that:

- a) for each category of **injury** to the **insured person**, the amount for which **we** will indemnify **you** will not exceed the amount of compensation stated in the 'Assault compensation benefits' in the **schedule**;
- b) death or disablement must follow within twelve (12) months from the date of the **assault**; and
- c) the amount of compensation payable will not exceed eighty percent (80%) of the **insured person's** normal gross weekly remuneration.

Clothing or personal effects

If any clothing or personal effects of the **insured person** are **damaged** directly due to any theft or attempted theft of **money**, **we** will pay the **insured person** directly for the cost incurred to repair or replace the said clothing or personal effect with like kind and quality.

Damage to safes

If any safe, strongroom, bag, case or waistcoat used for the carriage of money or franking machine is **damaged** during the theft or attempted theft of **money**, **we** will pay **you** for the cost incurred to repair or replace the said items with like kind and quality.

The indemnity provided under this extension is limited to the:

- a) **sub-limits** applicable per **occurrence** included in the **schedule**; and
- b) payment to the **insured** of one item of benefit under the 'Assault compensation benefits' in the **schedule**, in relation to any one **insured person**.

If this extension is shown as 'INCLUDED' and no:

- a) **sub-limit** is shown in the **schedule**, the extension will be subject to a **sub-limit** of £2,500 per **occurrence** and in the aggregate; and
- b) items of benefit under the 'Assault compensation benefits' are shown in the **schedule**, the extension will be subject to:
 - i. a benefit per injured person of £20,000; and
 - ii. £200 in respect of temporary total disablement for each week not exceeding a benefit period of one hundred and four (104) weeks.

5.5.5 Rent payable

Where there is **damage** to **buildings** not owned by **you** of a kind not excluded by this **section**, either:

- a) the rent paid or payable by **you** for the lease of the **buildings** in the course of the **business** for the unexpired term of the lease or, if sooner, until the **buildings** are repaired to a condition fit for habitation; or
- b) the proportion of the rent paid or payable for the untenable or unusable part of the **building** that would otherwise be occupied by **you**;
provided that in either case:
 - i. any **building** which is leased or rented by **you** becomes untenable or unusable in consequence of **damage**; and
 - ii. the lease or rental agreement requires continuation of the rent to be paid.

5.5.6 Third party storage locations

Damage to property insured while at storage locations which are not owned or occupied by you.

6. Business Interruption Section

6.1 Business Interruption Definitions

In addition to the defined terms contained in the 'General Definitions', the following definitions apply to this **section** and the 'Extensions for the Property Damage and Business Interruption Sections', the 'Exclusions to Property Damage and Business Interruption Sections' and the 'Other terms and conditions for the Property Damage and Business Interruption Sections' **sections**. In these **sections**, the definitions below replace any equivalent definition contained in the 'General Definitions' **section** or elsewhere in the **policy**.

6.1.1 Estimated gross revenue

Means the amount **you** declare to **us** as representing not less than the anticipated **gross revenue** that the **business** will earn during the financial year which is most nearly concurrent with the **period of insurance**, to be estimated in accordance with **your** latest available budget. Where the **maximum indemnity period** exceeds twelve (12) months, the amount **you** declare should be increased based on **your** latest available budget by a proportionately increased multiple of the anticipated **gross revenue** for the first twelve (12) months.

The most nearly concurrent financial year is the financial year which overlaps with the **period of insurance** for six (6) or more months.

6.1.2 Estimated insurable gross profit

Means the amount **you** declare to **us** as representing not less than the anticipated **insurable gross profit** that the **business** will earn during the financial year which is most nearly concurrent with the **period of insurance**, to be estimated in accordance with **your** latest available budget.

Where the **maximum indemnity period** exceeds twelve (12) months the amount **you** declare should be increased based on **your** latest available budget by a proportionately increased multiple of the anticipated **insurable gross profit** for the first twelve (12) months.

The most nearly concurrent financial year is the financial year which overlaps with the **period of insurance** for six (6) or more months.

6.1.3 Gross revenue

Means the **money** paid or payable to **you** for services rendered in the course of the **business** at the **premises**.

6.1.4 Indemnity period

Means the period beginning when the **incident** first happens or, where a time **excess** applies, the period beginning after the expiry of any time **excess** following the **incident**, and ending not later than the **maximum indemnity period** stated in the **schedule**, during which the results of the **business** will be affected in consequence of the **incident**.

6.1.5 Insurable gross profit

Means the amount by which the amount of the **turnover**, the closing stock and work in progress exceeds the amount of the opening stock, work in progress and the amount of the **specified working expenses**.

6.1.6 Maximum Indemnity period

Means the period of years or months stated in the **schedule**.

6.1.7 Outstanding debit balances

Means the amounts debited or invoiced to **your customers** at the date of the **damage** but adjusted to take account of bad debts and any abnormal conditions of trade which had or could have had a material effect on the **business**.

6.1.8 Rate of gross profit

Means the rate of **insurable gross profit** earned on the **turnover**, during the financial year immediately before the date of the **incident**, which will be **trend adjusted**.

6.1.9 Rent receivable

Means the **money** which **you** are or would be entitled to receive for rent and other charges and for services rendered in relation to the occupation or tenancy of **buildings** at the **premises**.

6.1.10 Specified working expenses

Means:

- a) purchases of materials or goods for resale (less discounts received);
- b) discounts allowed;
- c) carriage, packing and freight; and
- d) bad debts.

In addition to any other expenses which **you** have asked be added to this list, and which are stated in the **schedule**.

6.1.11 Standard gross revenue

Means the **gross revenue** during that period in the twelve (12) months immediately before the date of the **incident** which corresponds with the **indemnity period**, which will be **trend adjusted**.

6.1.12 Standard rent receivable

Means the **rent receivable** during the period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**, which will be **trend adjusted**.

6.1.13 Standard turnover

Means the **turnover** during that period in the twelve (12) months immediately before the date of the **incident** which corresponds with the **indemnity period**, which will be **trend adjusted**.

6.1.14 Trend adjusted

Means: adjustments made to figures to provide for variations in or circumstances affecting the **business** either before or after the **incident** or which would have affected the **business** had the **incident** not occurred, so that the adjusted figures represent the results which but for the **incident** would have been obtained.

6.1.15 Turnover

Means the **money** paid or payable to **you** for goods sold and delivered and for services rendered in the course of the **business** at the **premises**.

6.1.16 Uninsured fixed expenses

Means any fixed expenses of the **business** that **you** have deducted in arriving at the **estimated insurable gross profit**.

6.1.17 Unspecified customers

Means **your** customers with whom **you** have a direct contractual relationship.

6.1.18 Unspecified suppliers

Means **your** suppliers with whom **you** have a direct contractual relationship, but not including any suppliers or providers of utility services.

6.1.19 VAT

Means Value Added Tax under the Value Added Tax Act 1994 and as subsequently amended.

6.2 Business Interruption Cover

We will indemnify **you** in accordance with the terms of this **section** for each item shown as 'INCLUDED' in the **schedule**, to the extent of any applicable **sum insured** or **sub-limit**, for loss resulting from the interruption of or interference with the **business** caused by an **incident**.

Except that **we** will only indemnify **you** where at the time of any **damage** to property at the **premises** occurs there is in force either:

- a) cover for such **damage** under the 'Property Damage' **section** of the **policy**; or

- b) an insurance policy covering **your** interest in the property at the **premises** against such **damage**;

and payment has been made or liability accepted for such **damage**.

If the cover **you** have arranged either under this **policy** or another insurance policy is not adequate to fund the prompt replacement, repair or **reinstatement** of the **damaged** property, **we** will not indemnify **you** for any increase in **your** loss that this causes.

6.2.1 Estimated insurable gross profit

We will indemnify **you** for loss caused by a shortfall in **turnover** and/or increased cost of working, less savings. The indemnity under this **section** in respect of **estimated insurable gross profit** will be:

- a) in respect of loss caused by a shortfall in **turnover**:
- the amount produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** does, in consequence of the **incident**, fall short of the **standard turnover**; and/or
- b) in respect of increased cost of working:
- the additional expenditure reasonably and necessarily incurred for the sole purpose of reducing the shortfall in **turnover** that would otherwise have occurred during the **indemnity period** in consequence of the **incident**, but not exceeding the amount produced by applying the **rate of gross profit** to the amount of the shortfall in **turnover** that **you** reasonably anticipated would thereby be avoided at the time the expenditure was incurred.

However, in relation to both a) and b):

- i. any amount saved during the **indemnity period** in respect of charges and expenses of the **business** payable out of or chargeable to **insurable gross profit** which cease or are reduced in consequence of the **incident** will be deducted; and
- ii. in calculating the increased cost of working, the amount of additional expenditure that will be taken into account will be reduced by the proportion that the **estimated insurable gross profit** bears to the sum of the amounts of the **estimated insurable gross profit** and the **uninsured fixed expenses**.

6.2.2 Estimated gross revenue

We will indemnify **you** for loss caused by a shortfall in **gross revenue** and/or increased cost of working. The indemnity under this **section** in respect of **estimated gross revenue** will be:

- a) in respect of the shortfall in **gross revenue**:
- the amount by which the **gross revenue** during the **indemnity period** does, in consequence of the **incident**, fall short of the **standard gross revenue**; and/or
- b) in respect of increased cost of working:
- the additional expenditure reasonably and necessarily incurred for the sole purpose of reducing the shortfall in **gross revenue** which would otherwise have occurred during the **indemnity period** in consequence of the **incident** but not exceeding the amount of the shortfall in **gross revenue** that **you** reasonably anticipated would be avoided at the time the expenditure was incurred.

However, in relation to both a) and b) any amount saved during the **indemnity period** in respect of charges and expenses of the **business** payable out of or chargeable to **gross revenue** which cease or are reduced in consequence of the **incident** will be deducted.

6.2.3 Additional increased cost of working

We will indemnify **you** for the additional expenditure reasonably and necessarily incurred for the sole purpose of maintaining the **business** during the **indemnity period** in excess of the amount recoverable under paragraphs a) and b) of the 'Estimated gross revenue' or 'Estimated insurable gross profit' **sub-sections**.

We will not indemnify **you** for expenditure incurred in repairing or replacing any item of property that could have been insured under the 'Property Damage' **section** of this **policy** but which **you** chose not to insure, or for any shortfall in the amounts recoverable under the 'Property Damage' **section** of this **policy** or any other policy covering **your** interest in the property due to the inadequacy of the relevant **sum insured**.

6.2.4 Increased cost of working - standalone

We will indemnify **you** for the increased expenditure reasonably and necessarily incurred by **you** for the sole purpose of avoiding or diminishing the interruption of or interference with the **business** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **incident**.

We will not indemnify **you** for expenditure incurred in repairing or replacing any item of property that could have been insured under the 'Property Damage' **section** of this **policy** but which **you** chose not to insure, or for any shortfall in the amounts recoverable under the 'Property Damage' **section** of this **policy** or any other policy covering **your** interest in the property due to the inadequacy of the relevant **sum insured**.

6.2.5 Rent receivable

We will indemnify **you** for a shortfall in **rent receivable** and increased cost of working and the amount for which **we** will indemnify **you** under this **section** will be in respect of:

- a) the shortfall in **rent receivable**: the amount by which, in consequence of **damage** to the **premises**, the **rent receivable** during the **indemnity period** falls short of the **standard rent receivable**; and/or
- b) increased cost of working: the additional expenditure reasonably and necessarily incurred in reducing the shortfall in **rent receivable** which would have taken place during the **indemnity period** in consequence of the **damage** to the **premises** but not exceeding the amount of the shortfall in rent receivable that **you** reasonably anticipated would be avoided at the time the expenditure was incurred.

However, in relation to both a) and b):

- i. this cover will not be available under any of the extensions within the 'Business Interruption' **section**;
- ii. any amount saved during the **indemnity period** in respect of the expenses and charges payable out of or chargeable to **rent receivable** as may cease or be reduced in consequence of the **damage** will be deducted;
- iii. where at the time of **damage** there is a valid lease or license, **we** will only indemnify **you** to the extent that the **damage** gives rise to a contractual right for the tenant to cease payment of rent; and
- iv. if the **sum insured** in respect of **rent receivable** is less than the **standard rent receivable** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve (12) months), the indemnity **we** will pay to **you** will be proportionately reduced.

6.2.6 Outstanding debit balances

We will indemnify **you** for loss of income resulting from **your** inability to trace or establish **outstanding debit balances** caused by **damage** during the **period of insurance** to the records of accounts receivable used by **you** at the **premises** for the purpose of the **business**, provided that:

- a) the amount **we** will pay **you** will be proportionately reduced if at the time of any **damage** the **sum insured** is less than the actual **outstanding debit balances**; and
- b) all paper records/accounts are kept in a fire resisting cabinet or safe when not in use.

In addition, **we** will pay reasonable and necessary expenses incurred in tracing and establishing **customers'** debit balances after the **damage**.

After payment of any claim hereunder, all amounts recovered by **you** on accounts receivable for which **you** have been indemnified for **outstanding debit balances** will belong and be paid immediately to **us** by **you** up to the total amount of loss paid by **us**.

However, this cover will not be available under any of the extensions within the 'Business Interruption' **section**.

We will not indemnify **you** for loss which falls within the 'Cyber risks' exclusion.

6.2.7 Professional accountants

We will indemnify **you** for the reasonable and necessary charges payable by **you** to professional accountants for producing:

- a) such particulars or details contained in **your** books/records that are not readily available to **you** or that **you** do not routinely produce; and
- b) any other evidence as may be required by **us** that is not readily available to **you** or that **you** do not routinely produce,

for the purpose of investigating or evidencing any claim made under this **section**, provided that at the time of loss such professional accountants are regularly acting as such for **you**.

6.3 Business Interruption Optional Extensions

We will only indemnify **you** under each of these extensions if the extension is shown as 'INCLUDED' in the **schedule**.

We will indemnify **you** for:

6.3.1 Damage to property at contract sites

Loss resulting from interruption or interference with the **business** as insured by this **section** caused by **damage to property insured** away from the **premises**, but within the **territorial limits**, where you are carrying out work as part of the **business**.

6.3.2 Denial of access (damage)

Loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage to property** (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) entirely within and not extending beyond one (1) mile of the perimeter of the **premises** or such distance as is specified in the **schedule** which physically prevents or hinders access to or the use of the **premises**.

We will not indemnify **you** for loss:

- a) occurring during any period other than the actual period of prevention or hinderance of physical access to or the use of the **premises**; or
- b) directly or indirectly caused by, contributed to or arising out of or in connection with **damage to property** beyond one (1) mile of the **premises**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

6.3.3 Denial of access (non-damage)

Loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by:

- a) action by the police or any local authority in consequence of danger or disturbance entirely within and not extending beyond one (1) mile of the perimeter of the **premises** or such alternative distance as is specified in the **schedule** which prevents or hinders physical access to or the use of the **premises**; or
- b) prevention or hinderance of physical access to or the use of the **premises** in consequence of the **premises** containing or being thought to contain a harmful device provided **you** inform the police immediately of the presence or suspected presence of the harmful device.

However **we** will not indemnify **you** under this extension for loss:

- i. occurring during any period other than the actual period of prevention or hinderance of physical access to or the use of the **premises**;
- ii. directly or indirectly caused by, contributed to, or arising out of or in connection with a danger or disturbance beyond one (1) mile of the **premises**;
- iii. resulting from any cause within **your** control;
- iv. resulting from **damage to property**; or

- v. resulting from the obstruction of roads, streets or other rights of way by weather or climatic conditions.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

We will not indemnify **you** for loss which falls within the **communicable disease** exclusion.

6.3.4 Loss of attraction

Loss resulting from interruption of or interference with the **business** as insured by this **section** in consequence of diminution of attraction to the **premises** caused directly and solely by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) occurring entirely within and not extending beyond one (1) mile of the perimeter of those **premises** or such distance as is specified in the **schedule**.

However we will not indemnify **you** for loss:

- a) relating to any of **your premises** not within one (1) mile (or such distance as is specified in the **schedule**) of the **damage**; or
- b) directly or indirectly caused by, contributed to, or arising out of or in connection with **damage** to property beyond (1) mile of the **premises**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

6.3.5 Miscellaneous storage locations

Loss resulting from interruption of or interference with the **business** as insured by this **section** caused directly and solely by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at premises not owned or occupied by **you** but used by **you** for storage.

However, we will not indemnify **you** under this extension for interruption of or interference caused by **damage** at:

- a) storage locations outside the **United Kingdom**; or
- b) the premises of **your customers** and suppliers.

6.3.6 Failure of public supply

Loss resulting from interruption of or interference with the **business** as insured by this **section** caused directly and solely by failure at the **premises** of:

- a) the supply of electricity at the terminal ends of the utility service feeders;
- b) the supply of gas at the supply utility meters;
- c) the supply of water at the supply utility main stopcock; or
- d) the supply of telecommunication services at the incoming line terminal or receivers.

However, we will not indemnify **you** under this extension for interruption or interference with the **business**:

- a) caused by internet outage or disruption or any other loss which falls within the 'Cyber risks' exclusion;
- b) resulting from the deliberate act or decision of any utility supply undertaking or public authority in cutting off, withholding, restricting or rationing, whether planned in advance or not, or the exercise by any such utility undertaking, government or public authority of its power to cut off, withhold, restrict or ration supply or services;
- c) resulting from strikes or any labour or trade dispute;
- d) resulting from actions taken in pursuit of political, religious, ideological or similar purposes, including in relation to climate or environmental concerns, by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, regardless of whether this loss falls within the 'War and terrorism' exclusion;
- e) resulting from drought;
- f) resulting from any other atmospheric or weather conditions, but not excluding accidental failure due to **damage** to supply utility equipment caused by such conditions;

- g) caused by **damage** to electricity, gas, water or telecommunications transmission lines or pipes for which **you** are responsible; or
- h) caused by **damage** to, or failure of, any satellite.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

6.3.7 Research and development

The reasonable and necessary expenditure incurred to reinstate the research and development programme of the **business** which is interrupted directly and solely as a result of **damage** to property at the **premises**, to the state the programme was at immediately prior to the **damage**.

6.3.8 Specified customers' premises

Loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your** specified **customers** (as specified in the **schedule**).

However, **we** will not indemnify **you** under this extension for interruption or interference caused by **damage** to premises of specified **customers** outside the **United Kingdom** by any cause other than **damage** by fire, lightning, explosion or aircraft impact.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

6.3.9 Specified suppliers' premises

Loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your** specified suppliers (as specified in the **schedule**).

However, **we** will not indemnify **you** under this extension for interruption or interference caused by **damage** to

premises of specified suppliers outside the **United Kingdom** by any cause other than **damage** by fire, lightning, explosion or aircraft impact.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

6.3.10 Specified disease, murder or suicide, food or drink poisoning

Loss resulting from interruption of or interference with the **business** as insured by this **section** caused by **your** inability to use the **premises** because they have been physically closed or sealed off in whole or part on the order of a competent public authority directly and solely in consequence of any of the following events:

- a) an incidence of a **specified disease**:
 - i. entirely at and not extending beyond the **premises**; or
 - ii. attributable to food or drink supplied from the **premises**;
- b) the discovery of any organism entirely at and not outside the **premises** likely to result in an incidence of a **specified disease**;
- c) the discovery of vermin or pests entirely at and not outside the **premises**;
- d) an accident causing defects in the drains or other sanitary arrangements entirely at and not outside the **premises**; or
- e) an incidence of murder, manslaughter or suicide entirely at and not outside the **premises**.

We will only indemnify **you** for loss arising at those **premises** which are directly subject to an event in a) to e) above.

We will not indemnify **you** under this extension for any costs incurred to clean-up, detoxify, remove, monitor, test, repair, replace, recall or check the **premises** or any property at the **premises**.

We will also not indemnify **you** under this extension for loss resulting from closure of the **premises** imposed on the order of a public authority caused directly or indirectly by an incidence at the **premises** of any disease that is or subsequently becomes:

- a) declared or treated as an epidemic, pandemic, or Public Health Emergency of International Concern by the World Health Organisation or any organisation undertaking substantially the same function; or
- b) identified as a major health incident in the **United Kingdom**, for which a Scientific Advisory Group for Emergencies (SAGE) or equivalent body or public authority has been activated by the Cabinet Office Briefing Rooms (COBR) or other successor bodies.

Once any disease has been so declared, treated or identified then for the purposes of this **policy** it will be deemed that the disease was so declared, treated or identified at the commencement of its outbreak within the **territorial limits** and **we** will not indemnify **you** under this extension in respect of any period before or after this date of commencement.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

Specified disease means any of the following:

- a) Acute encephalitis;
- b) Acute meningitis;
- c) Acute poliomyelitis;
- d) Acute infectious hepatitis;
- e) Anthrax;
- f) Botulism;
- g) Brucellosis;
- h) Bubonic plague;
- i) Cholera;
- j) Diphtheria;
- k) Enteric fever (typhoid or paratyphoid fever);
- l) Food poisoning;
- m) Haemolytic uraemic syndrome (HUS);
- n) Infectious bloody diarrhoea;
- o) Invasive group A streptococcal disease and scarlet fever;
- p) Legionnaires' Disease;
- q) Leprosy;
- r) Malaria;
- s) Measles;
- t) Meningococcal septicaemia;
- u) Mumps;
- v) Rabies;
- w) Rubella;
- x) Smallpox;
- y) Tetanus;
- z) Tuberculosis;
- aa) Typhus;
- bb) Viral haemorrhagic fever (VHF);
- cc) Whooping cough;
- dd) Yellow fever.

6.3.11 Unspecified customers' premises

Loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your unspecified customers**.

However, **we** will not indemnify **you** under this extension for interruption or interference caused by **damage** to premises of **unspecified customers** outside the **United Kingdom**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

6.3.12 Unspecified suppliers' premises

Loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your unspecified suppliers**.

However, **we** will not indemnify **you** under this extension for interruption or interference caused by **damage** to premises of **unspecified suppliers** outside the **United Kingdom**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

7. Extensions for the Property Damage and Business Interruption Sections

The following extensions apply to the 'Property Damage' and 'Business Interruption' sections and are subject to the terms conditions, limitations and exclusions of these sections.

The **sub-limits** will apply (on the basis set out in each extension) to the total of all claims under both the 'Property Damage' and 'Business Interruption' sections in relation to that extension.

7.1 Property Damage and Business Interruption standard extensions

We will indemnify you for:

7.1.1 New acquisitions

Damage of a kind not excluded by any other provision of this **policy** within the **territorial limits**, and any resulting interruption of or interference with the **business**, to:

- a) any newly acquired property automatically upon acquisition (other than **stock and materials in trade**); and
- b) any alterations, additions and improvements to **buildings**;

during the **period of insurance** provided that:

- i. **you** undertake to give particulars of such newly acquired property at the expiry date of the **period of insurance** or, if longer than twelve (12) months, at each twelve (12) month anniversary of the commencement of the **period of insurance** and to insure retrospectively the newly acquired **property** to the date of acquisition;
- ii. **we** will be entitled to charge, and **you** will pay, an appropriate additional premium pro rata from the date of acquisition of the newly acquired **property**;
- iii. **we** may vary the terms of the **policy** in respect of such newly acquired property;
- iv. **we** will not indemnify **you** for any appreciation in value that may accrue to any **buildings** following any alterations, additions and improvements; and
- v. in the event that **you** acquire property of a value that exceeds the **sub-limit** shown in the **schedule** for 'New acquisitions', then **you** will provide details to **us** as soon as possible.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000 per **occurrence** and in the aggregate.

7.1.2 Public relations expenses

The reasonable and necessary public relations expenses, directly relating to the protection of **your** brand image or reputation as may be impacted by negative press coverage caused by **damage** and any resulting interruption or interference with the **business** that is insured under this **policy**.

7.1.3 Trace and access

The reasonable and necessary costs incurred by **you**, and any resulting interruption of or interference with the **business**, in locating the source of any escape of water or fuel oil from any fixed water services or heating installation, including any subsequent repairs to **damage** unavoidably caused during the work taken to locate the source of the escape, except **we** will not indemnify **you** for the cost of repairs to any fixed water services or heating installation unless these would be covered under the **policy** in the absence of this extension.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000 per **occurrence** and in the aggregate.

7.2 Property Damage and Business Interruption optional extensions

We will only indemnify **you** under each of these extensions if the **schedule** specifies that they are 'INCLUDED'.

We will indemnify **you** for:

7.2.1 Computer breakdown

- a) **Damage to computer equipment** owned or operated by **you** at the **premises**, and any interruption of or interference with the **business** caused by its **breakdown**;
- b) additional expenditure reasonably incurred by **you** for the sole purpose of minimising the interruption of or interference with the use of **computer equipment** owned or operated by **you** at the **premises** caused by its **breakdown**; and
- c) loss resulting from interruption of or interference with the **business** caused by the erasure, destruction, corruption or distortion of software or **data** stored on **computer equipment** caused by its **breakdown**.
- d) the cost of:
 - i. modification of the **computer equipment**; or
 - ii. replacement of **electronic data** together with reinstatement of programs and/or information thereon (whichever is the lesser amount) to achieve compatibility in the event that **damage** to the **computer equipment** has resulted in undamaged **electronic data** being incompatible with the replacement **computer equipment**; arising out of the incompatibility of **data**.

However, **we** will not indemnify **you** for **damage**, or resulting loss or interruption or interference with the **business**, caused by **breakdown** of **computer equipment**:

- i. unless there is in force an approved maintenance agreement which applies to that item of **computer equipment**;
- ii. for which any manufacturer, supplier or agent is responsible under the terms of a guarantee or maintenance agreement;
- iii. for which **you** are relieved of responsibility under any rental, hire or lease agreement;
- iv. caused by a deliberate act of an electricity supply undertaking in withholding the supply of electricity unless for the sole purpose of safeguarding human life;
- v. caused by the inability of an electricity supply undertaking to maintain the supply system due to industrial action by its **employees**;
- vi. which occurs when using telecommunications equipment which is not approved by the telecommunications regulatory authority;
- vii. which occurs when using unproven software which has not been finalised or which has not passed all the testing procedures, or which has not been successfully proven;
- viii. caused by programming errors or design defects in software;
- ix. directly or indirectly caused by, contributed to by, or arising out of or in connection with internet outage or disruption or any other loss which falls within the 'Cyber risks' exclusion regardless of any other cause or event contributing concurrently or in any other sequence thereto;
- x. directly or indirectly caused by, contributed to by, or arising out of or in connection with any cause which originates outside the **computer equipment**, other than the failure or fluctuation of the electricity supply.

If this extension is shown as 'INCLUDED' and no **sub-limits** are shown in the **schedule**, this extension will be subject to a **sub-limit** of £10,000 per **occurrence** and in the aggregate for a), b) and c) combined but within this **sub-limit** our total liability to **you** for all claims:

- i) under b) will not exceed £5,000 per **occurrence** and in the aggregate, and
- ii) under c) will not exceed £5,000 per **occurrence** and in the aggregate.

7.2.2 Energy performance and sustainable buildings

The reasonable and necessary additional costs of **reinstatement** of the **damaged building**, and any resulting interruption of or interference with the **business**, that **you** incur to:

- a) conform with the recommendation report contained in the current Energy Performance Certificate issued by an accredited assessor; and

- b) **reinstate** the **damaged buildings** to a standard above the minimum required under any laws, rules or regulations set by national or local government which govern the construction or alteration of **buildings** with which **you** must comply in the country where **you**, or **your** assets, are based,

arising from the use of alternative materials or sources of materials in accordance with the principles of the Building Research Establishment Environmental Assessment Method and rating system for buildings (BREEAM) core standards.

We will not indemnify **you** for alterations to any undamaged portions of the **buildings**.

In the event that the amount for which **we** will indemnify **you** in respect of any **buildings** is reduced by the application of the 'Underinsurance conditions' (which are set out in the 'Other terms and conditions for the Property Damage and Business Interruption sections' **section**), then the amount for which **we** will indemnify **you** under this extension in respect of such **buildings** will be reduced in like proportion.

7.23 Flood resilience

The reasonable and necessary costs incurred by **you**, and resulting interruption of or interference with the **business**, in:

- a) the utilisation of materials with improved water resilience in the repair or **reinstatement** of the **buildings**; and
- b) the relocation within the same **building** of replacement fixtures and fittings to an area less exposed to **damage** by water arising from **flood**.

7.24 Inadvertent errors and omissions

Damage to any **buildings, machinery, plant and all other contents**, and **stock and materials in trade** for which **you** are responsible and which are not otherwise insured under this **policy**, and resulting interruption of or interference with the **business**, due to **your** inadvertent omission or error or an incorrect description of the **property insured**, provided that:

- a) notice is given to **us** as soon as practical upon discovery of any such error or omission;
- b) **you** pay any extra premium on all such property as from the inception of the **policy** or from the date **your** interest in such property is acquired; and
- c) this extension will not be construed to cover any property or cause that would otherwise be excluded by the **policy**.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000 per **occurrence** and in the aggregate.

7.25 Machinery breakdown

Damage to **plant and machinery** insured, and any resulting interruption of or interference with the **business**, caused by:

- a) its **breakdown**;
- b) the error or omission of the operator(s) during the normal operation of the **plant and machinery** other than in respect of failure to maintain or wilful negligence or a malicious act;
- c) **pressure explosion** or collapse where the **plant and machinery** are operated under steam or other fluid pressure and are owned or leased by **you**, or operated under **your** control; or
- d) the fracturing of any part of the **plant and machinery** by frost when such fracture renders that part of the **plant and machinery** inoperative.

We will also indemnify **you** for the reasonable and necessary costs incurred by **you** in taking exceptional measures to avoid or mitigate impending machinery **breakdown** or the necessary hire of substitute **plant and machinery**.

However, with regard to **plant and machinery** **we** will not indemnify **you** for:

- i. **breakdown** of or **damage** to any experimental items or prototypes, and resulting interruption of or interference with the **business**;
- ii. the cost of maintenance work;

- iii. **breakdown** of or **damage** to any safety or protective device caused by its operation, and resulting interruption of or interference with the **business**;
- iv. **breakdown** of or **damage** to parts, bits, tools or similar items that require periodic replacement, and resulting interruption of or interference with the **business**;
- v. scratching of painted or polished surfaces;
- vi. **breakdown** or **damage**, and resulting interruption of or interference with the **business**, caused by **transit**;
- vii. **breakdown** or **damage**, and resulting interruption of or interference with the **business**, caused by the conditions of any test, experiment, inspection or the use of abnormal working conditions, unless occurring without **your** knowledge or consent;
- viii. **breakdown** of or **damage** to **plant and machinery** kept in the open, and resulting interruption of or interference with the **business**, unless it is designed to be and capable of being kept in the open;
- ix. **breakdown** or **damage**, and resulting interruption of or interference with the **business**, for which any manufacturer, supplier or agent is responsible under the terms of a guarantee or maintenance agreement;
- x. for which **you** are relieved of responsibility under any rental, hire or lease agreement;
- xi. caused by a deliberate act of an electricity supply undertaking in withholding the supply of electricity unless for the sole purpose of safeguarding human life;
- xii. caused by the inability of an electricity supply undertaking to maintain the supply system due to industrial action by its **employees**;
- xiii. directly or indirectly caused by, contributed to by, or arising out of or in connection with internet outage or disruption or any other loss which falls within the 'Cyber risks' exclusion regardless of any other cause or event contributing concurrently or in any other sequence thereto;
- xiv. **breakdown** or **damage**, and resulting interruption of or interference with the **business**, directly or indirectly caused by, contributed to by, or arising out of or in connection with any cause which originates outside the item of **plant and machinery** which has suffered the **breakdown** or **damage**, other than those causes expressly covered at (b) and (d) of this extension or the failure or fluctuation of the electricity supply.

For the purposes of this extension only:

'**plant and machinery**' means:

- a) boilers and pressure plant subject to internal steam pressure or used for storage of fluids under pressure;
- b) lifting and handling machinery;
- c) electrical and mechanical plant;
- d) vacuum vessels;
- e) piping associated with any of the above;

including all integral parts of such plant and machinery but does not include, even if integral to the plant and machinery (unless specifically stated in the **schedule** as being covered):

- f) chimneys, masonry, brickwork foundations, racking, shelving and supporting structures;
- g) computer or **data processing media** (unless linked and wholly dedicated to the control of any machine or production or treatment process);
- h) office equipment;
- i) non-metallic protective linings, pipes or hoses and driving or conveyor belts or batteries;
- j) vehicles other than purpose-built lifting and handling machinery;
- k) the contents of any plant and machinery; or
- l) seals and joints;

and '**pressure explosion**' means:

the sudden and violent rending of the **plant and machinery** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignition of the contents or pressure or ignition of gases in the furnaces or flues) causing bodily displacement of any part of the **plant and machinery** together with the forcible ejection of the contents.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000 per **occurrence** and in the aggregate.

7.2.6 Professional support fees

The costs incurred by **you** in respect of reasonable and necessary fees paid to architects, engineers or other professionals (other than professional accountants) for producing details contained in **your** books or **documents**, or such other evidence required by **us** resulting from an **incident** for which **we** have accepted that this **policy** will respond.

We will not indemnify **you** for the fees and costs of legal advisors or loss assessors, nor the fees and costs of any consultants who provide consultation on coverage or negotiate claims.

The **sub-limit** under this extension will fall within the applicable **sub-limit** for the claim to which the costs relate.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000 per **occurrence** and in the aggregate.

8. Exclusions to Property Damage and Business Interruption Sections

The following exclusions apply to the 'Property Damage' and 'Business Interruption' **sections** and **sub-sections** including any extensions, or to just one **section** where expressly stated, in addition to the 'General Exclusions'.

In some cases, an exclusion has particular relevance to the cover provided under an extension and so it is highlighted in the extension. However, in such cases (i) the extension in question remains subject to all other applicable exclusions and (ii) the exclusion so highlighted remains applicable to all other parts of the **section** and not just the extension where it is highlighted.

We will not indemnify **you** for:

8.1 Aircraft travelling at supersonic speeds

Damage, or loss or interruption or interference caused by pressure waves from aircraft, drones, other aerial device travelling at supersonic speeds.

8.2 Boiler explosion and failure

- a) **Damage**, or loss or interruption or interference caused by explosion, failure or collapse of a boiler (but not a boiler or economiser used for domestic purposes only), vessel, economiser, machine or pipe work at the **premises** in which internal pressure is due to steam only belonging to **you** or under **your** control;
- b) **damage**, or loss or interruption or interference caused by joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels of any range of steam, and feed piping in connection therewith; and
- c) any losses ensuing from a) and b) above.

But this exclusion will not apply to:

- i. **damage** covered under the 'Machinery breakdown' extension if shown as 'INCLUDED' in the **schedule**;
- ii. any subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

8.3 Communicable disease

Damage, loss, interruption or interference, claim, cost, expense or other amount, directly or indirectly caused by, contributed to by, or arising out of or in connection with:

- a) a **communicable disease**;
- b) the fear or threat (whether actual or perceived) of a **communicable disease**; or
- c) any action taken, restrictions imposed or advice or instructions given by any competent authority (including, but not limited to, the police or other emergency services, local or national government, statutory bodies or professional or regulatory bodies) in connection with the investigation, suppression or prevention of either a **communicable disease** or the feared or potential spread of a **communicable disease**,

regardless of any other cause or event contributing concurrently or in any other sequence thereto and subject to the provisions below.

For the purposes of this exclusion, loss, **damage**, claim, cost, expense or other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

- i. for a **communicable disease**; or
- ii. any **property insured** in the **policy** that is affected by such **communicable disease**.

This exclusion will not apply to any claim or loss for which cover is expressly provided under the 'Specified disease, murder or suicide, food or drink or poisoning' extension of the **policy** if shown as 'INCLUDED' in the **schedule**.

8.4 Confiscation

Damage, or loss or interruption or interference directly or indirectly caused by, contributed to by or arising out of or in connection with, in whatever form, confiscation or expropriation of property by any acts of a public authority, regardless of any other cause or event contributing concurrently or in any other sequence thereto.

8.5 Deliberate acts

Damage deliberately or recklessly caused by **you** or any of **your** principals, directors, or partners but this exclusion does not apply to **damage** resulting from the use of reasonable force to protect persons or property against a peril not excluded by the **policy**.

8.6 Electrical or mechanical breakdown

Damage or loss or interruption or interference, caused by electrical or mechanical **breakdown** or failure including but not limited to overrunning, overheating or short-circuiting, and any losses ensuing from the above.

This exclusion will not, however, apply to:

- a) loss which would otherwise be indemnified by the 'Computer breakdown' **extension**;
- b) loss which would otherwise be indemnified by the 'Machinery breakdown' extension;
- c) any subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

8.7 Excluded property

- a) **Damage** to the following property, or interruption of or interference with **your business** caused by or resulting from **damage** to or in connection with:
 - i. livestock, bloodstock, fishstock, growing crops or trees;
 - ii. watercraft or aircraft or other aerial devices;
 - iii. railway locomotives or rolling stock or their accessories;
 - iv. motor vehicles or their contents, accessories, caravans or trailers except for such vehicles that are not licensed for road use (and except for cover available under other **sections**);
 - v. **money**, bullion, foreign coins, counterfeit or substitute **money** except as specifically covered under the 'Money damage and assault' extension;
 - vi. land, piers, jetties, bridges, culverts or excavations;
 - vii. property in the course of erection or installation;
 - viii. property in **transit** except as specifically covered under this **section** (and except for cover available under other **sections**);
 - ix. explosives;
 - x. **valuables** except as specifically covered under the 'Valuables' extension to the 'Property Damage' **section**; or
 - xi. telephone, gas, water and electricity meters, piping, ducting, trunking, cables, wires and associated control gear, instruments and accessories and the like, other than the lesser of either:
 - A. those that partly or wholly serve to supply the **premises** but only to the point of the terminal connection at the public mains; or
 - B. those within fifty (50) metres of the perimeter of the **premises**; for which **you** are responsible.
- b) **Damage** to moveable property in the open, gates or fences, unless:
 - i. the **damage** is caused by fire, lightning, aircraft, explosion, **earthquake**, riot, civil commotion, or impact and the property is designed to be and capable of being kept in the open; or

- ii. the loss is covered under the 'Machinery breakdown' extension and the property is designed to be and capable of being kept in the open.

8.8 Faulty workmanship

Damage, or loss or interruption or interference caused by defective design, latent defect, the use of defective materials, operator error or omission, faulty workmanship or other inherent flaw but this exclusion will not apply to:

- a) **damage** or subsequent loss resulting from an ensuing cause which is not otherwise excluded;
- b) the 'Machinery breakdown' extension.

8.9 Gradual or environmental changes

- a) **Damage**, loss, interruption or interference caused by:
 - i. erosion, corrosion, deterioration, wear and tear, marring or scratching, or change of temperature (except as provided by the 'Deterioration of stock' extension);
 - ii. change of colour, texture or finish or inherent vice, rust, infestation, insects or vermin; and
 - iii. frost or freezing, except this clause does not apply to the 'Machinery breakdown' extension.

But in respect of i., ii., and iii, above, this exclusion will not apply to subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

- b) **damage**, loss, interruption or interference caused by mould, mildew or other microorganism of any type, including but not limited to any substance whose presence poses an actual or potential threat to human health unless the **damage**, loss, interruption or interference is caused by mould, mildew or other microorganism of any type which results from an otherwise **defined peril** and is not otherwise excluded.

Paragraph b) of this exclusion does not apply in respect of the cover provided by the 'Specified disease, murder or suicide, food or drink poisoning' extension of the 'Business Interruption' section.

8.10 Indirect loss

Any form of financial loss or interruption or interference that results from **damage** unless expressly stated as being insured by the **policy**.

8.11 Interest

Interest on any claim payment or compensation benefit for any reason whatsoever.

8.12 Marine impact

Damage, or loss or interruption or interference caused by impact with any **property insured** by any waterborne vessel or craft.

8.13 Marine insurance cover

Damage, or loss or interruption or interference caused by **damage** to shipments until fully discharged or until marine insurance has ceased to cover the same, whichever last occurs.

8.14 Molten metal or glass

Damage, or loss or interruption or interference caused by or consisting of the freezing, solidification or inadvertent escape of molten materials.

8.15 Non-specific loss or damage

Damage, or loss or interruption or interference:

- a) caused by disappearance or which is not identifiable by **you** with a specific **incident** or which is unexplained, and which has not been notified under the terms of the 'General Claim Conditions and Requirements';
- b) revealed only during an inventory or stocktaking;
- c) caused by or arising from misfiling or misplacing of property, information or **data**; or
- d) caused to **money** except as specifically stated as being insured in the **schedule**.

8.16 Pollution

Damage, or loss or interruption or interference directly or indirectly caused by **pollution** or contamination, but this exclusion will not apply to **damage**, or loss or interruption or interference caused by:

- a) **pollution** or contamination which itself results from a **defined peril**; or
- b) a **defined peril** which itself results from **pollution** or contamination.

8.17 Processing

Damage, or loss or interruption or interference caused by the **property insured**:

- a) undergoing any process including but not limited to cleaning, repairing, restoring, renovating, testing, commissioning or packaging; and/or
 - b) itself undergoing any heating process or any process involving the application of heat;
- but this will not exclude subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

8.18 Riot

Damage, loss, interruption or interference or **injury** occurring in Northern Ireland caused by riot, civil commotion, strikes and strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons or any unlawful association.

8.19 Subsidence or collapse

In respect of **buildings**:

- a) subsidence, ground heave or collapse caused by:
 - i. the bedding down of new structures, by settlement;
 - ii. coastal or river erosion; or
 - iii. by the movement of ground or of any building erected on a mining site;
- b) **damage** caused by subsidence, ground heave or collapse to the **buildings** or any part thereof whilst in the course of erection or undergoing demolition or structural repairs;
- c) **damage** caused by subsidence, ground heave or collapse which commenced prior to **our** agreement to provide insurance cover or **damage** which originated prior to the inception of this **policy**; or
- d) **damage** caused by the **buildings**' own collapse or cracking, however **we** will indemnify **you** in respect of such **damage** if it results from a cause which is not otherwise excluded;

But this exclusion will not apply to subsidence caused by fire, explosion, **earthquake** or the escape of water from any tank, apparatus or pipe.

8.20 Tax

The amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the **property insured**.

8.21 Theft and fraud

Damage, or loss or interruption or interference caused by:

- a) theft or attempted theft, but this exclusion will not apply:

- i. to theft or attempted theft from inside any of the fixed permanent lockable structures at the **premises** where there has been entry to or exit from the structure by forcible and violent means, unless the structure is **unoccupied**. Entry to or exit from the structures at the **premises** by forcible and violent means will not include forcible and violent entry to or exit from or through an internal door, office, cage, compartment or store within the structures unless that internal door, office, cage, compartment or store is the sole part of the structure occupied by **you**;
 - ii. to **damage** covered by the 'Theft damage to uninsured structures' and the 'Theft of external parts of structures at the premises' extensions if shown as 'INCLUDED' in the **schedule**;
 - iii. to loss covered by the 'Lock replacement' extension if shown as 'INCLUDED' in the **schedule**; and
 - iv. to loss covered by the 'Money damage and assault' extension or the 'Goods in transit' extension if shown as 'INCLUDED' in the **schedule**;
- b) dishonesty of **your employees**, but this will not exclude:
- i. theft or attempted theft covered by a)j above; or
 - ii. loss covered by the 'Fidelity' **section** where shown in the **schedule** as included;
- c) the deliberate or reckless acts of any of **your** principals, directors, or partners, but this exclusion does not apply to **damage** caused by the use of reasonable force to protect persons or property against a peril not excluded by the **policy**.

8.22 Unoccupied buildings

Damage to **buildings** which are or become **unoccupied** during the **period of insurance**, and resulting interruption of or interference with the **business**, caused other than by fire, explosion, lightning, **earthquake**, aircraft, other aerial device, satellite, missile or articles which impact upon the **unoccupied buildings**.

8.23 Vehicles

Whilst on the road where cover is required under the Road Traffic Acts, **damage** to any:

- a) motor vehicle, including **accessories**, plant and equipment fixed to the vehicle;
- b) **trailer** whilst attached to a motor vehicle for the purpose of being towed or whilst being conveyed on another motor vehicle or its **trailer** including **damage** sustained during the operations of loading or unloading occurring elsewhere.

This exclusion does not apply to cover which may exist under other **sections** of this **policy**.

8.24 Water table level

Damage, or loss or interruption or interference caused by change in water table level.

For the purpose of this exclusion 'water table level' means the vertical distance from the surface of the earth to underground water being the surface at which the soil or rocks are permanently saturated with water.

8.25 Works

Damage, or loss or interruption or interference caused by:

- a) any alteration, extension, renovation or improvement of the **buildings** being undertaken at the **premises** where the total value of the contracts under which such works are being undertaken exceeds £50,000; or
- b) any other building or demolition works, other than routine maintenance, regardless of their value,

unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require.

9. Other terms and conditions for the Property Damage and Business Interruption Sections

The following terms, conditions and conditions precedent apply to the 'Property Damage', 'Business Interruption', 'Extensions for the Property Damage and Business Interruption Sections', and 'Exclusions to Property Damage and Business Interruption Sections' **sections** or to just one such **section** where expressly stated.

9.1 Property Damage and Business Interruption

9.1.1 Designation

For the purpose of determining where necessary the heading under which any property is insured, **we** will accept the reasonable designation under which such property has been entered in **your** books/accounts.

9.1.2 Hot works – CONDITIONS PRECEDENT

We will only indemnify **you** under the **policy** if **you** comply with the following conditions precedent:

Where work involving use of a naked flame or other heat source or oxyacetylene, electric arc or similar welding, cutting, grinding or other spark emitting equipment by any person (whether a third-party contractor, an **employee** or other) is carried out at the **premises you** must ensure that:

- a) a hot work permit in the form set out in Loss Prevention Recommendation RC7 published by the Fire Protection Association (FPA) or the QBE Hot Work Permit or a similar permit or documentation, is completed by an appropriately trained, competent and authorised person before such work commences; and
- b) the precautions and systems of work shown on the designated hot work permit are complied with at each stage of the work.

This clause shall not apply where such work is an integral part of **your** trade processes.

9.1.3 Non-invalidating

In the event of an inadvertent act or omission or alteration which increases the risk of **damage** or loss of a kind which is not subject to a **policy** exclusion, and which occurs without **your** authority or knowledge or beyond **your** control, such material alteration will not invalidate this **policy**, provided that:

- a) **you** have taken all reasonable steps to bring the requirements of the **policy** to the attention of all **employees**, agents or third parties who have responsibility for the operation and management of those aspects of **your business** that are the subject of express obligations imposed by this **policy**; and
- b) **you** give notice to **us** as soon as reasonably practicable on knowledge of such act, omission or alteration.

Following notification under this clause, **we** will be entitled to impose additional policy terms, cancel the **policy** or charge additional premium at **our** discretion.

9.1.4 Prevention of further loss

On the happening of any **occurrence** which might result in a claim under the 'Machinery breakdown' extension, **you** will:

- a) immediately notify and send written confirmation to **us** (and in any event within two (2) working days);
- b) discontinue the use of any damaged plant and machinery unless **we** authorise otherwise until such plant and machinery will have been repaired to **our** satisfaction; and
- c) keep for inspection by **us** any damaged parts which are replaced.

9.1.5 Fire and security systems – CONDITIONS PRECEDENT

We will only indemnify **you** under the **policy** if **you** comply with the following conditions precedent:

You must ensure that:

- a) all intruder prevention/detection or security systems or appliances, CCTV and remote monitoring equipment, fire extinguishers, smoke or heat detectors, fire alarm systems and sprinkler systems installed at the **premises** are:
 - i. installed in accordance with the manufacturer's or installer's specification;
 - ii. not altered, varied or affected without **our** prior written consent;
 - iii. in full working order at all times; and
 - iv. regularly serviced under an annual maintenance contract entered into with the manufacturer, installer or an independent security or fire protection specialist;
- b) the fire alarm is tested at least weekly;
- c) the intruder alarm, CCTV and remote monitoring equipment are set whenever the protected portion of the **premises** is closed for **business** or **unoccupied**;
- d) the sprinkler system and its water supplies are inspected and tested weekly to ascertain they are in working order and that control valves are in the fully open position;
- e) the fire extinguishers are visually inspected regularly to ensure that they are in position, have not been discharged or tampered with and any defect is remedied promptly;
- f) all reasonable steps are taken to ensure that the sprinkler system is protected from frost insofar as **your** responsibility extends to maintaining the installation;
- g) **we** are notified as soon as reasonably practicable (and in any event within thirty (30) days) of any defects or lapses in the protection devices and systems detailed in this condition and such defects are remedied promptly;
- h) any third party monitoring or response services (including by the police) for **your** fire or intruder alarm or CCTV or any security guard attendance notified to **us** prior to inception or renewal of this **policy**, or which **we** have required **you** to put in place, will not be varied or terminated without **our** prior written approval; and
- i) available keyholders are notified to all appropriate monitoring or response services.

Cover under this **policy** will not be invalidated by any defect in the said devices and systems due to circumstances beyond **your** control arising after the systems have been properly set and provided all servicing and maintenance required by this condition has been successfully carried out and no outstanding defects have been left unremedied.

9.1.6 Fire and security systems – Notification of termination of maintenance / monitoring

If **you** receive notification from:

- a) the maintenance contractors that the maintenance of **your** fire or intruder alarm or CCTV is suspended; or
- b) the Police or third party monitoring service that signals from **your** fire or intruder alarm or CCTV will no longer be monitored or answered;
 - i. **you** must notify **us** as soon as reasonably practicable but in any event within thirty (30) days; and
 - ii. **we** will be entitled to impose additional policy terms or conditions and/or charge additional premium as a condition of continuing to provide cover for **damage** by fire or theft.

9.1.7 Electric battery charging at the premises – CONDITIONS PRECEDENT

It is a condition precedent to **our** liability arising from fire or explosion under the 'Property Damage', 'Business Interruption' or 'Extensions for the Property Damage or Business Interruption Sections' **sections** that **you** ensure charging electric batteries used by battery powered vehicles on the **premises** takes place:

- a) in a building constructed wholly of non-combustible materials and used solely for battery charging or in a specifically designated and non-combustible battery charging area;
- b) in a place with good ventilation to allow dispersal of hydrogen fumes;
- c) in a 'No Smoking' area which is stipulated as such before battery charging commences and remains a 'No-Smoking' area whilst the battery is charging;
- d) with battery chargers either installed upon a non-combustible floor or wall-mounted on a non-combustible structure;
- e) with electrical cables and clips which are maintained in a sound condition and inspected at least once a month by a competent person (and any damage to the cables and clips is rectified immediately);
- f) either (i) at least two metres away from any (A) combustible materials, goods or articles and (B) the charging units if in a specifically designed battery charging area; or (ii) with a barrier of non-combustible materials erected immediately around the charging area;
- g) with reasonable precautions taken to prevent damage to electrical cables and equipment.

9.1.8 Reinstatement of limits or sums insured following loss

In the event of a **sum insured** becoming reduced or exhausted on account of a claim under this **policy** then at **your** request **we** may at **our** sole discretion agree that the available **sum insured** will not be reduced by the amount of any loss, in consideration of which **we** reserve the right to charge an additional premium.

9.1.9 Savings

If any sums are payable to **you** under the 'Property Damage' **section** which reduce the ongoing charges and expenses of the **business** during the **period of insurance**, any such amounts will be treated as savings in the calculation of the indemnity payable under the 'Business Interruption' **section**.

9.1.10 Security of insured vehicles – CONDITIONS PRECEDENT

In respect of loss or damage to **insured vehicles** arising from theft or attempted theft:

- a) each **insured vehicle** must be secured by means of the door and boot locks except whilst being worked on or driven by an **employee** or other authorised person;
- b) the windows or any form of sliding roof, sliding door, hood or removable panel roof must be closed when the **insured vehicle** is parked and unattended;
- c) the immobiliser fitted by the vehicle manufacturer or fitted post manufacture or as specified and agreed by **us** must be maintained at all times in working order and activated when the **insured vehicle** is parked and unattended;
- d) the keys or other device which unlocks the **insured vehicle** must not be left in or on the **insured vehicle** and must be kept in an area to which the public do not have access during **business hours** and locked in a safe or approved security key cabinet outside **business hours**;
- e) except whilst being worked on or driven by an **employee** or other authorised person, any software, application or any connected device used to remotely operate the **insured vehicle** must not be left unlocked or unattended or in or on the **insured vehicle** whilst the **insured vehicle** is parked or unattended; and/or
- f) where an **insured vehicle** is left unattended between the hours of 9pm and 6am the vehicle must be either (i) parked in a securely locked building, garage or security compound or (ii) fitted with a Thatcham II security system which is armed at the time of the **damage**.

9.1.11 Series losses

If the development or discovery of a defect in any of the **plant and machinery**, as covered under the 'Machinery breakdown' extension, indicates or suggests that a similar defect exists in other parts of the **plant and machinery**, **we** will not indemnify **you** for any losses arising from **your** failure to investigate and rectify such defects.

9.1.12 Single occurrence – Specified Perils

All claims for losses caused by the following perils happening within seventy-two (72) consecutive hours will be deemed to be a single **occurrence** even where the losses do not share the same original cause:

- a) **earthquake, flood, or storm**; and
- b) riot, civil commotion, malicious damage and vandalism but only within the limits of one (1) borough, city, town or village.

Where losses caused by these perils happen over a period of greater duration than the above seventy-two (72) hour periods, **you** may decide to divide those losses into two (2) or more **occurrences** provided that:

- i. no two (2) periods overlap; and
- ii. the losses have separate original causes and so would not otherwise be aggregated as a single **occurrence** under this **policy**.

Any consecutive seventy-two (72) hour period which extends beyond the expiry or cancellation date will be considered to fall entirely within the **period of insurance**.

9.1.13 Unoccupied buildings – CONDITIONS PRECEDENT

In the event of **damage to unoccupied buildings** caused by fire explosion, lightning, **earthquake**, aircraft, other aerial device, satellite, missile or articles which impact upon **unoccupied buildings**, **we** will only indemnify **you** under the **policy** if **you** have complied with the following conditions precedent:

- a) **you** have given **us** notice that the **building** is or will become **unoccupied**;
- b) **you** have paid any extra premium and complied with any additional conditions **we** may require to provide cover in respect of such **unoccupied buildings**;
- c) within seven (7) days prior to or upon commencement of this **policy** or the **building** becoming **unoccupied**, **you** or **your** nominee have carried out a detailed inspection of all doors, windows and other access points to ensure that they are secure against unauthorised entry and documented the inspection including any signs of forced entry or occupation by unauthorised persons and detailed any action required to make the **building** secure;
- d) during the **period of insurance you** or **your** nominee have inspected the **building** every seven (7) days, keeping a written record. All measures to prevent unauthorised entry or **damage** must be implemented but if such measures have proved inadequate, improvements to prevent further reoccurrences must be made and documented and notified to **us**;
- e) if **you** become aware of an attempt at unlawful entry or vandalism at the **buildings** during the **period of insurance you** must give notice of these to **us** within five (5) working days. **We** will then have the right to impose any additional policy terms or conditions and/or charge such additional premium as **we** require;
- f) all main services have been turned off and water tanks drained to prevent **damage** caused by escaping water;
- g) all combustible materials have been removed from inside and outside the **buildings** to prevent **damage** by fire; and
- h) **you** have notified **us** immediately as soon as reasonably practicable (and in any event before) if the **buildings** are to be occupied by contractors or tenants for renovation, alteration or conversion purposes.

9.1.14 Other parties

The interest of such other parties, including lessors, mortgagees, banks and hire purchase companies, is noted in this **policy** but only to the extent of their financial interest in the **property insured**.

In the event of any claim:

- a) **you** must immediately (and in any event within two (2) working days of notifying **us** of a claim) declare to **us** the names of such interested parties; and

- b) **we** will consult with such declared interested parties as regards the manner and method of any indemnity to protect the direct financial interests of such parties.

9.2 Property Damage only:

The following conditions apply to the 'Property Damage' section only.

9.2.1 Basis of settlement

In the event of **damage** to **property insured** under the **policy** the indemnity **we** will pay to **you** will be calculated as follows:

- a) on **buildings** not awaiting demolition and all other **property insured** where the basis of settlement is not more specifically stated below:
- the cost of **reinstatement** if **you** complete the work of **reinstatement** within a reasonable time of the **damage**; or
 - should **you** decide not to **reinstatement** or fail to complete the work within a reasonable time, the **actual value**;
- b) on **buildings** awaiting demolition, the reasonable and necessary costs of securing the **building** and removing debris which are incurred by **you** solely as a result of the **damage**;
- c) on **stock and materials in trade** that are unsold, the cost of production, including materials and labour, to restore the stock to the condition prior to the **damage**;
- d) on raw materials, supplies and other merchandise not manufactured by **you**:
- the expenditure incurred in repairing or replacing the **damaged** property; or
 - if not repaired or replaced, the **actual value**;
- e) on **documents**, the value of the materials as stationery and the additional cost of clerical labour in writing up and not the value of the information contained therein;
- f) on **valuables**, the lesser of:
- the reasonable and necessary cost to repair or restore such property to the condition that existed on the date of loss prior to the **damage**;
 - the cost to replace the article; or
 - the value, if any, stated in the **schedule** pertaining to the specific article;
- g) on **computer equipment**, the cost of repairing or replacing, however if the **computer equipment** is obsolete after **damage** and beyond economic repair, **we** agree to the replacement with **computer equipment** that fulfils the same function and up to the same cost as that **damaged computer equipment** when new;
- h) on **employees'**, directors' or visitors' property, the cost of repairing or replacing the item(s) as new, whichever is the lesser;
- i) on motor vehicles **we** may elect to repair the vehicles, or to pay their **actual value**;
- j) only where covered under the 'Machinery breakdown' extension, on **plant and machinery** which is less than or equal to ten (10) years old from the time of purchase as new:
- the repair and restoration of the portion suffering **breakdown** to a working condition substantially the same as but not better or more extensive than its condition when new;
 - if it cannot be economically repaired, the replacement by new **plant and machinery** of equal performance, or the replacement by new **plant and machinery** having the nearest overall performance to the **damaged plant and machinery**; and
 - if **you** elect and **we** agree not to repair or replace the **damaged plant and machinery**, the indemnity **we** will pay to **you** will not exceed the **actual value** of the **plant and machinery** immediately prior to the **damage**;
- k) only where covered under the 'Machinery breakdown' extension, on **plant and machinery** which is more than ten (10) years old, **we** will, at **our** own option, either:
- indemnify **you** for the **actual value** at the time of the **damage**; or

- ii. indemnify **you** for the cost of repair to a condition substantially the same as but not better or more extensive than the condition at the time of the **breakdown**, or the cost to replace or **reinstate**, but not beyond the **actual value** of the **plant and machinery** at the time of the **damage**.

9.2.2 Contract price

In respect of goods sold, but not delivered, for which **you** are responsible under a contract of sale, if the contract of sale is cancelled wholly or in part by reason of the **damage**, the indemnity **we** will pay to **you** will be based on the contract price of the goods and in the event of underinsurance the value of all goods to which this clause would in the event of **damage** be applicable will be ascertained on the same basis.

9.2.3 Contractor's interest

When **you** are required by the terms or conditions of any contract to insure the **buildings** and **machinery, plant and all other contents** in joint names with any contractor or sub-contractor undertaking **contract works** at the **premises** **we** will note the interest of the contractor or sub-contractor as a joint insured under this **policy** but only to the extent of **your** legal obligation to effect such joint insurance under the relevant contract.

This term will not apply where the total value of the **contract works** is greater than £100,000 unless **you** have notified **us** prior to the commencement of the **works** and paid any additional premium **we** require.

9.2.4 Contracting purchaser

A purchaser of any **building** insured under the 'Property Damage' **section** where the sale completes after **damage** has been caused (but who was contracted to purchase the **building** before **damage**) will benefit from the insurance under this **section** to the extent that the **building** is not otherwise insured by the purchaser and without prejudice to any rights and liabilities of **you** or **us**.

9.2.5 Day One (1) basis – non-adjustable

For each item of **property insured** specified as insured on a 'Day One (1)' basis in the **schedule**, **we** agree to calculate the premium upon the **declared value** provided that **you** notify **us** of the **declared value** of each such item at inception and renewal of the **policy** (in the absence of such a notification, **we** will take the last amount declared by **you** as the **declared value** for the ensuing **period of insurance**).

9.2.6 Involuntary betterment

Where **property insured** is **damaged** and requires replacement and similar property is not obtainable, **we** agree:

- a) to provide, without deduction for betterment, replacement similar property capable of performing the same function; and
- b) to provide and install any necessary technologically current equipment excluding **computer systems** due to incompatibility between the replacement equipment and the undamaged existing equipment at the same location.

We will not indemnify **you** for more than the amount sufficient to enable **you** to resume operations in substantially the same manner as before the **damage**.

9.2.7 Pairs and set settlement basis

Any indemnity **we** pay to **you** under this **policy** will include the resulting reduction in value of the remaining undamaged components or parts of **products** customarily sold as individual units or sold as pairs, sets or lots or ranges of sizes or colours.

9.2.8 Underinsurance conditions

Each item of **property insured** is, to the extent specified in the **schedule** as being covered on a **sum insured** basis, subject to the following conditions of underinsurance:

- a) Day one (1) basis underinsurance condition

where property insured is specified as insured on a 'Day One (1)' basis in the schedule then, if at the time of loss the **declared value** of the property insured is less than the cost of reinstatement that would have been incurred at inception of the **period of insurance** if the **property insured** had been completely destroyed, then the indemnity **we** will pay to **you** for any loss hereby insured will be limited to that proportion thereof which the **declared value** bears to the cost of reinstatement; and

b) Standard underinsurance condition

where **property insured** is not specified as insured on a 'Day One (1)' basis in the **schedule** then, if at the commencement of any **damage** the **sum insured** is less than the maximum amount for which **we** could be liable to indemnify **you** under the 'Basis of settlement conditions' if the **property insured** had been completely destroyed, then the indemnity **we** will pay to **you** for any loss hereby insured will be limited to that proportion thereof which the **sum insured** bears to the maximum amount for which **we** could be liable to indemnify **you** under the 'Basis of settlement' conditions if the **property insured** had been completely destroyed.

9.2.9 Workmen

You shall be entitled to employ workmen to carry out alterations, repair, decoration, plant installation, general maintenance and the like at the **premises** as required.

9.3 Business Interruption only:

The following conditions apply to the 'Business Interruption' **section** only.

9.3.1 Alternative trading

If during the **indemnity period** goods are sold or services rendered remotely, or via the internet from the **premises**, or elsewhere than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf, the amount received by **you** or them in respect of such sales or services will be brought into account in calculating the **turnover** during the **indemnity period**.

9.3.2 Accumulated stock

In adjusting any loss, **we** will consider and make an equitable allowance if any reduction in **turnover** due to the **damage** is postponed up to a maximum of twelve (12) months beyond the end of the **maximum indemnity period** by reason of the **turnover** being temporarily maintained from accumulated stocks of finished goods, including for the cost of recreating or replacing stock thereby used.

9.3.3 Declaration linked condition

The following conditions apply:

- a) prior to each renewal **you** must provide figures for the **estimated insurable gross profit** or **estimated gross revenue** to be insured. These figures are to be calculated for the financial year most nearly concurrent with the ensuing **period of insurance** (proportionately increased where the **maximum indemnity period** is greater than twelve (12) months);
- b) the first and annual premiums in respect of **estimated insurable gross profit** or **estimated gross revenue** are provisional and calculated on the basis of the figures **you** have provided in accordance with a) above;
- c) no later than six (6) months after the expiry of each **period of insurance** **you** must provide **us** with a declaration certified by **your** usual professional accountants of the **insurable gross profit** or **gross revenue** earned during the financial year most nearly concurrent with the **period of insurance**;
- d) if a claim has been made for loss of **insurable gross profit** or **gross revenue** suffered during the period covered by the declaration provided at c), the amounts paid or to be paid by **us** for loss during that period will, for the purposes of premium calculation under this clause, be added to the amount certified in the declaration, excluding payments under the 'Additional increased cost of working' clause;

- e) if the amount certified in the declaration for **insurable gross profit** or **gross revenue** (adjusted as provided at d) and proportionately increased where the **maximum indemnity period** is greater than twelve (12) months) is less than the **estimated insurable gross profit** or **estimated gross revenue** for the corresponding **period of insurance** then **we** will refund **you** a proportionate amount of the premium **you** have paid on the **estimated insurable gross profit** or **estimated gross revenue** but not exceeding fifty percent (50%) of such premium;
- f) if the amount certified in the declaration for **insurable gross profit** or **gross revenue** (adjusted as provided at d) and proportionately increased where the **maximum indemnity period** is greater than twelve (12) months) is greater than the **estimated insurable gross profit** or **estimated gross revenue** for the corresponding **period of insurance**, then **you** must pay a proportionate additional premium on the **estimated insurable gross profit** or **estimated gross revenue**;
- g) the 'Underinsurance conditions' in this **section** will not apply except as set out in h) below; and
- h) if the **insurable gross profit** or **gross revenue** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** exceeds one hundred and fifty (150%) of the **estimated insurable gross profit** or **estimated gross revenue** respectively (proportionately reduced in either case to an annual figure where the **maximum indemnity period** is greater than 12 (twelve) months), then the amount for which **we** will indemnify **you** for any loss hereby insured will be limited to that proportion which the **estimated insurable gross profit** or **estimated gross revenue** (proportionately reduced to an annual figure if required) bears to the **insurable gross profit** or **gross revenue** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance**.

9.3.4 Departmental

If the **business** is conducted in departments and the independent trading results of each department are ascertainable and can be distinguished from each other, the provisions of the 'Business Interruption' **section** will apply separately to each department affected by the **damage** except that:

- a) the **sums insured** and any **sub-limits** will apply regardless of the number of departments affected and will not apply separately to each department affected; and
- b) if the **sum insured** is less than the aggregate of the amounts of the **insurable gross profit** or **gross revenue** as stated in the **schedule** for each department of the **business** (whether affected by the **incident** or not), the indemnity **we** will pay to **you** will be reduced pro rata accordingly.

9.3.5 Payments on account

Where **we** have confirmed that the **policy** provides cover under the 'Business Interruption' **section** then, if **you** so request, **we** will make reasonable payments to **you** monthly on account during the **indemnity period**, provided always that if the total adjusted loss under this **sub-section** differs from the total of the payments made under this clause, then **you** or **we** agree to pay or return the difference accordingly.

9.3.6 Salvage sale

If in consequence of **damage** giving rise to a claim **you** hold a salvage sale during the **indemnity period**, the shortfall in **turnover** item of the 'Estimated insurable gross profit' clause of the 'Business Interruption' **section** will for the purpose of such claim read as follows:

"In respect of loss caused by a shortfall in **turnover**: the amount produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** for the period of the salvage sale) does, in consequence of the **damage**, fall short of the **standard turnover**, from which amount will be deducted the **insurable gross profit** actually earned during the period of the salvage sale."

9.3.7 Value Added Tax (VAT)

All terms in the 'Business Interruption' **section** will be exclusive of **VAT** to the extent that **you** are accountable to the tax authorities for such tax.

10. Terrorism

10.1 Terrorism Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section** where these terms are used in this **section**.

10.1.1 Act of 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 His Majesty's government in the United Kingdom or any other government de jure or de facto.

10.1.2 Data

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

10.1.3 Denial of service attack

Means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer system(s)**. **Denial of service attacks** include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **computer system(s)**.

10.1.4 Eligible insured sections

Means any **sections** shown as 'INCLUDED' in the **schedule** providing direct insurance cover for the risk of fire and/or explosion (either alone or with other perils) for any of the following heads of cover:

- a) buildings and completed structures;
- b) other property (including contents, engineering, contractors and computers);
- c) business interruption;
- d) book debts,

provided always that each eligible insured **section** will be deemed to be a separate eligible insured **section** whether the item insured is insured under separate policies, under separate terms of a policy or under separate **sections** of combined or package policies.

10.1.5 Hacking

Means unauthorised access to any **computer system**, whether **your** property or not.

10.1.6 Nuclear installation

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

- a) the production or use of atomic energy;
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

10.1.7 Nuclear reactor

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

10.1.8 Phishing

Means any access or attempted access to **data** made by means of misrepresentation or deception.

10.1.9 Property

Means all property whatsoever, but excluding:

- a) any land or building which is occupied as a private residence or any part thereof which is so occupied, unless:
 - i. insured under the same contract of direct insurance as the remainder of the building which is not a private residence;
 - ii. not insured in the name of an individual; or
 - iii. insured in the name of an individual, and the commercial element of the building occupies more than twenty percent (20%) of the building.
- b) For the purpose of this clause, a trustee, beneficiary, executor of a will or sole trader is not deemed to be an individual unless they occupy the premises or any part thereof as their own private residence;
- c) any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**.
- d) For the purposes of the 'Virus or similar mechanism, hacking, phishing or denial of service' exclusion in the 'Limitations and exclusions applicable to this section' of this section, **property** will exclude:
 - i. any **money**, currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
 - ii. any **data**.

10.1.10 Specified losses

Means:

- a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of **your property** insured by **you**; or
- b) the amount of business interruption loss suffered directly by **you** by way of loss of or reduction in profits, revenue or turnover or increased cost of working and not by way of liability to any third party as a direct result of either damage to or destruction of **your property** insured by **you** or as a direct result of denial, prevention or hindrance of access to or use of **your property** insured by **you** by reason of an **act of terrorism** causing damage to other **property** within one (1) mile of **your property** to which access is affected.

10.1.11 Specified perils

Means fire, explosion, **flood**, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any **computer systems**.

10.1.12 Territory

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

10.1.13 Virus or similar mechanism

Means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **computer systems**, **data** or operations, whether involving self-replication or not. **Virus or similar mechanism** includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

10.2 Terrorism cover

Subject to any applicable **excess** or **deductible**, **we** will indemnify **you** in accordance with the terms of this **section** for losses arising under the **eligible insured sections** as a result of damage to or destruction of **property** in the **territory**, the proximate cause of which is an **act of terrorism**, provided that the **act of terrorism**:

- a) occurs in the **territory** during the **period of insurance**; and
- b) is certified by HM Treasury or a competent tribunal from time to time as an **act of terrorism**;

provided that in any action, suit or other proceedings where **we** allege that any damage or costs and expenses are not covered by the **policy**, the burden of proving the contrary will be upon **you**, save for clauses 10.3.1 b) iii and 10.3.1 c) where the burden of proof will be upon **us**.

10.3 Limitations and exclusions applicable to this section

The general **policy** exclusions do not apply to this **section**. Instead, the following are specifically excluded from the insurance under this **section**.

10.3.1 Virus or similar mechanism, hacking, phishing or denial of service

- a) Any losses whatsoever directly or indirectly caused by, contributed to by, or arising from or occasioned by or resulting from:
 - i. damage to or the destruction of any **computer system**; or
 - ii. any alteration, modification, distortion, erasure, or corruption of **data**;in each case whether **your** property or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from a **virus or similar mechanism** or **hacking** or **phishing** or **denial of service attack**;
- b) covered losses otherwise falling within this exclusion will not be treated as excluded by this clause solely to the extent that such loss:
 - i. results directly from any of the **specified perils**;
 - ii. comprises any of the **specified losses**; and
 - iii. is not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state;
- c) notwithstanding the exclusion of **data** from the definition of **property** in this **section**:
 - i. to the extent that damage to or destruction of **property** comprises any of the **specified losses**; and
 - ii. that damage or destruction indirectly results from any alteration, modification, distortion, erasure or corruption of **data**;

the fact that a **specified peril** results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **data** will not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** (and otherwise falling within **specified losses** or **specified perils**) from being recoverable under this **section**.

In no other circumstances, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **data** be recoverable under this **section**.

10.3.2 War

Any losses whatsoever occasioned by **war**.

10.3.3 Other terms and conditions applicable to this section

- a) The amount for which **we** will indemnify **you** under this **section** in any one (1) **period of insurance** will not exceed the **sum insured** stated in the **schedule** for the applicable **section** shown as insured in the **schedule** in respect of all losses arising out of any one (1) **occurrence**;
- b) where the **period of insurance** shown in the **schedule** is for a period greater than twelve (12) months, the cover provided by this **section** will only apply for a period of twelve (12) months and will be subject to renewal at each annual anniversary.

10.3.4 Restricted terms

The insurance provided by this **section** is subject otherwise to all the terms and conditions of this **policy** except that any:

- a) long term undertaking;
- b) terms which provide for adjustments of premium based upon declarations on expiry or during the **period of insurance**; and
- c) coverage in respect of **premises** to locations outside England and Wales and Scotland; will not apply to losses covered under this **section**.

11. Fidelity

11.1 Fidelity Definitions

In addition to the defined terms contained in the 'General Definitions', the following definitions apply only to this **section**. Where the terms below are used in this **section** these definitions replace any equivalent definition contained in the 'General Definitions' **section**.

11.1.1 Discover, discovered or discovery

'Discover', 'discovered' or 'discovery' means where any **insured** or any **directors**, partners, **officers** or trustees or equivalent of any **insured** become aware of any act or acts which could reasonably be anticipated to give rise to a **loss** covered by this **policy**, even though the exact amount or details of such **loss** are not known at that time. Such discovery shall constitute knowledge possessed or discovery made by every **insured**. In the case of a number of such acts, **loss** shall be deemed to have been discovered on the date of the first discovery of any such acts.

11.1.2 Discovery period

Means six (6) months after the termination of:

- a) this **policy**;
- b) the insurance in respect of an **employee** specified by name or position;
- c) the employment of any **employee**;

whichever occurs first;

during which **you** may continue to notify claims and **discovery loss** but only in relation to **loss** occurring prior to the expiry of the **period of insurance** and only if the **policy** is not replaced by a similar policy issued by **us** or by another company.

11.1.3 Loss

Means direct financial loss sustained by **you**. Loss shall not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing or other **employee** benefits paid or payable by **you** or other **employee** benefit earned in the normal course of employment.

11.1.4 Tangible Securities

Means all negotiable or non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security representing either **money** or **property**.

11.1.5 Theft

Means any act of fraud, deliberately dishonest taking or obtaining of the property, money, tangible securities or goods belonging to **you**, or for which **you** are legally responsible, by any **employee**, committed with the intention of depriving **you** of such property, money, tangible securities or goods, and of obtaining an improper financial gain for themselves or for any other person or organisation intended by the **employee** to receive such gain.

11.2 Fidelity cover

We will indemnify **you** in accordance with the terms of this **section** in respect of **loss** first **discovered** during the **period of insurance** or **discovery period** within the **territorial limits** which arises directly from **theft**.

11.3 Additional costs and expenses cover

We will indemnify **you** for the following costs and expenses that may be incurred following a **loss** covered under this **section**.

11.3.1 Auditors' fees

Auditors' fees incurred with **our** written consent solely to substantiate the amount of a **loss**, provided that **we** have accepted liability for the **loss** under this **section**.

11.3.2 Cost of re-writing software

The reasonable cost incurred by **you** in re-writing or amending **data** where such re-writing or amending is necessary to revise security controls following the use of **computer equipment** for **theft** the subject of a **loss** for which liability is admitted under this **section**.

11.4 Exclusions and limitations applying to this section

In addition to the limitations and exclusions in the General Exclusions, **we** will not indemnify **you** for:

11.4.1 Consequential Loss

Consequential or indirect **loss** of any kind, including but not limited to any **loss** of dividends, income or profit not realised by **you** or any other individual or organisation because of a **loss** covered under this **policy**, but not including interest.

11.4.2 Continued use of an employee

Where **you** continue to entrust an **employee** with **money** or goods after discovering any circumstance that casts any material doubts on the integrity of said **employee**.

11.4.3 Data

Costs or expenses incurred:

- a) to update, improve or redesign the programmes or software of **your computer system**;
- b) relating to **data** reconstitution if **you** use programmes or software without the required licences or authorisation;
- c) relating to the reconstitution of **data** recorded on magnetic or optical media, unless there are analysis files, specifications and backups of software and **data** held at **premises** other than **your premises**;
- d) to enable **data** to be used by a replacement **computer system**.

11.4.4 Kidnap, ransom and extortion

Loss arising from kidnap or ransom or from extortion (unless the extortion is committed by an **employee**).

11.4.5 Loss sustained after knowledge

Loss caused by an **employee** from the time any **insured** or any of the **directors**, partners, trustees, **officers**, or equivalent of any **insured** (not in collusion with such **employee**) has knowledge or information that such **employee** has committed any act or acts of fraud, dishonesty, criminal damage or **theft**:

- a) whilst such **employee** is in any **insured's** service;
- b) during the term of such **employee's** employment with any **insured**; or
- c) prior to an **employee** being employed by any **insured**, provided that the act or acts involved **money**, **tangible securities**, **funds** or **property** valued at £15,000 or more.

11.4.6 Loss by fire or explosion

Loss or damage caused to **premises** caused by fire or explosion.

11.4.7 Major shareholder 20%

Loss involving any person participating in the **theft** who, at the time of committing an act which results in a **loss** covered by this **policy**, owns or controls more than twenty percent (20%) of the issued share capital of any **insured**.

11.4.8 Profit and Loss / inventory calculation

Loss the proof of which is dependent solely upon a:

- a) profit and loss computation or comparison; or
- b) comparison of inventory records with an actual physical count.

However, where **you** can prove independently of such comparisons that a **loss** has occurred for which an identified **employee** was responsible, inventory records and actual physical count of inventory can be submitted as supporting the documentation of such a **loss**.

11.4.9 Proprietary information

Loss arising directly or indirectly from the obtaining of any confidential information, including but not limited to computer programmes, copyright, **customer** information, patents, trademarks or trade secrets unless it results from **loss** otherwise covered by this **section**.

11.4.10 Trading

Loss arising from any trading or dealing in currencies, commodities, derivatives, foreign exchange, futures, options, securities, warrants and the like.

11.4.11 Agency

Loss directly or indirectly arising from an act committed by any person (other than an **employee**) or entity who is an agent or representative of an **insured** and to whom an **insured** has entrusted **property** or has given the means to obtain access to an **insured's property**.

11.5 CONDITIONS PRECEDENT applicable to this section

You shall operate or bring into force the minimum standards listed below and shall not make any change to these unless **we** are advised and **our** prior written approval is obtained. Compliance with each requirement of these minimum standards shall be a condition precedent to **our** liability under this **section**.

If **you** cannot satisfy **us** that such a condition precedent was complied with in each and every respect, **we** will not be liable for any **loss** under this **section** which might potentially have been avoided or reduced by compliance, unless **you** establish that non-compliance could not have increased the risk of the **loss** which actually occurred in the circumstances in which it occurred.

11.5.1 Annual holiday entitlement

Every **employee** who is or becomes responsible for **money**, goods, accounts, computer operations or computer programming shall be required to take an uninterrupted holiday of at least two (2) weeks in each calendar year, during which they perform no duties and are required to stay away from their place of work.

11.5.2 Auditors

- a) **Your** accounts including all **subsidiary companies** shall be examined by external auditors every twelve (12) months; and
- b) all recommendations or alternative/ additional actions acceptable to the auditors shall be implemented without delay.

11.5.3 Cash and petty cash

Cash in hand and petty cash must be checked independently of **employees** responsible at least monthly and without warning every six (6) months.

11.5.4 Cash receipts

Employees receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt or next banking day unless otherwise agreed with **us**.

11.5.5 Cheque signing

All cheques or other bank instruments drawn for more than £10,000 shall require two (2) manually applied signatures to be added after the amount has been inserted. **You** shall advise the bankers accordingly.

11.5.6 Computer security

- a) Security checks will be built into all computer functions with reconciliations made as necessary;
- b) responsibilities for authorisation by transactions, processing of transactions and handling of output shall be exercised by different **employees**.

11.5.7 Ordering goods

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

11.5.8 Payroll

- a) The cast of the payroll will be subject to an independent check before payment to ensure that the total amount drawn is correct;
- b) at least quarterly and independently of persons responsible for the payroll, the payroll will be checked to minimise the possibility that fictitious names and enhanced payments have been included.

11.5.9 References

- a) No **employee** shall be given responsibility for **money**, goods, accounts, computer operations or computer programming unless **you** have first obtained satisfactory references to confirm their honesty or have otherwise satisfied the requirements of this clause;
- b) such references shall be obtained directly from former employers for the three (3) years immediately preceding engagement and before the **employee** is entrusted without supervision;
- c) references need not be obtained in respect of **employees** who have satisfactorily and continuously served **you** for at least one (1) year in another capacity before being entrusted with the duties referred to above;
- d) in respect of **employees** joining directly from school or government sponsored youth training schemes, one character reference shall be obtained;
- e) a written record of any verbal reference shall be made at the time it is obtained; and
- f) the original copy of each written reference and the record of any verbal reference shall be retained by **you** and made available for inspection by **us** on request.

11.5.10 Statements of account

- a) Statements of account of all amounts due will be issued at least monthly and direct to **customers** independently of **employees** receiving or collecting monies;
- b) if an account becomes three (3) months overdue, management shall promptly investigate the reasons for late payment.

11.5.11 Stocktaking

There will be a physical check on all stock and materials held against verified stock records independent of **employees** responsible at intervals of not more than twelve (12) months.

11.6 Other terms and conditions applicable to this section

11.6.1 Theft

- a) Immediately following the **discovery** by **you** of any act of **theft** by an **employee** all indemnity for further acts of **theft** by that **employee** shall cease;
- b) any **money** of the **employee** in **your** hands upon **discovery** of any **loss** and any **money** which but for the **employee's theft** would have been due to the **employee** from **you** shall be deducted from the amount of the **loss** before a claim is made under this **section**, if lawful to do so;
- c) any further **monies** which are recovered less any costs incurred in recovery shall accrue:
 - i. in the event that **your** loss has exceeded the **limit of indemnity** firstly to the benefit of **you** to reduce or extinguish the amount of **your** loss (but not any **excess**); then
 - ii. to **our** benefit to the extent of the loss indemnified or indemnifiable; and finally
 - iii. to **your** benefit where any **excess** had been deducted from sums indemnified.

12. Wrongful Conversion

12.1 Wrongful Conversion cover

We will indemnify **you** in accordance with the terms of this **section** for any loss sustained by **you** in connection with any **insured vehicle** purchased by **you** in the course of **your business** in respect of which:

- a) the rightful and lawful owner has substantiated a valid claim for the return of the **insured vehicle** or the value of the **insured vehicle**; or
- b) the person with whom **you** have contracted to sell the **insured vehicle** has a substantiated valid claim for damages for breach of implied warranty of title.

Provided that:

- i. such loss occurs during the **period of insurance** and within the **territorial limits**; and
- ii. **our** liability to indemnify **you** under this **section** in respect of all **insured vehicles** purchased by **you** in any one **period of insurance** shall not exceed the **limit of indemnity** set out in the **schedule** for any one **occurrence**. The **limit of indemnity** stated in the **schedule** shall be inclusive of defence costs.

12.2 Costs

We will also indemnify **you** for costs:

- a) recovered by any claimant against **you** where the claim is contested by **us** or is contested with **our** written consent; and
- b) for the defence of any claim incurred with **our** prior written consent for the defence of such a claim.

12.3 Conditions

12.3.1 Method of purchase

It is a condition of **our** liability under this **section** that **You** shall be a subscriber to carVertical, HPI Limited or Experian Limited and it is a condition of this **policy** that all payments for vehicles purchased, or allowances for part exchange made by **you**, shall be by cheque, credit card payment, CHAPS, BACS or credit against a new purchase and no such payment shall be made until HPI Limited or Experian Limited confirm that there is no adverse information held against the **insured vehicle**.

Such confirmation from carVertical, HPI Limited or Experian Limited need not be in writing at the time of sale but written confirmation must be provided to **us** in connection with any claim before indemnity is provided.

13. Loss of MOT Licence

13.1 Definitions

In addition to the General Definitions (except for the definition of **business** which is amended below), the following shall also apply to this **section**:

13.1.1 Business

Driver and Vehicle Standards Agency (DVSA) testing and retesting and vehicle repair work carried out and/or **goods** supplied in connection with the repair directly arising from such testing conducted solely at or from the **premises**.

13.1.2 Gross profit

Gross profit earned on the **turnover** during the financial year immediately before the date of the suspension or withdrawal of the **licence**.

13.1.3 Indemnity period

The period beginning with the suspension or withdrawal of the **licence** and ending not later than the **maximum indemnity period** thereafter during which the results of the **business** are affected as a consequence of the suspension or withdrawal.

13.1.4 Licence

The licence granted by the DVSA to carry out MOT tests on motor vehicles and issued to **you** as an Authorised Examiner or to a Nominated Tester employed by **you** in connection with the **business**.

13.1.5 Standard turnover

The **turnover** during that period which corresponds with the **indemnity period**, immediately before the date of the suspension or withdrawal of the **licence**.

13.1.6 Turnover

The money paid or payable to **you** in respect of **the business**, less any discounts allowed.

13.2 Loss of MOT Licence cover

We will indemnify **you** in accordance with the terms of this **section** for loss of income following interference or interruption to the **business** as a consequence of **your licence** being suspended or withdrawn by the DVSA.

Provided that:

- a) such loss:
 - i. is due to causes beyond **your** control;
 - ii. occurs during the **period of insurance**; and
 - iii. does not exceed the **limit of indemnity**.

We shall only be liable in accordance with the General Terms.

13.3 Costs

We will also indemnify **you** for **legal costs** and expenses incurred with **our** written consent, in connection with any appeal against the withdrawal or refusal to renew the **licence** provided that:

- b) **our** liability will not exceed the **sub-limit** stated in the **schedule**; and
- c) in the event of a successful appeal **you** agree to reimburse **us** for such costs from any amount **you** may receive in compensation for the revocation, forfeiture or non-renewal.

13.4 Exclusions and Limitations

In addition to the General Exclusions, **we** shall not be liable for:

13.4.1 Changes in the law

Any alteration after the commencement of cover of any relevant law unless it is confirmed by **us** in writing that **we** will continue to provide indemnity following such alteration.

13.4.2 Compensation by statute

Any loss for which **you** are entitled to obtain compensation under the provision of any statute following refusal to renew the licence.

13.4.3 Criminal convictions

Any criminal conviction.

13.4.4 Government policy

Any government policy to reduce the number of Authorised Examiners and Nominated Testers.

13.4.5 Planning and other control regulations

Withdrawal or lapsing of the licence as a result of:

- a) actual or proposed compulsory acquisition of the premises;
- b) any town or country planning improvement or redevelopment or redistribution of licences in connection with such work;
- c) failure to comply with any direction or requirement of the DVSA or any other like authority;
- d) failure to maintain the premises and the machinery and plant used for the licenced activates correctly calibrated and in good repair;
- e) alteration to the premises or the **business** that requires the consent of the DVSA or any other authority without the consent of the appropriate authority;
- f) **your** failure to obtain the consent of the DVSA to any changes to the services or activities provided at the premises that requires such notification and consent.

13.4.6 Purchase of the premises

Actual or proposed compulsory purchase of the premises.

13.4.7 Qualifying period

Any suspension or warning of suspension received during the first four weeks after the inception of cover under this **section**.

13.4.8 Your own negligent act

Withdrawal or lapsing of the **licence** occasioned, wholly or in part, by:

- a) any act or omission (intentional or otherwise) undertaken by **you** or those acting on **your** behalf for the purpose of securing the loss or lapsing of the **licence**; or
- b) **your** failure to take all reasonable and necessary action to maintain the **licence** in force; or
- c) forfeiture, suspension or withdrawal of the licence following criminal investigation or a conviction of **you** or **your employees**.

13.5 Conditions

In addition to the General Conditions of this **policy**, the following shall apply to this **section**.

13.5.1 Basis of Settlement

On **gross profit** and wages, salaries, fees, redundancy payments and payments under the Contract of Employment Acts or similar legislation, indemnity is limited to loss of **gross profit** due to a reduction in **turnover** and/or an increase in cost of working.

We will indemnify **you**:

- a) in respect of reduction in **turnover**, the sum produced by applying the **gross profit** to the amount by which the **turnover** during the **indemnity period** shall fall short of the **standard turnover** as a consequence of the loss of the **licence**.

- b) In respect of an increase in cost of working: the additional expenditure necessarily and reasonably incurred by **you** so as to avoid or diminish the reduction in **turnover** which, but for that expenditure, would have taken place during the **indemnity period** but not exceeding the sum produced by applying the **gross profit** to the amount of the reduction thereby 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 suspension of the **licence**.

For fees incurred for representation in respect of the threat of disciplinary action by the DVSA or to appeal against the suspension or withdrawal of the **licence**.

13.5.2 Maintenance

You will maintain the **premises**, equipment or machinery in good general repair.

13.5.3 Record keeping

You will keep accurate and up to date documentation as required by the Department for Transport and/or Driver and Vehicle Standards Agency.

14. Employers' Liability

14.1 Employers' Liability Definitions

In addition to the defined terms contained in the 'General Definitions', the following definition applies only to this **section**. Where the terms below are used in this **section**, these definitions replace any equivalent definition contained in the 'General Definitions' **section** or elsewhere in the **policy**.

14.1.1 Offshore

Means:

- a) work in or on any offshore rig or platform or support or accommodation vessel for any offshore rig or platform; and
- b) transiting to, from or between any offshore rig or platform or support or accommodation vessel.

Offshore activity commences at the moment of embarkation onto a conveyance at the point of departure from land and continues until disembarkation at the point of return to land.

14.1.2 Data protection extended reporting period

Means an additional period of thirty (30) days commencing on the date of expiry of the **policy** within which **you** are entitled to notify **us** of a claim or breach covered by the data protection Employers' Liability standard extension and **caused by an occurrence** that commenced before the end of the **period of insurance**.

This definition will not increase the **limit(s) of indemnity** or extend the **period of insurance** and any claim(s) or breach notified to **us** during this period will be deemed to have been notified on the last day of the **period of insurance**.

14.2 Employers' Liability Cover

We will indemnify **you** for legal liability to pay damages and claimant costs for **personal injury** sustained by an **employee** arising out of their employment by **you** in the course of **your business** and **caused by an occurrence** taking place during the **period of insurance** and within the **geographical scope**.

We will indemnify **you** for an **occurrence** outside of the **United Kingdom**, only if the injured **employee**:

- a) is ordinarily employed by **you** in the **United Kingdom**;
- b) is working abroad for a contracted period not exceeding 12 months; and
- c) is due to return at the end of the contracted period.

We will indemnify **you** for **defence costs caused by an occurrence** subject to the following:

- a) all **defence costs** form part of the applicable **limit of indemnity** shown in the **schedule**;
- b) where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

Our total liability under this **section** in connection with any one **occurrence**, including interest, claimant costs and **defence costs**, will not exceed the **limit of indemnity** specified in the **schedule**.

14.3 Employers' Liability Standard Extensions

Subject to the terms, conditions, limitations and exclusions of this **section**, **we** will indemnify **you** for:

14.3.1 Data Protection

Legal liability to pay damages, **defence costs** and claimant costs for a breach of duty to an **employee** in the course of **your business** in respect of:

- a) sections 168 and 169 of the **DPA**; or

b) article 82 of the **GDPR**.

We will indemnify **you** only if the breach first occurs during the **period of insurance** and **you** notify any breach to **us** in accordance with the **policy's** claim notification requirements during the **period of insurance** or **data protection extended reporting period**.

We will not indemnify **you** under this extension for legal liability which comprises or is **contributed to by**:

- a) an unauthorised, malicious or criminal act, or series of related unauthorised, malicious or criminal acts, or the threat or hoax of such acts, involving the use or operation of, or access to, any **computer system** or **data**;
- b) a deliberate act or omission of any party entitled to indemnity under this **policy**, the effect of which would knowingly or foreseeably result in liability under the **DPA** or the **GDPR**;
- c) a breach notified to a previous insurer or which is known to **you** at the commencement of the **period of insurance**;
- d) liability which is covered wholly or partly by another insurance policy;
- e) liability for claims or proceedings brought against **you** outside the **United Kingdom**;
- f) distress or loss of control over personal data unless also involving **personal injury**;
- g) the recording, processing or provision of data for reward or to determine the financial status of a person;
- h) the cost of replacing, reinstating, rectifying or erasing any personal data; or
- i) the cost of investigating or reporting a data breach to an authority or to data subjects.

We will not indemnify **you** under this extension unless **you** have registered, **you** are exempt from registration or **you** have applied to register with the Information Commissioner's Office and **your** application has not been refused or withdrawn.

Our maximum liability during the **period of insurance** for all claims under this extension in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000,000 per **occurrence**.

14.3.2 **Manslaughter and Statutory defence costs**

Reasonable and necessary costs incurred by **you** or any **other insured party** to defend a prosecution for:

Manslaughter Defence Costs

- a) the manslaughter, corporate manslaughter, culpable homicide, or corporate homicide of an **employee**; or

Statutory Defence Costs

- b) breach of statutory duty (not involving manslaughter, corporate manslaughter, culpable homicide, or corporate homicide), which causes **personal injury** to an **employee caused by an occurrence** taking place during the **period of insurance** and in the course of **your business**.

In relation to any such prosecution **we** will also indemnify **you** or any **other insured party** for:

- a) the costs of pursuing an appeal against a conviction if, in the opinion of Counsel (appointed by mutual consent), such an appeal is more likely to succeed than not; and
- b) an order to pay costs.

We will not indemnify **you** or any **other insured party** under this extension for any amount which is:

- a) covered wholly or partly by another insurance policy; or
- b) covered elsewhere in the **policy**.

Our maximum liability during the **period of insurance** for all claims under this extension in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £2,000,000 per **occurrence**.

14.3.3 Medical treatment

Legal liability to pay damages and claimant costs for treatment:

- a) given to any person under a contract of service or apprenticeship with **you**; and
- b) provided by any qualified medical practitioner or health care practitioner employed by **you**.

Any such qualified medical or health care practitioner must comply with the applicable terms of the **policy**.

We will not indemnify **you** where there is any other valid or collectible insurance available to **you** or the qualified medical or health care practitioner, nor will **we** contribute to any other valid or collectible insurance.

14.3.4 Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

Legal liability to pay damages, claimant costs and **defence costs** for **personal injury caused by** any one **occurrence** taking place prior to the date an **employee** commenced a contract of service or apprenticeship with **you** and for which **you** are legally liable by virtue of TUPE provided that a claim for **personal injury** is first made against **you** during the **period of insurance**.

Where a previous policy of insurance partially indemnifies **you**, the indemnity afforded under this extension will apply only to the difference between the **limit of indemnity** under the previous policy and the **limit of indemnity** under the **policy**.

We will not indemnify **you** under this extension for any claims where:

- a) **you** can obtain a full indemnity under a previous insurance policy;
- b) the **occurrence** giving rise to the claim commenced prior to the **retroactive date**; or
- c) there is an agreement between **you** and a previous employer which states that liability for **personal injury** sustained by an **employee** will not transfer under TUPE.

Our maximum liability during the **period of insurance** for all claims under this extension in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £1,000,000 per **occurrence**.

14.3.5 Unsatisfied court judgment

Damages or costs awarded to an **employee** who has obtained a judgment for damages during the **period of insurance** which remains unsatisfied in whole or in part 6 months after the date of such judgment and in a court of law except a court operating under the laws of the United States of America or Canada.

We will indemnify **you** only if:

- a) the damages awarded are for a **personal injury** to the **employee** that arises out of his employment by **you** in the course of **your business**;
- b) the damages are awarded against a person operating from premises in the **United Kingdom** or European Economic Area;
- c) there is no appeal outstanding; and

d) the judgment relates to **personal injury** which would otherwise be indemnified by this **section**.

At **your** request **we** will make payment directly to the **employee** or their personal representatives.

We will be entitled to take over and prosecute for **our** own benefit any claim against any other person and **you**, the **employee** or the personal representatives of the **employee** must give **us** all the information and assistance **we** may require.

14.3.6 War and terrorism

Legal liability to pay damages and claimant costs for **personal injury caused** to an **employee** by an act of **war** or **act of terrorism** during the **period of insurance**.

Our maximum liability during the **period of insurance** for all claims under this extension in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs**, will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000,000 per **occurrence**.

14.4 Employers' Liability Optional Extension

We will only indemnify **you** under this extension if shown as 'INCLUDED' in the **schedule**.

Subject to the terms, conditions, limitations and exclusions of this **section**, **we** will indemnify **you** for:

14.4.1 Offshore activities

Legal liability to pay damages and claimant costs to an **employee** for **personal injury caused by** visits, work or activities undertaken **offshore**.

Our maximum liability during the **period of insurance** for all claims under this extension in connection with any one **occurrence**, including interest, damages, claimant costs and **defence costs**, will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £5,000,000 per **occurrence**.

14.5 Employers' Liability Exclusions

Save as necessary to comply with the minimum requirements of the law of the **United Kingdom** relating to the compulsory insurance of **your** liability to **employees**, **we** will not indemnify **you** for liability which comprises or is **contributed to by**:

14.5.1 Employment practices disputes

Employment practice disputes involving **your employees** including but not limited to:

- a) wrongful unfair or constructive dismissal;
- b) denial of natural justice, defamation, misleading representation or advertising;
- c) refusal to employ a suitably qualified applicant or failure to promote; and
- d) coercion, demotion, evaluation, relocation, punishment, slander, humiliation, harassment, bullying or discrimination.

This exclusion will not apply in respect of compensatory damages for **personal injury** required by the Employers' Liability (Compulsory insurance) Regulations 1998.

14.5.2 United States of America and Canadian jurisdiction

Liability for payment of any judgment, award, payment or settlement made (or to any order made anywhere in the world to enforce such judgment, award, payment or settlement either in whole or in part) under the laws of the United States of America and Canada to:

- a) any party incorporated, **domiciled** or resident in the United States of America and Canada; and
- b) pay punitive, multiple or exemplary damages.

14.5.3 Offshore

Visits, work or activities undertaken **offshore**.

This exclusion will not apply to any indemnity provided by the 'Offshore activities' extension.

14.5.4 Road traffic legislation

Personal injury sustained by an **employee** who is:

- a) carried in or upon a vehicle; or
- b) entering or getting on to, or alighting from, a vehicle;

where such injury is **caused by**, or arises out of, **your** use of a vehicle on a road or public place. The expression 'road', 'use' and 'vehicle' have the same meanings as in part VI of the Road Traffic Act 1988.

14.5.5 Motor accidents abroad

Personal injury sustained by an **employee** in connection with the use of a vehicle outside of the **United Kingdom**.

14.5.6 Statutory and manslaughter defence costs

Defence costs connected with any alleged breach of statutory duty or any allegation of manslaughter, corporate manslaughter or corporate homicide.

This exclusion will not apply in respect of and to the extent of the indemnity provided by the 'Manslaughter and Statutory defence costs' extension.

14.5.7 Workman's compensation or social security payment

Any obligation for which **you** or **we** may be held liable under any workers' compensation law, legislation, regulation or policy or obligation to maintain healthcare, social security or similar funding.

This exclusion will not apply to payments required to be made under statute to the Compensation Recovery Unit or its successor.

14.6 Employers' Liability Terms

The following terms apply to this **section** in addition to the 'General Terms'.

14.6.1 Employers' Liability (Compulsory Insurance) Act 1969

The indemnity granted by this **section** is deemed to comply with the provisions of the Employers' Liability (Compulsory Insurance) Act 1969 and the Employers Liability (Compulsory Insurance) Regulations 1998 or similar legislation in Northern Ireland, the Isle of Man and the Channel Islands.

We will indemnify an **employee** where any term of the **policy** is prohibited by the legislation or regulations cited above, provided that **you** must repay to **us** that part of **our** indemnity for which **we** would not otherwise have been liable under the **policy**.

14.6.2 Tracing Office database

We will add **your** details and those of any **subsidiary companies** to the Employers' Liability Tracing Office database where **we** provide an indemnity under the Employers' Liability (Compulsory Insurance) Regulations 1998.

You must supply **us** with **your** details and those of any **subsidiary companies** as required by the Employers' Liability Tracing Office at inception of the **policy** and promptly thereafter following any acquisition, disposal or creation of any **subsidiary company**.

15. General Liability

15.1 General Liability Definitions

In addition to the defined terms contained in the 'General Definitions', the following definitions apply only to this **section**. Where the terms below are used in this **section**, these definitions replace any equivalent definition contained in the 'General Definitions' **section** or elsewhere in the **policy**.

15.1.1 Contract works

Means all work executed or to be executed under a contract for the alteration, extension, renovation or improvement of any buildings or property.

15.1.2 Data protection extended reporting period

Means an additional period of thirty (30) days commencing on the date of expiry of the **policy** within which **you** are entitled to notify **us** of a claim or breach covered by the data protection General Liability optional extension and **caused by** an **occurrence** that commenced before the end of the **period of insurance**.

This definition will not increase the **limit(s) of indemnity** or extend the **period of insurance** and any **claim(s)** or breach notified to **us** during this period will be deemed to have been notified on the last day of the **period of insurance**.

15.1.3 Defect

Means the ordinary meaning of a defect but will also include circumstances where an **end product** is not fit for purpose.

15.1.4 End product

Means tangible property (not being **your product**) into which **your product** is physically incorporated.

15.1.5 Financial loss

Means an economic loss which is not **caused by personal injury** or **damage**.

15.1.6 Fungal pathogens

Means any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota, including but not limited to, mould, mildew, mycotoxins, bacteria, spores or any biogenic aerosols.

15.1.7 Preventative costs

Means costs which **you** necessarily and reasonably incur to avoid or mitigate the impact of an imminent threat of **pollution** which is likely to give rise to a claim under the **policy**.

15.1.8 Product

Means any property (including integral software provided on a tangible medium, packaging, containers, labels and instructions for use) after it has left **your** custody or control which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by **you** or on **your** behalf;

The term 'product' excludes property rented to or located for use by third parties.

15.1.9 Product recall event

Means the recall, removal, recovery of possession, control or disposal of **your product(s)** owing to the use or consumption of the **product(s)** causing an actual or imminent danger of **personal injury**.

15.1.10 Work away

Means work, operations, installation or services performed by **you** or on **your** behalf outside the boundary of any **premises** owned or occupied by **you**.

15.2 General Liability Cover for Public, Product and Pollution liability

15.2.1 Public and Product Liability

We will indemnify you for legal liability to pay damages and claimant costs for:

- a) **personal injury**;
- b) **damage**;
- c) nuisance, trespass, interference with any easement, right of air, light, water or way; or
- d) false arrest, malicious prosecution, unlawful detention or imprisonment, wrongful entry into or eviction of a person from a room, dwelling or **premises** that the person occupies, invasion of the right of privacy, or libel, slander and defamation if also involving **personal injury** or **damage**;

caused by an **occurrence** taking place during the **period of insurance** and within the **geographical scope**, involving:

- a) the conduct of **your business** (Public liability); or
- b) a product (Product liability).

15.2.2 Pollution

We will indemnify you for legal liability to pay damages or compensation, including claimant costs recoverable from you in respect of any claim(s) for **personal injury, damage**, denial of access or nuisance arising out of or from **pollution** provided that the **pollution** is **caused by** a sudden, identifiable, unintended and unexpected **occurrence** that takes place in its entirety at a specific place and moment in time during the **period of insurance** and within the **geographical scope** and arises out of the **business** specified in the **schedule**.

15.2.3 General liability defence costs cover

We will indemnify you for **defence costs** provided that:

- a) where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply; and
- b) where payment exceeding the **limit of indemnity** has to be made to dispose of a claim, **our liability for defence costs** will be limited to such proportion of the said **defence costs** as the **limit of indemnity** bears to the total amount paid to dispose of the claim.

15.2.4 United States of America and Canada

Any **defence costs** which are:

- a) incurred within the United States of America and Canada, or countries which operate under such laws; or
- b) **caused by** an **occurrence** taking place in the United States of America or Canada or countries which operate under such laws,

form part of and are not in addition to the **limit of indemnity**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

15.3 General Liability Standard Extensions

Subject to the terms, conditions, limitations and exclusions of this **section**, we will indemnify you for:

15.3.1 Contingent Motor Liability

Legal liability to pay damages and claimant costs for **personal injury** or **damage** during the **period of insurance** **caused by** a motor vehicle that you do not own, provide, loan, lease, hire or rent being used by an **employee** in the course of **your business**.

We will not indemnify you for liability which is in any way **contributed to by** any of the following:

- a) the use of a motor vehicle outside the **United Kingdom**;
- b) **damage** to the motor vehicle or **property** carried in or on it;

- c) an **accident** involving a driver using the motor vehicle with **your** general consent who, to **your** knowledge, does not hold a licence to drive the motor vehicle; or
- d) liability which is covered wholly or partly by another insurance policy or for which insurance is required under the Road Traffic Act 1988.

15.3.2 Driver and passenger indemnity

Liability arising out of any mechanically propelled vehicle or attached trailer whilst on the **premises** which belongs to **you**, is hired by **you**, or is in **your** custody or control, to:

- a) any person driving or using such vehicle with **your** permission; and
- b) any passenger whilst in or on such vehicle.

15.3.3 Defective Premises Act 1972

Legal liability to pay damages and claimant costs for **personal injury** or **damage** under section 3 of the Defective Premises Act 1972 or section 5 of the Defective Premises (Northern Ireland) Order 1975.

We will not indemnify **you** under this extension for liability which is **contributed to by** any of the following:

- a) **premises** which **you** own, lease, occupy or possess;
- b) defective workmanship;
- c) the costs of remedying a **defect** or alleged **defect** in premises; or
- d) liability which is covered wholly or partly by another insurance policy.

15.3.4 Environmental Statutory Liability

Legal liability to pay or incur any sum, including a statutory debt or **preventative costs**, for the remediation of **pollution** which is **caused by** a sudden, specific and identifiable **occurrence** and at a specific place within the **geographical scope** during the **period of insurance**.

We will not indemnify **you** for:

- a) liability in connection with **damage**;
- b) costs of the removal of the risks of any significant risks of an adverse effect on human health, to or on land, **premises**, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
- c) costs of improving or altering the condition of the land, atmosphere, watercourse or body of water beyond that required under any applicable law or regulation at the time remediation commences; or
- d) **pollution** which takes effect outside the **United Kingdom**, and/or member state of the European Union.

Our maximum liability during the **period of insurance** for all claims under this extension including interest, damages, claimant costs and **defence costs** (or other as applicable) will not exceed the **sub-limit** specified in the **schedule**.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £1,000,000 per **occurrence** and in the aggregate.

15.3.5 Limited financial loss

Legal liability to pay damages and claimant costs for **financial loss** provided that:

- a) the **claim** is first made against **you** and notified in writing to **us** during the **period of insurance**;
- b) such liability arises from acts or omissions taking place within the **geographical scope** in connection with **your business** or **your products**; and
- c) the act or omission creating the liability is not a deliberate or intentional act by or omission of any party entitled to an indemnity by this extension the effect of which will knowingly contribute to **financial loss**.

We will not indemnify **you** under this extension for:

- a) liability under any agreement that would not have attached in the absence of such agreement;
- b) liability for failure to meet a delivery deadline, non-completion of works or operations by **you** or on **your** behalf, or misdirection of **products** supplied, whether or not expressly promised in any contract;
- c) liability for conspiracy, intimidation, unlawful interference with another's economic interests, conversion, deceit, inducement of breach of contract, injurious falsehood, breach of confidence, or infringement of patent, copyright, trademark, name or other intellectual property right;
- d) liability for any breach or alleged breach of any competition or antitrust law or similar;
- e) liability for **financial loss** sustained by any **employee** arising out of their employment by **you**;
- f) liability for loss or corruption of **data** including, but not limited to, liability **contributed to by** any of the following:
 - i. any agreement for the storage or processing of **data** or use of a **computer system**;
 - ii. transmission or impact of any virus;
 - iii. unauthorised access to a **computer system**;
 - iv. interruption or interference of any electronic means of communication used in the conduct of **your business** including, but not limited to, any diminution in the performance of any website or electronic means of communication;
 - v. failure of a **computer system**;
 - vi. use of the internet;
- g) liability in connection with any circumstance which was notified to previous insurers prior to inception of the **policy**;
- h) liability in connection with property belonging to **you** or in **your** custody or control or any **employee**;
- i) liability for fraud or dishonesty by **you** or any **employee**;
- j) liability in connection with **pollution**;
- k) liability in connection with strikes or labour disturbances;
- l) diminution in value of real property;
- m) financial default **contributed to by** bankruptcy or insolvency;
- n) the cost of rectifying defective work done by **you** or on **your** behalf;
- o) liability for the cost or value of or refund for any **product** or work done by **you** or on **your** behalf; or
- p) liability where the event giving rise to **financial loss** occurs prior to the **retroactive date**.

Our maximum liability during the **period of insurance** for all claims under this extension including interest damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit** specified in the **schedule**.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £250,000 per **occurrence** and in the aggregate.

The 'Financial loss' exclusion does not apply to claims under the 'Limited financial loss' extension.

15.3.6 Manslaughter and Statutory defence costs

Reasonable and necessary costs incurred by **you** or any **other insured party** to defend a prosecution for:

Manslaughter Defence Costs

- a) manslaughter, corporate manslaughter, culpable homicide, or corporate homicide; or

Statutory Defence Costs

- b) breach of statutory duty (not involving manslaughter, corporate manslaughter, culpable homicide, or corporate homicide) which causes **personal injury**;

caused by an **occurrence** taking place during the **period of insurance**, within the **geographical scope** and in the course of **your business**.

In relation to any such prosecution, **we** will also indemnify **you** or any **other insured party** for:

- a) the costs of pursuing an appeal against a conviction if, in the opinion of Counsel (appointed by mutual consent), such an appeal is more likely to succeed than not; and
- b) an order to pay costs.

We will not indemnify **you** or any **other insured party** under this extension for any amount which is:

- a) covered wholly or partly by another insurance policy; or
- b) covered elsewhere in the **policy**.

Our maximum liability during the **period of insurance** for all claims under this extension, including interest, damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £2,000,000 per **occurrence** and in the aggregate.

15.3.7 Motor Liability

Legal liability to pay damages and claimant costs for **personal injury** or **damage caused by**:

- a) the use or movement of a motor vehicle as a tool or plant;
- b) the loading or unloading of a motor vehicle or trailer when carried out beyond the limits of any carriageway or thoroughfare but **we** will not indemnify **you** for **damage** to any property being loaded or unloaded;
- c) **damage** to visitors' or **employees'** motor vehicles (including contents and accessories) while parked within any car park for which **you** are responsible or on any **premises** occupied by **you** provided that:
 - i. such vehicle is not lent or hired to **you**; and
 - ii. the **damage** to an **employee's** vehicle is not **caused by** the maintenance, operation or use of a motor vehicle by that **employee**;

The 'Ownership or use of mechanically propelled vehicles' exclusion does not apply to claims under this extension.

We will not indemnify **you** under this extension for liability which is covered wholly or partly by another insurance policy or for which insurance is required under the Road Traffic Act 1988.

15.3.8 Service indemnity

Liability arising from the repair, servicing or maintenance of any vehicle during the course of **business** including:

- a) pre-delivery check of a new vehicle as required by the manufacturers;
- b) fitting of additional parts and **accessories** to a vehicle; or
- c) examination of a vehicle in accordance with Motor Vehicles (Test) Regulations

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

- d) any repair, servicing or maintenance undertaken outside of Great Britain, Northern Ireland, the Isle of Man and the Channel Islands; or
- e) the cost of repairing, reinstating, replacing or rectifying the original repair, servicing or maintenance work of the vehicle. If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £150,000 per **occurrence** and in the aggregate.

15.3.9 Temporary business trips overseas

Legal liability to pay damages and claimant costs in connection with a temporary **business** trip by any of **your** directors, partners or **employees** (including their family or persons normally resident with them) within the **geographical scope** provided that:

- a) legal liability is incurred in a personal capacity whilst outside their country of **domicile**;
- b) such a temporary **business** trip outside their country of **domicile** does not exceed 12 months; and
- c) such liability is not **caused by** the ownership or occupation of land or buildings.

At **your** request, **we** will also indemnify the director, partner or **employee** who has incurred liability.

15.4 General Liability Optional Extensions

The following extensions apply only if the **schedule** specifies that they are 'INCLUDED'.

Subject to the terms, conditions, limitations and exclusions of this **section**, **we** will indemnify **you** for:

15.4.1 Accidental Discovery of Asbestos

Legal liability to pay damages, claimant costs and **defence costs** for any **claim**:

- a) first made against **you** during the **period of insurance**; and
- b) for **personal injury** or **damage**,

caused at any time after the **retroactive date** set out in the **schedule** by the accidental discovery of **asbestos** or **asbestos** containing materials within the **geographical scope**.

Any circumstance notified to **us** during the **period of insurance** which subsequently gives rise to a claim after expiry of the **period of insurance** will be deemed to be a claim first made during the **period of insurance**.

We will not indemnify **you** under this extension for liability in respect of:

- a) **personal injury** or **damage contributed to by** any:
 - i. subsequent activities related or connected to dealing with the **asbestos** or **asbestos** containing materials once discovered; or
 - ii. **occurrence** of exposure to **asbestos** or **asbestos** containing materials which took place on or before the **retroactive date**; or
- b) any claim **contributed to by**:
 - i. a circumstance or event of which **you** were aware before the **retroactive date** set out in the **schedule**; or
 - ii. diminution in the value of property or loss of or potential loss of rental income or any other consequential loss (including business interruption) whatever and howsoever arising.

Our maximum liability during the **period of insurance** for all claims under this extension, including interest, damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £1,000,000 per **occurrence** and in the aggregate.

The 'Asbestos' exclusion does not apply to claims under this extension.

15.4.2 Data Protection

Legal liability to pay damages, claimant costs and **defence costs** for a breach in the course of **your business** of:

- a) sections 168 and 169 of the **DPA**; or
- b) article 82 of the **GDPR**,

provided that the breach first occurs during the **period of insurance** within the **geographical scope** and **you** notify any breach to **us** in accordance with the **policy's** claims notification requirement during the **period of insurance** or **data protection extended reporting period**.

At **your** request **we** will indemnify any director, partner or **employee**.

We will not indemnify **you** under this extension for legal liability which comprises or is **contributed to by**:

- a) an unauthorised, malicious or criminal act, or series of related unauthorised, malicious or criminal acts, or the threat or hoax of such acts, involving the use or operation of, or access to, any **computer system** or **data**;
- b) a deliberate act or omission of any party entitled to indemnity under the **policy**, the effect of which would knowingly or foreseeably result in liability under the **DPA** or the **GDPR**;
- c) a breach notified to a previous insurer or which is known to **you** at the commencement of the **period of insurance**;
- d) liability which is covered wholly or partly by another insurance policy;
- e) liability for claims or proceedings brought against **you** outside the **United Kingdom**;
- f) distress or loss of control over personal data unless also involving **personal injury**;
- g) the recording, processing or provision of data for reward or to determine the financial status of a person;
- h) the cost of replacing, reinstating, rectifying or erasing any personal data; or
- i) the cost of investigating or reporting a data breach to an authority or to data subjects.

We will not indemnify **you** under this extension unless **you** have registered, **you** are exempt from registration or **you** have applied to register with the Information Commissioner's Office and **your** application has not been refused or withdrawn.

Our maximum liability during the **period of insurance** for all claims under this extension, including interest, damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £1,000,000 per **occurrence** and in the aggregate.

15.4.3 Terrorism

Legal liability to pay damages, claimant costs and **defence costs** for **personal injury** or **damage, caused by an act of terrorism** taking place during the **period of indemnity** and within the **geographical scope**.

Our maximum liability during the **period of insurance** for all **claims** under this extension including interest, damages, claimant costs and **defence costs** (or other as applicable), will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £1,000,000 per **occurrence** and in the aggregate.

15.4.4 United States of America and Canada

Liability for payment of any judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of the United States of America and Canada (or any order made anywhere in the world to enforce such judgment, award, payment, **defence costs** or settlement either in whole or in part).

Under this extension **we** will not indemnify any **insured, subsidiary company**, party or company incorporated, **domiciled**, registered or resident in the United States of America or Canada.

Under this extension **we** will not indemnify **you** for any:

- a) **personal injury** or **damage contributed to by pollution**, seepage or contamination;

- b) **personal injury or damage** including any cost, expense or liability for removing, nullifying, remaking or cleaning-up any actual or alleged **pollution**, seepage or contamination;
- c) liability under any agreement that would not have attached in the absence of such agreement; and/or
- d) liability to pay punitive, multiple or exemplary damages.

Where a firm other than a **panel firm** is appointed, the **legal costs sub-limit** will apply to **defence costs**.

The 'United States of America and Canadian jurisdiction' exclusion does not apply to claims under this extension.

15.4.5 Unmanned aerial vehicles

Legal liability in respect of **personal injury or damage caused by** the negligent use by **you** or on **your** behalf of any unmanned aerial vehicle ('UAV') provided that:

- a) any UAV does not exceed two (2) metres in length;
- b) any UAV does not exceed seven (7) kilograms in weight;
- c) any UAV is maintained in strict accordance with the manufacturer's specifications;
- d) the use of any UAV shall not exceed 120 metres in altitude;
- e) UAVs are not used within the flight restriction zone of any airport or spaceport;
- f) UAVs are always within sight of the operator when in use;
- g) the use of any UAV complies with all other requirements and restrictions of the Drone and Model Aircraft Code as issued by the Civil Aviation Authority (CAA); and
- h) operators of UAVs are either qualified where required by the local aviation authority or specifically trained in the operation of the specific device being used.

We will not indemnify **you** under this extension for liability **contributed to by**:

- a) section 76 of the Civil Aviation Act 1982;
- b) for which insurance is required under Regulation (EC) No 785/2004;
- c) which is covered wholly or partly by another insurance policy;
- d) the use of any UAV by **you** or on **your** behalf for any military or agricultural application;
- e) any failure by **you** or on **your** behalf to comply with the operating and licensing provisions of the Civil Aviation Authority ('CAA'), and any appropriate regulations or legislation such as the Air Navigation Order 2016 (as amended) in respect of the use of a UAV in the **United Kingdom**;
- f) the use of any UAV by **you** or on **your** behalf without the necessary competency or registration requirements being satisfied (including but not limited to the pilot obtaining an acknowledgement of competency from a CAA-approved National Qualified Entity and the person who manages the UAV obtaining a valid certificate of registration issued by the CAA);
- g) the use of any UAV:
 - i. outside daylight hours;
 - ii. in contravention of the manufacturers' instructions and safety guidelines;
 - iii. for personal or recreational purposes; or
 - iv. for any military or agricultural applications.

Our maximum liability during the **period of insurance** for all claims under this extension including interest, damages, claimant costs and **defence costs**, will not exceed the **sub-limit** specified in the **schedule**.

Where a firm other than a **panel firm** is appointed, the 'non-panel firm legal costs sub-limit' will apply to **defence costs**.

If this extension is shown as 'INCLUDED' and no **sub-limit** is shown in the **schedule**, this extension will be subject to a **sub-limit** of £1,000,000 per **occurrence** and in the aggregate.

15.5 General Liability Exclusions

The following exclusions apply to this **section** in addition to the 'General Exclusions'.

We will not indemnify **you** in connection with liability which comprises or is **contributed to by**:

15.5.1 Advice design or plans irrespective of a fee being charged

The provision of any professional services including but not limited to advice, design, plans, specifications, formulae, surveys or directions prepared or given by **you** or any **other insured party**, but this will not exclude liability **caused by products** supplied.

15.5.2 Aircraft and watercraft

- a) Any **product** or part thereof which is related to the flight safety of aircraft and which, with **your** knowledge, is intended to be incorporated into the structure, machinery or controls of any aircraft or other aerial device or satellite; or
- b) any agreement relating to the ownership, possession or use of any aircraft or other aerial device or satellite, spacecraft or any watercraft other than:
 - i. motor barges not exceeding seventy-five (75) ton capacity on inland waterways;
 - ii. hand-propelled craft, sailing vessels and motor launches not exceeding fifteen (15) metres in length and only when operated in inland waterways;
 - iii. watercraft not belonging to or chartered by **you** but used by **you** for **business** entertainment provided that such watercraft is primarily owned and operated as a river cruise vessel and insured under a policy of marine insurance.

15.5.3 Asbestos

The manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection, accidental discovery of, testing of or exposure to **asbestos**.

15.5.4 Costs of recall or guarantee

Expenditure, whether incurred by **you** or others, for the withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement of any **product** or part thereof (or any other product or part thereof of which **your product** forms, or is intended to form, a part or ingredient) and **financial loss** necessary for such withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement.

15.5.5 Deliberate acts

- a) **Personal injury** or **damage**, either expected or intended by **you** or any **other insured party**;
- b) **defence costs** incurred in proceedings consequent upon any deliberate act or omission by or on **your** behalf or **other insured party**, if the result of such act or omission could reasonably have been expected to constitute an offence.

This exclusion does not apply to **personal injury caused by** the use of reasonable force to protect persons or property.

15.5.6 Financial loss

Financial loss except that this exclusion does not apply to claims under the 'Limited financial loss' extension.

15.5.7 Liability from employment

Personal injury to any **employee** arising out their employment by **you** in **your business**.

15.5.8 Liquidated damages

Any liquidated damages clauses, penalty clauses or performance warranties in any agreement into which **you** or **other insured party** has entered, unless it is proven that liability would have attached in the absence of such clauses or warranties.

15.5.9 Material prior to installation

Damage to:

- a) that part of property on which **you** are working where the **damage** is the direct result of such work; and
- b) materials, parts or equipment furnished in connection with performance of the **work**.

15.5.10 Overseas domiciled operations

Liability in respect of **your subsidiary companies**, branch offices or representatives with power of attorney that are **domiciled** outside of the **United Kingdom**.

15.5.11 Owned or previously owned premises

Pollution, nuisance, defects or **damage**, affecting any premises (including land or water within or below the boundaries of such land or premises) that are presently or were at any time previously owned, leased, hired or rented by **you** or were otherwise in **your** care, custody or control.

15.5.12 Ownership or use of mechanically propelled vehicles

Liability of any nature which is **contributed to by** the ownership, maintenance, operation or use of any mechanically propelled vehicle by **you** or any **other insured party**.

This exclusion does not apply to claims under the 'Motor liability' and/or 'Contingent Motor Liability' extensions (or to cover under other **sections**).

15.5.13 Pollution

Pollution, unless **caused by** a sudden, identifiable, unintended and unexpected **occurrence** that takes place in its entirety at a specific moment in time and place and arising out of the **business** specified in the **schedule** or escape of **legionella**.

15.5.14 Property in your care, custody and control

Damage to property which is owned, leased, hired or held on trust by **you** or hired, purchased or on loan to **you** or held otherwise in **your** care, custody or control except in respect of:

- a) **damage** to the personal effects of **employees** and visitors (including mechanically propelled vehicles);
- b) **damage** to **premises** (including landlord's fixtures and fittings) rented to **you** in the course of **your business** but always excluding liability:
 - i. under any agreement that would not have attached in absence of such agreement; or
 - ii. for which indemnity is provided to **you** under any other insurance or in any other way; and
- a) **damage** to **premises** or their contents which are temporarily occupied by **you** for **work away** but always excluding liability for **damage** to:
 - i. that part of the property on which the **insured** is working and which is **caused by** such **work away**; or
 - ii. any **property** required to be insured in joint names under a contract.

15.5.15 Property manufactured, designed, sold, supplied, repaired or installed

- a) **Products** that are sold or supplied as part of a contract for construction, building, erection or installation; and
- b) liability for loss of, destruction of or **damage** to **products** which have been designed, sold, supplied repaired or installed by the **insured** or any structure or **contract works** (including materials for incorporation therein); arising:
 - i. prior to certified completion or handover by the **insured**; and/or
 - ii. after certified completion or handover by the **insured** where such loss, destruction or **damage** is **caused by** the defective condition of any part of such property, structure or **contract works**.

15.5.16 Property required to be insured under joint names

Any property required to be insured in joint names under a contract.

15.5.17 Reasonable precautions

Your risk manager or senior management having failed to take all reasonable precautions to prevent an **occurrence** from arising or continuing.

15.5.18 Rectification of defective work

The cost of rectifying defective work and/or **damage** to any property or any costs incurred in rectifying property (including any part of the property) which suffers from a known or suspected **defect**.

15.5.19 Statutory and manslaughter defence costs

Defence costs connected with any alleged breach of statutory duty or any allegation of manslaughter, corporate manslaughter or corporate homicide.

This exclusion will not apply in respect of and to the extent of the indemnity provided by the 'Manslaughter and Statutory defence costs' extension.

15.5.20 Toxic Mould

Any **fungus pathogens** whether directly or indirectly, regardless of any other cause or event contributing concurrently or in any sequence to a loss or liability.

For the purposes of this exclusion, loss or liability includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for **fungus pathogens**.

15.5.21 Tyres

Liability for **damage** resulting from the sale or supply of tyres which:

- a) are intended to be used for racing or rallying; or
- b) are part worn; or
- c) have been remoulded, recut or re-treaded by **you** but this exclusion shall not apply to commercial vehicle tyres which have been (i) recut in accordance with the tyre manufacturer's instructions; or (ii) have been imported by **you** from outside the European Union.

15.5.22 United States of America and Canadian jurisdiction

Any judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of the United States of America or Canada.

This exclusion will not apply to visits made in the course of **your business** to undertake non-manual work, but **we** will not indemnify **you** for liability:

- a) under any way agreement that would not have attached in the absence of such agreement;
- b) in connection with the ownership, maintenance, operation or use of any mechanically propelled vehicle or watercraft;
- c) **contributed to by pollution**; and
- d) to pay punitive, multiple or exemplary damages.

We will not indemnify any entity based in, operating in or **domiciled** in the United States of America or Canada.

15.5.23 United States of America and Canadian territory

- a) **Personal injury** or **damage**, occurring within the United States of America and Canada, but this exclusion will not apply to non-manual visits as specified in the 'US and Canadian jurisdiction' exclusion; or
- b) **pollution** taking effect wholly or partly in the United States of America or Canada.

15.5.24 Vehicles

Liability for:

- a) **damage** to any:
 - i. motor vehicle, including accessories, plant and equipment fixed to the vehicle; or

- ii. trailer whilst attached to a motor vehicle for the purpose of being towed or whilst being conveyed on another motor vehicle or its trailer including **damage** sustained during the operations of loading or unloading occurring elsewhere;
- b) bodily injury to the driver or any occupant of the motor vehicle, arising out of the use of a mechanically propelled vehicle whilst on the road where cover is required under the Road Traffic Acts.

This exclusion does not apply to the extent it conflicts with the 'Driver and Passenger indemnity' extension.

15.5.25 Your product

Damage to **your product** or any part thereof **caused by a defect** or unsuitability thereof and economic loss or other loss of any kind arising therefrom.

15.5.26 War and Terrorism

Liability which is in any way **contributed** to by **war** or **act of terrorism** during the **period of insurance**.

If the **schedule** specifies that the 'Terrorism' extension is 'INCLUDED', **we** will indemnify **you** to the extent that this extension expressly grants coverage.

15.6 General Liability Conditions

The following conditions precedent apply to the 'General Liability' **section**, in addition to the 'General Terms'.

15.6.1 Subcontractor's insurance check – CONDITIONS PRECEDENT

We will only indemnify **you** under the **section** if **you** comply with the following conditions precedent:

When work is undertaken on **your** behalf by independent subcontractors, **you** will establish and maintain an administrative procedure for obtaining evidence that such subcontractors have effected public liability insurance that:

- a) covers the work to be undertaken by them;
- b) is subject to a **limit of indemnity** of not less than £5,000,000; and
- c) includes an 'indemnity to principals' clause.

Such evidence must be obtained prior to work commencing and revalidated every 12 months throughout the duration of **your** contract with the independent subcontractors.

15.6.2 Burning debris – CONDITIONS PRECEDENT

We will indemnify **you** under the **policy** only if **you** comply with the following conditions precedent:

Where **you** or any person acting on **your** behalf including any subcontractors burn debris, the following precautions must be taken:

- a) all necessary permits and/or licences must be obtained from the relevant regulatory bodies and comply with the applicable laws and regulations relating to the burning of debris;
- b) the area around the fire must be cleared to a minimum distance of at least ten (10) metres or as far as reasonably practicable in the circumstances from any property;
- c) fire must not be left unattended at any time;
- d) a fully charged and serviced fire extinguisher maintained in accordance with the manufacturer's guidelines must be kept available for immediate use; and
- e) fires must be extinguished at least one (1) hour prior to leaving site at the end of each working day.

15.6.3 Heat away from premises – CONDITIONS PRECEDENT

We will only indemnify **you** under the **policy** if **you** comply with the following conditions precedent:

Where work involving use of a naked flame or other heat source or oxyacetylene, electric arc or similar welding, cutting, grinding or other spark emitting equipment by any person (whether a third-party contractor, an **employee** or other) is carried out away from any **premises** owned or occupied by **you**:

- a) **you** and **your employees** must take all 'reasonable precautions' to prevent **damage**; and
- b) **you** shall ensure that as a minimum any subcontractors or persons acting on **your** behalf comply with the 'reasonable precautions' set out below.

The term 'reasonable precautions' shall include but not be limited to the following:

- a) Before Starting Work:
 - i. a person shall be made responsible for fire safety and for ensuring that reasonable precautions are taken;
 - ii. all persons shall be made aware of the location of the site's fire alarms and firefighting equipment; and
 - iii. the responsible person shall examine all property within a radius of six (6) metres (or as reasonably practicable in the circumstances) from where the heat is being applied and where possible remove all combustible material.
- b) During the Process of Work:
 - i. the precautions and systems of work shown on the designated hot work permit must be complied with at each stage of the work;
 - ii. a person shall work alongside the operator of the equipment to look out for an outbreak of fire and there shall be available for immediate use a hose connected to the nearest hydrant with water turned on and controllable at the nozzle of the hose. If water is not available or unsuitable then two (2) fully charged and serviced fire extinguishers maintained in accordance with the manufacturer's guidelines must be available. If either of those devices are not available, then all heat away must cease;
 - iii. the lighting of equipment shall be in accordance with manufacturer's instructions; and
 - iv. gas cylinders not required for immediate use shall be kept at least six (6) metres from where the heat is being applied.
- c) After Ceasing Work

A continuous monitoring for one (1) hour shall be made of the area within a radius of six (6) metres (or as reasonably practicable in the circumstances) from where the heat has been applied to ensure that there is no risk of fire.

16. Extensions to the Employers' Liability and General Liability Sections

The extensions below are subject to the terms, conditions, limitations and exclusions of, and applicable to, the 'Employers' Liability' and 'General Liability' **sections**.

These extensions extend the cover provided by the Employers' Liability and General Liability **sections**. To the extent that cover is provided under one or more of these extensions, **our** maximum liability shall not exceed the **limit of indemnity** applicable under the relevant **section**.

16.1 Acquired or newly created companies

If **you** would have been entitled to indemnity under the 'Employers' Liability' and/or 'General Liability' **sections** had the claim been made against **you**, **we** will also indemnify any company which **you** have newly created or acquired within forty-four (45) days of the **occurrence** giving rise to the claim.

We will only provide indemnity under this extension if:

- a) the activity of the company created or acquired does not represent a material change to the nature of **your business** at the commencement of the **period of insurance**;
- b) the company created or acquired has an annual turnover not exceeding ten percent (10%) of the annual turnover of **your business** at the commencement of the **period of insurance**;
- c) the company created or acquired observes the terms of the **policy** as though they were **you**;
- d) **you** provide **us** with any information which **we** may reasonably require concerning the company created or acquired; and
- e) **you** pay additional premium and accept any changes to the **policy** terms that **we** may reasonably require.

We will not pay for liability which is wholly or partly covered by another insurance policy.

This extension will not apply to companies based in, operating in or **domiciled** in the United States of America or Canada.

Our liability under this extension will not exceed the amount that would have been payable if the claim had been made against **you**.

16.2 Indemnity to principals

If **you** would have been entitled to indemnity under the **policy** had the claim been made against **you**, **we** will also indemnify any **other insured party** and any party, including any principal, which **you** have agreed to indemnify, but only to the extent:

- a) required by such agreement; and
- b) that liability is **caused by** the work performed for such party by or on **your** behalf, provided that any such party, must observe, fulfil and comply with the applicable terms of the **policy** as though they were **you**.

16.3 Contractual liability

We will indemnify **you** for legal liability to pay damages and claimant costs for:

- a) **personal injury** (Employers' Liability);
- b) **personal injury** or **damage** (General Liability);

under any agreement entered into by **you** provided such liability would have arisen in the absence of such agreement.

The 'United States of America and Canadian territory' and 'United States of America and Canadian jurisdiction' exclusions in the 'Employers' Liability' and 'General Liability' sections apply to claims under this extension.

16.4 Cross liabilities

We will indemnify each legal entity constituting the **insured** as if a separate policy had been issued to each, except that such obligations will not serve to increase **our limit of indemnity**.

16.5 Electric scooters and other powered transporters

We will indemnify **you** for **personal injury** or property **damage caused by a powered transporter** during its use by **you** as a tool of trade.

We will not indemnify **you** for liability:

- a) **contributed to by** any illegal use of a **powered transporter**; or
which is covered wholly or partly by another insurance policy or for which insurance is required under the Road Traffic Act 1988.

17. Motor Road Risks

This section explained

The insurance under this **section** is separated into three parts. The table below is to be read in conjunction with the cover shown in the **schedule** to establish which parts apply to the **policy**.

Cover	Applicable indemnity
Comprehensive	Indemnity A, B & C
Third party fire & theft	Indemnity A Indemnity B (Limited to fire, lightning, explosion and theft or attempted theft only) Indemnity C
Third party only	Indemnity A Indemnity C (limited to 'automatic minimum indemnity' only)

17.1 Definitions

In addition to the General Definitions, the following shall also apply to this **section**:

17.1.1 Custody or control

Any **insured vehicle** in the custody or control of any 'person or persons entitled to drive' as described in the current **certificate of motor insurance** shall, for the purpose of indemnifying **you**, be deemed to be in **your** custody or control.

17.1.2 Hazardous goods

Any **goods** of any nature and/or quantity that require carriage in accordance with:

- the Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009;
- the Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations (Northern Ireland) 2010;
- the 'Approved List of Dangerous Substances' as published by the Health and Safety Executive.

17.1.3 Theft

In this **section**, 'theft' shall include the offence of 'taking a motor vehicle or other conveyance without authority' as defined in Section 12 of the Theft Act 1968.

17.2 'Indemnity A' - Your legal liability to others

17.2.1 Insuring clause

We will indemnify **you** in accordance with the terms of this **section** against legal liability to pay damages, including claimant costs recoverable from **you**, following an **accident** arising out of the use of an **insured vehicle**, or in direct connection with the loading or unloading of an **insured vehicle** (including where the use of the vehicle giving rise to any such liability is adversely affected by the operation or failure of or malicious, unlawful or unauthorised interference with any **vehicle computer system**) when an **insured vehicle** is being used or driven:

- with **your** consent for any purpose permitted by **your certificate of motor insurance**; and during the **period of insurance**; and within the **territorial limits**; and the **accident** results in:
 - the death or **injury** to any person;
 - damage** to any property subject to the following limits applying in respect of any one **occurrence**:

- A. Five million pounds (£5,000,000) in respect of any **insured vehicle** not being a **private car**;
- B. Twenty million pounds (£20,000,000) in respect of a **private car**.

17.2.2 Costs and expenses

We will indemnify **you**:

17.2.2.1. Court attendance compensation

If during the **period of insurance** any of **your** partners, directors or **employees** are required to attend court as a witness at **our** request in connection with a claim which is subject of indemnity under this **section**, for each day that attendance is required on the following scale:

- a) any director or partner, seven hundred and fifty pounds (£750);
- b) any **employee**, two hundred and fifty pounds (£250).

All payments will be made directly to **you** for **your** benefit and not to the witness.

17.2.2.2. Emergency medical treatment costs

For emergency treatment as required by the Road Traffic Acts, arising out of the use of the **insured vehicle**.

17.2.2.3. Medical expenses

For medical expenses up to the amount specified in the **schedule** incurred by **you**, the driver, or any passenger travelling in the **insured vehicle** injured as a result of an **accident** involving an **insured vehicle**.

17.2.2.4. Motor defence costs

At **our** absolute discretion and with **our** prior written consent, for reasonable:

- a) legal fees and costs incurred in dealing with or defending any action at law by which damages in respect of death, **bodily injury** or property damage are claimed against any person insured under this **section**;
- b) solicitors' fees for representation at any Coroner's inquest or fatal accident inquiry in respect of such **accident** or for defending in any criminal proceedings relating to such **accident**;
- c) legal expenses in respect of any proceedings taken against a person insured under this **section** for manslaughter, or reckless or dangerous driving causing death, or careless or inconsiderate driving causing death, in respect of their driving at the time of the **accident**;
- d) legal expenses in respect of defending any charge brought under the Corporate Manslaughter and Corporate Homicide Act 2007 in respect of any **accident** insured under this **section**,

except that **we** will only be liable to provide cover for motor defence costs where an indemnity is also provided to the driver or user of the **insured vehicle** under 'Indemnity A' of this **section** and subject to the **sub-limit** specified in the **schedule**.

We reserve the right at any time to relieve **ourselves** of any further liability under this clause on payment to **you** of the expenses incurred to that date.

17.2.3 Indemnity to others

We will also indemnify the following people (on the same basis that **we** insure **you**):

- a) any person **you** allow to drive an **insured vehicle** in accordance with **your certificate of motor insurance** and any provisions specified in the **schedule**;
- b) at **your** request any passenger or person (other than the person driving) whilst travelling in or getting into or out of the **insured vehicle**;
- c) at **your** request the owner of the **insured vehicle**, where such **vehicle** is loaned, leased or hired to **you** (other than under a hire purchase agreement);
- d) the personal representative, executor or administrator of any person insured under Indemnity A of this **section** in the event of their death; and

- e) any principal for any legal liability incurred by **you** when using the **vehicle** for contract work on behalf of the principal so long as **you** have arranged with the principal for the conduct and control of all claims for which **we** may be liable to be vested in **us**.

Except that **we** shall not be liable:

- a) for any fines or penalties imposed on **you** or the cost of implementing any remedial order or publicity order;
- b) for proceedings resulting from any deliberate or intentional criminal act or omission by any person driving or using an **insured vehicle**; or
- c) where indemnity is provided by another source or any other insurance or where but for the existence of this **sub section** indemnity would have been provided by such source or insurance.

17.2.4 Extensions to 'Indemnity A'

We will also indemnify **you**:

17.2.4.1. Consequential loss or loss of use

For legal liability to pay for consequential loss or loss of use following **damage** to any **customer's** vehicles provided that:

- a) **you** must repair or replace the **customer's** vehicle as quickly as possible;
- b) the maximum amount that **we** will pay is £100,000 (one hundred thousand pounds) in respect of any one **occurrence**.

17.2.4.2. Contingent liability

For **your** liability arising from the driving or use of a vehicle not owned or provided by **you** which is being used in connection with **your business** by **your employees**.

17.2.4.3. Customer loan vehicle

For any liability incurred by **your customer** whilst driving a motor car loaned to them by **you** whilst their own vehicle is undergoing repair or being serviced by **you**.

17.2.4.4. Driving other vehicles

Or any partner or director of the **insured**; or

The spouse of the **insured** (if a named person); or

Any person in the **insured's** employ driving with the **insured's** permission,

for liability incurred while driving any motor vehicle not belonging to or hired or leased to the **insured** or the driver under a hire purchase agreement, personal contract purchase, personal contract hire or other leasing or hire agreement regardless of the agreement duration provided such motor vehicle is being used within the 'Limitations as to Use' specified in the current **certificate of motor insurance** issued with the **policy**.

Except that **we** shall not be liable and this extension shall not be operative where there is another policy in force indemnifying **you** or any other **insured person** for the same liability.

17.2.4.5. Towing

For liability arising from an **accident caused by** the towing of a **trailer** or disabled mechanically propelled vehicle by the **insured vehicle**.

Except that **we** shall not be liable:

- a) if the disabled mechanically propelled vehicle is being towed for hire or reward; or
- b) where the **insured vehicle** is towing more **trailers** than permitted by law.

17.2.4.6. Trailers and implements

For liability as insured under 'Indemnity A – Your legal liability to others' of this **section** in respect of an **accident** involving a **trailer** or implement owned by **you** or in **your custody or control** (a) when attached to or detached from an **insured vehicle** and out of use but remaining on or about **your premises**, or (b) where advised to **us**, on **your customers'** premises or (c) whilst temporarily detached from an **insured vehicle** during the course of a journey.

17.2.4.7. **Unauthorised movement of third party vehicles**

For liability arising from an **accident** whilst moving a vehicle that does not belong to **you** which is obstructing the legitimate passage or the loading or unloading of an **insured vehicle**.

17.2.4.8. **Unauthorised use of an insured vehicle**

For liability arising from the unauthorised use of an **insured vehicle** by **your employees**.

17.2.4.9. **Unlicensed drivers where a licence is not required by law**

For any liability arising out of an **insured vehicle** being driven by (or being in the charge of for the purpose of being driven by) an unlicensed driver when a **licence** is not required by law.

17.3 'Indemnity B' - Damage to insured vehicles

17.3.1 Insuring clause

We will indemnify **you**:

For loss of or **damage** to an **insured vehicle** in accordance with the basis of settlement' condition of 'Indemnity B - Damage to Insured Vehicles' **caused by**:

- a) **accident**;
- b) malicious **damage**, other than such **damage caused by you, your principals, directors or officers**, partners or **your employees**;
- c) fire, lightning, explosion;
- d) **theft** or attempted **theft**; and taking place within the **territorial limits**.

Except that the maximum amount that **we** will pay is:

five million pounds (£5,000,000) in connection with any one **occurrence** but limited to £150,000 in respect of any one **insured vehicle**. The maximum amount **we** will pay in total under Indemnity B during the **period of insurance** including any extensions to Indemnity B will be ten million pounds (£10,000,000).

17.3.2 Costs and expenses

17.3.2.1. **Recovery and redelivery**

If the **insured vehicle** is disabled as a result of loss or **damage** for which indemnity is provided under this **section**, **we** will indemnify **you** for the reasonable costs of protection and removal of the **insured vehicle** to the nearest suitable repairers and the reasonable cost of delivery to **you** in the **United Kingdom** after repair.

17.3.3 Extensions to 'Indemnity B'

We will also indemnify **you**:

17.3.3.1. **Additional vehicle technology**

In respect of any **accident** involving an **insured vehicle** indemnified under this **section**, **we** will pay up to £250 for loss or damage to **additional vehicle technology** in or on an **insured vehicle** provided that any relevant terms and conditions of the **policy** shall apply to this extension.

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

- a) the first £50 of any loss or damage;
- b) any loss or damage where:
 - i. any locks have not been engaged;
 - ii. any windows have been left open;
 - iii. the immobiliser is either not working or has not been activated;
 - iv. the keys or other removable ignition devices have been left in or on the **insured vehicle**;
 - v. any software, application or any connected device used to remotely operate the **insured vehicle** is left unlocked or unattended.

17.3.3.2. Contents of customers' vehicles

For loss of or **damage** to the contents of **customers'** vehicles, whilst in **your custody or control**.

The maximum **we** will pay in respect of any one **occurrence** is:

- a) one hundred and fifty thousand pounds (£150,000) in respect of a commercial load,
- b) five thousand pounds (£5,000) for all other contents.

17.3.3.3. Demonstration

Whilst the **insured vehicle** is being driven for the purpose of demonstration for sale with **your** permission by any person.

Provided that such person:

- a) is not employed by **you**;
- b) is at all times accompanied by **you** or a person defined on the **certificate of motor insurance**;
- c) holds a full UK driving **licence** (or equivalent driving **licence** issued in an EU member state) to drive the **insured vehicle** in the **United Kingdom** and observes fulfils and is subject to the terms exclusions and conditions of this **policy**.

17.3.3.4. Electric vehicle – leased batteries

In the event of loss or **damage** under this section, **we** will indemnify **you** for any payment **you** have to make to the owner of an **insured vehicle's** battery, if the battery is leased or hired to **you**.

17.3.3.5. Financial loss (new and unused vehicles)

If **we** have agreed that a new and unused vehicle (which is the subject of indemnity under this **section**) has become unsaleable as an unused vehicle due to covered **damage**, **we** will indemnify **you** for an amount representing what **we** in **our** sole discretion consider to be a reasonable discount to the new and unused sale price to effect a sale of the vehicle.

The maximum **we** will pay in respect of any one claim under this extension is five thousand pounds (£5,000).

We shall not be liable for the **excess** or the first ten percent (10%) of any such discount.

17.3.3.6. Locks and keys

For the cost of replacing locks or lock mechanisms, keys, key cards and remote control transmitters, necessary to maintain the security of any **insured vehicle** against access following **theft** of keys, key cards or remote control transmitters by force and violence, or threat thereof against any partner, director or **your employee**, for an amount not exceeding the **sub-limit** any one **occurrence of theft**.

Except that the maximum **we** will pay for all losses of **theft** occurring during any one **period of insurance** is the **sub-limit** as set out in the **schedule**.

17.3.3.7. Misfuelling

If an **insured vehicle** is accidentally misfuelled, for the cost of:

- a) draining the fuel;
- b) cleansing the fuel tank; and
- c) any other **damage** to an **insured vehicle caused** as a direct result of the misfuelling except that **we** shall not be liable for any **damage caused** when driving the **vehicle** knowing it had been misfuelled.

17.3.3.8. New vehicle replacement

Where the **insured vehicle** is either a **private car**, motorcycle or a commercial vehicle with a gross vehicle weight of 3.5 tonnes or less and within one year of registration and has been owned by **you** or bought under a hire purchase agreement or was leased or hired by **you** from new and has been:

- a) stolen and not recovered within twenty eight (28) days; or

b) **damaged** to the extent that the cost of repair exceeds fifty percent (50%) of the manufacturer's list price at the time of purchase,

at **your** request and subject to the consent of any other interested parties known to **us, we** will replace the vehicle with a new one of the same make, model and specification.

If a replacement vehicle is not available then the most **we** will pay is the **market value** of the **insured vehicle** at the time and date of the loss or **damage**.

17.3.3.9. **Personal effects**

For personal effects (excluding vehicles and property fixed thereto) belonging to **you** or **your** partners, directors and **employees** whilst such property is in the **insured vehicle** provided that the loss occurs as part of an incident for which **we** provide indemnity under this **policy**.

Except that **we** shall not be liable for any loss or **damage** to:

- a) personal effects from an unattended **insured vehicle** unless such vehicle has all doors, windows and other means of entry closed and locked with all keys removed to a place of safety;
- b) personal property from an unattended **insured vehicle** between the hours of 9pm and 6am unless parked in a securely locked building or garage or in a security compound or the **insured vehicle** is fitted with a Thatcham II security system which is armed at the time of the **damage**.

17.3.3.10. **Sub-contractors**

If an **insured vehicle** is moved from the **premises** by a sub-contractor appointed by **you** for sale, service, repair, cleaning or examination by an MOT tester, then the vehicle shall be deemed to be in **your custody or control**.

17.3.3.11. **Unlicensed drivers where a licence is not required by law**

For **loss** or **damage** arising out of an **insured vehicle** being driven by (or being in the charge of for the purpose of being driven by) an unlicensed driver when a **licence** is not required by law.

17.4 'Indemnity C' - Territorial limits

17.4.1 **European cover - automatic minimum indemnity**

Your policy provides the minimum insurance necessary to comply with the laws on compulsory insurance of motor vehicles in any country in which the Commission of the European Union is satisfied that arrangements have been made to meet the requirements of Article 7(2) of the EU directive in relation to civil liabilities arising from the use of motor vehicles.

Where the minimum insurance in a country where the **accident** occurred is less than that provided under United Kingdom law, and then **we** will provide indemnity for third party liabilities up to the requirements of United Kingdom law.

17.4.2 **Extended European cover**

Subject to **our** prior agreement, and **your** agreement to pay any additional premium that **we** may require, **we** will indemnify **you** for the same level of cover set out in the **schedule** whilst in or travelling between:

- a) the **territorial limits**; and
- b) any member country of the European Union and Iceland, Norway and Switzerland.

Your certificate of motor insurance should be sufficient evidence of insurance in the above countries; however **we** will issue an International Motor Insurance Card (Green Card) free of charge if **you** request this.

If the **insured vehicle** is travelling in Europe or other countries listed on the Green Card but outside the countries listed in this clause, **we** will extend **your** insurance, at **your** request, to include the territories listed in the Green Card subject to acceptance of any additional premium and terms.

We will also indemnify **you** for sea or rail transit between ports in the countries specified in this clause including loading and unloading, provided that such transit is:

- a) by any recognised sea passage;
- b) of a duration no longer than sixty five hours; and concluded before expiry of the period of the Green Card.

17.4.3 Exclusions and Limitations applicable to Indemnity A, B & C

In addition to the General Exclusions of this **policy**, **we** shall not be liable for:

17.4.3.1. **Aircraft and aircraft sites**

Any loss, damage or liability **caused by**, attributable to, or arising from the presence of the **insured vehicle** in any premises or area to which any aircraft has access, including, but without limitation, an airport or airfield and the service roads within their perimeter and boundary roads.

17.4.3.2. **Carriage of hazardous goods**

Any loss while the **insured vehicle** is being driven or used for the carriage of **hazardous goods** except where **you** have obtained **our** prior written consent.

17.4.3.3. **Damage on the business premises**

Any **damage** to an **insured vehicle** while it is being kept in or on or used on any **premises**.

17.4.3.4. **Death or injury from employment**

Death or **bodily injury** of any person arising out of and in the course of that person's employment by any person entitled to an indemnity under this **section** except where necessary to meet the requirements of any compulsory motor legislation operating within the **territorial limits**.

17.4.3.5. **Death or injury to the driver**

The death of or **bodily injury** to any person driving the **insured vehicle** or in charge of it for the purpose of driving it.

17.4.3.6. **Defective workmanship**

Loss or damage arising out of any faulty part or accessory, by poor workmanship or by work carried out on any vehicle by **you** or anyone acting on **your** behalf.

17.4.3.7. **Diminution in value**

Any reduction in value of an **insured vehicle** following repair.

17.4.3.8. **Electrical, electronic and mechanical breakdown**

Electrical, electronic or mechanical breakdown or failure **caused by** attributable to, or arising from either driver error, driver negligence or driver incompetence or by a gradually operating cause.

17.4.3.9. **European jurisdiction**

A judgment or order by a court of competent jurisdiction enforcing the judgment of a foreign court which is outside of:

- a) Great Britain, Northern Ireland, the Isle of Man and the Channel Islands; or
- b) member of the European Union; or
- c) any other country for which the commission of the European Union is satisfied that arrangements have been made to meet the requirements of EU Directives on insurance.

17.4.3.10. **Fines and penalties**

Fines, penalties, punitive or exemplary damages awarded intended to punish **your** wrongdoing.

17.4.3.11. **Loading and unloading of an insured vehicle**

Death, **bodily injury** or damage **caused** or arising beyond the limits of any carriageway or thoroughfare in connection with loading or unloading of an **insured vehicle** or the:

- a) bringing of the load to the **insured vehicle** for loading on board; or
- b) taking away of the load from the **insured vehicle** after unloading.

17.4.3.12. **Loss of use**

Any loss of use or any other consequential loss.

17.4.3.13. **Mis-delivery**

Any liability for death, **bodily injury** or damage to property arising directly or indirectly from the wrongful collection or delivery of a load, or where the load does not conform to the specification of the customer.

17.4.3.14. **Obsolete spare parts**

Any amount in excess of the price shown in the manufacturer's last list price at the date of the loss or **damage** where that part or **accessory** is unobtainable or obsolete in pattern.

17.4.3.15. **Passengers on towed vehicles**

Liability for death or **bodily injury** to any person being carried in or on, or getting into or out of, or getting onto or off, a trailer or vehicle being towed.

17.4.3.16. **Property owned or in custody**

Liability for loss of or damage to:

- a) any **premises** belonging to or occupied by **you** or any other person entitled to or claiming indemnity under this **section** or any fixtures and fittings therein;
- b) any other property owned by **you** or in **your custody or control** or in the **custody or control** of any other person entitled to or claiming indemnity under this **section**;
- c) any property or load being conveyed by the **insured vehicle** or any **trailer** owned by **you**, in **your** care or in the care of any other person entitled to or claiming indemnity under this **section**.

17.4.3.17. **Racing**

Any loss, damage or liability occurring while the **insured vehicle** is being used for any formal or informal race, pace making, rallying, competitions, speed tests whether on a road or public place or elsewhere or being driven on any racetrack, circuit or any other prepared course or derestricted toll road including but not limited to the Nürburgring Nordschleife.

17.4.3.18. **Self Drive Hire**

Any loss, **damage** or liability occurring while any **insured vehicle** is hired out under a **rental agreement** on a self drive hire basis.

17.4.3.19. **Supplying goods, food or drink**

Any liability arising from carrying or preparing or selling or supplying any goods or food or drink from the **insured vehicle**.

17.4.3.20. **Taking away by a family member**

Loss, damage or liability arising from the **insured vehicle** being taken or driven by a member of **your** family or a family member of any of **your** principals, directors, partners or **employees** who is not a permitted driver as stated in the **certificate of motor insurance**.

17.4.3.21. **Unlicensed use**

Any loss, damage or liability while the **insured vehicle** is being driven or used by anyone who:

- a) does not hold a **licence** to drive the **insured vehicle** for the use required or has had the **licence** to drive the **insured vehicle** revoked; or
- b) has held but is currently disqualified from holding or obtaining such a **licence**; or
- c) does not fully comply with the conditions of their **licence**.

17.4.3.22. **Unsafe load**

Any loss, damage or liability whilst:

- a) the load in or on the **insured vehicle** is not being conveyed safely; or
- b) the **insured vehicle** is conveying a load in excess of:
- c) that for which it was constructed; or

d) the maximum carrying capacity, that **you** advised to **us**, whichever is the lower.

17.4.3.23. Use

Any loss, damage or liability while the **insured vehicle** is being:

- a) driven or used other than in accordance with the provisions of the **certificate of motor insurance**;
- b) driven or used other than for the purposes specified in the **schedule**;
- c) driven or used by anyone without **your** permission;
- d) driven or used for a deliberate or reckless act with the intention of:
 - i. self harm or suicide;
 - ii. causing damage or fear of damage to other vehicles or property; or
 - iii. causing death or injury or fear of death or injury to any person.

17.4.3.24. Use of a motor vehicle as tool or plant

Any loss, damage or liability while the **insured vehicle** is being driven, used or moved as a tool of trade or as plant equipment.

17.4.3.25. Vehicle contents

Loss or damage to tools of trade, personal effects (including media players, mobile telephones, laptop or tablet computers, communications equipment and the like), documents or goods carried in or on the **insured vehicle** in excess of the relevant **sub-limit**.

17.4.3.26. Wear and tear

Wear and tear or depreciation or that part of repair that improves the **insured vehicle** beyond its condition immediately before the loss or **damage**.

17.4.3.27. Work on an insured vehicle

Liability for the death, **injury** or damage arising directly or indirectly from work on any **insured vehicle** by **you** or any person in **your** service or acting on **your** behalf.

17.5 Conditions

In addition to the General Conditions of this **policy**, the following shall apply to this **section**.

17.5.1 Basis of settlement 'Indemnity B – Damage to insured vehicles'

For **insured vehicles** which do not fulfil the criteria 'new vehicle replacement' clause of this **section**, the reasonable cost of repairing any **damage** to an **insured vehicle** within its **market value** provided that such a repair is economical; or where such **insured vehicle** is stolen or **damaged** beyond economical repair, the cost of replacing the **insured vehicle** with one of a similar type and similar condition with an allowance for discounts available to the motor trade.

We may at **our** option fit replacement parts which have not been made by the vehicle's manufacturer but which are of a similar standard.

17.5.2 Anti-fraud databases

Your details may be passed on to the Claims and Underwriting Exchange Register (CUE) run by Insurance Database Services Ltd (IDSL) and the Motor Insurance Anti-Fraud and Theft Register (MIAFTR) run by the Association of British Insurers (ABI). **We** also exchange information with the police and/or other insurers and other organisations through various databases.

The aim is to help **us** check information provided and also to prevent fraudulent claims under the conditions of the **policy** as **you** must tell **us** about any incident such as an **accident** or **theft** which may or may not give rise to a claim. **We** will pass information relating to this incident to the registers.

17.5.3 Contract price

In respect of any **insured vehicle** sold but not delivered for which **you** are responsible and with regard to which under the conditions of sale, the sale contract is by reason of the loss or **damage** cancelled either wholly or to the extent of such loss or **damage**, **our** liability shall be based on the contract price and not the **market value**.

17.5.4 Hire purchase agreement

If **we** become aware that the **insured vehicle** is the subject of a hire purchase or other credit purchase agreement, payment in respect of the total loss of the **insured vehicle** shall be made to the owner as described in such agreement whose receipt shall be a full and final discharge of **our** liability in respect of such loss or **damage**.

17.5.5 Joint indemnity/cross liability clause

If this **policy** is issued in the name of more than one party, the indemnity provided by this **section** shall apply as if separate policies had been issued to each of the parties jointly named as the **insured** but **our** total liability for all claims shall not exceed the **limits of indemnity** stated in the **policy**.

17.5.6 Licence check

You will ensure:

- a) that all permitted drivers have full licences, with the required licence category, to drive any **insured vehicle** (or any other vehicle in respect of which the **policy** may respond);
- b) that **licences** have been held for a period of twenty four months or more; and
- c) that the details of any driver wishing to drive under this **policy** with a **licence** that does not satisfy these criteria are notified immediately to **us**; and
- d) that the driving **licence** of any new or prospective **employee** is checked and any person who:
 - i. has any **licence** with six penalty points or more within the last three years; or
 - ii. has been convicted within the last five years of any offence showing below (or the equivalent offences committed in Northern Ireland which carry a different coding):
 - A. Alcohol or drugs conviction (code DR)
 - B. Careless driving (codes CD40, 50, 60, 70)
 - C. Dangerous driving (code DD)
 - D. Driving whilst disqualified (code BA)
 - E. Motor racing on the highway (code MS50)
 - F. **Theft** or unauthorised taking of a motor vehicle (code UT)is immediately notified to **us**;
- e) an annual check is undertaken of the **licence** of:
 - i. **you** or every director, partner or **employee**; and
 - ii. any spouse of any of **your** directors, partners or **employees**; and
 - iii. any other person who is permitted to drive the **insured vehicle** for social, domestic or pleasure purposes; and
 - iv. that a record of all **licence** checks is maintained and all convictions are recorded; and
 - v. that **you** provide **us** with details of all **licences** with six penalty points or more.

17.5.7 Motor Insurance Database

Unless otherwise agreed by **us**, **you** must supply to **us** in writing details of the **vehicle(s)** whose use is covered by **your policy** for entry onto the Motor Insurance Database (MID).

If **you** have been provided with password access to update **your** MID records **you** will include details of any **vehicle(s)** in **your** control.

17.5.8 Right of recovery

In circumstances where **we** are entitled to refuse indemnity under the **policy** but are obliged by provision of the law of any territory in which this **policy** operates relating to the insurance of liability to third parties to make payment to a party who has suffered loss or damage, **you** shall repay to **us** all such sums **we** are obliged to pay, to include but not limited to any payment of damages, claimant costs, interest on damages and costs and own costs incurred dealing with such claims.

17.5.9 Security of insured vehicles – CONDITIONS PRECEDENT

In respect of loss or damage to **insured vehicles** arising from theft or attempted theft:

- a) each **insured vehicle** must be secured by means of the door and boot locks except whilst being worked on or driven by an **employee** or other authorised person;
- b) the windows or any form of sliding roof, sliding door, hood or removable panel roof must be closed when the **insured vehicle** is parked and unattended;
- c) the immobiliser fitted by the vehicle manufacturer or fitted post manufacture or as specified and agreed by **us** must be maintained at all times in working order and activated when the **insured vehicle** is parked and unattended;
- d) the keys or other device which unlocks the **insured vehicle** must not be left in or on the **insured vehicle** and must be kept in an area to which the public do not have access during **business hours** and locked in a safe or approved security key cabinet outside **business hours**;
- e) except whilst being worked on or driven by an **employee** or other authorised person, any software, application or any connected device used to remotely operate the **insured vehicle** must not be left unlocked or unattended or in or on the **insured vehicle** whilst the **insured vehicle** is parked or unattended; and
- f) where an **insured vehicle** is left unattended between the hours of 9pm and 6am the vehicle must be either (i) parked in a securely locked building, garage or security compound or (ii) fitted with a Thatcham II security system which is armed at the time of the **damage**.

17.5.10 Reasonable Precautions

You must at **your** own cost take all reasonable precautions to:

- a) maintain **insured vehicles** in both a safe and roadworthy condition;
- b) maintain a current up to date Ministry of Transport (MOT) test certificate for any **insured vehicle** where it is to be driven on a public highway and such certificate is required;
- c) ensure that any **ADAS** technology in any **insured vehicle** is professionally recalibrated following an accident, so as not to compromise its future performance; and
- d) ensure that the software supporting any **vehicle computer system** is maintained according to the recommendations of the vehicle manufacturer or software provider.

18. Self Drive Hire

Cover under this **section** is subject to **your** completion of and **our** acceptance of a supplementary Self Drive Hire Proposal.

This section explained

Insurance under this **section** is separated into three parts. The table below is to be read in conjunction with the cover shown in the **schedule** to establish which parts apply to **your policy**.

Cover	Applicable indemnity
Comprehensive	Indemnity A & B
Third party fire & theft	Indemnity A Indemnity B (Limited to fire, lightning, explosion and theft or attempted theft only)
Third party only	Indemnity A

18.1 Definitions

In addition to the definitions applicable to the 'Motor Road Risks' **Section** and 'General Definitions' **section**, the following shall also apply to this **section**:

18.1.1 Driver

Any person disclosed in the **rental agreement** by the **renter** accepted by **you** and permitted to drive a **rental vehicle**.

18.1.2 Rental purpose

Any business or social, domestic or pleasure use not excluded by this **policy**.

18.1.3 Rental vehicle

Any **insured vehicle** hired out under a **rental agreement** and only during the period of hire.

18.1.4 Renter

A person who has signed or a company which has caused to be signed a **rental agreement** for the hire of a **rental vehicle**.

18.1.5 With insurance

The hire of a **rental vehicle** with an indemnity to the **renter**, **driver** and any passenger of the **rental vehicle** against the type of cover shown in the **schedule**.

18.1.6 Without insurance

The hire of a **rental vehicle** where the **renter** is responsible, under the terms of the **rental agreement**, for the arrangement of insurance for such vehicle.

18.2 'Indemnity A' - Your legal liability to others

18.2.1 Insuring clause

We will indemnify **you** in accordance with the terms of this **section** against legal liability to pay damages, including claimant costs recoverable from **you**, following an **accident** arising out of the use of a **rental vehicle**, or in direct connection with the loading or unloading of a **rental vehicle** (including where the use of the vehicle giving rise to any such liability is adversely affected by the operation or failure of or malicious, unlawful or unauthorised interference with any **vehicle computer system**) when a **rental vehicle** is being used or driven:

- a) with **your** consent for any purpose permitted by **your certificate of motor insurance**;
and

- b) during the **period of insurance**; and
- c) within the **territorial limits**;
- d) and the **accident** results in:
 - i. the death or **bodily injury** to any person;
 - ii. damage to any property subject to the following limits applying in respect of any one **occurrence**:
 - A. Five million pounds (£5,000,000) in respect of any **rental vehicle** not being a **private car**;
 - B. Twenty million pounds (£20,000,000) in respect of a **private car**.

18.2.2 Indemnity to others

Where the **rental agreement** expressly states “with insurance”, **we** will also indemnify:

- a) any passenger whilst travelling in, entering, or alighting from the **rental vehicle**;
- b) the **renter** or **driver** using the **rental vehicle** with **your** permission for any purpose permitted by **your certificate of motor insurance**; and
- c) within the **territorial limits** except where specifically excluded under this **policy**;

In the event of the death of any person entitled to indemnity under this **section**, **we** will indemnify their legal personal representatives in respect of any liability incurred by **them** within the limitations of this **section**.

18.2.3 Costs and expenses

We will indemnify **you**:

18.2.3.1. Court attendance compensation

Compensate **you** if during the **period of insurance** any of **your** partners, directors or **employees** are required to attend court as a witness at **our** request in connection with a claim which is subject of indemnity under this **section**, for each day that attendance is required on the following scale:

- a) any director or partner, seven hundred and fifty pounds (£750);
- b) any **employee**, two hundred and fifty pounds (£250).

18.2.3.2. Emergency medical treatment costs

For emergency treatment as required by the Road Traffic Acts, arising out of the use of a **rental vehicle**.

18.2.3.3. Medical expenses

For medical expenses up to the amount specified in the **schedule** incurred by **you**, the **driver**, or any passenger travelling in a **rental vehicle** injured as a result of an **accident** involving such vehicle.

18.2.3.4. Motor defence costs

At **our** absolute discretion and with **our** prior written consent, for reasonable:

- a) legal fees and costs incurred in dealing with or defending any action at law by which damages in respect of death, **bodily injury** or property damage are claimed against any person insured under this **policy**;
- b) solicitors' fees for representation at any Coroner's inquest or fatal **accident** inquiry in respect of such accident or for defending in any criminal proceedings relating to such **accident**;
- c) legal expenses in respect of any proceedings taken against a person insured under this insurance for manslaughter, or reckless or dangerous driving causing death, or careless or inconsiderate driving causing death, in respect of their driving at the time of the **accident**;
- d) legal expenses in respect of defending any charge brought under the Corporate Manslaughter and Corporate Homicide Act 2007 in respect of any **accident** insured under this **section**;

Except that **we** will only be liable to provide cover for motor defence costs where an indemnity is also provided to the driver or user of the **insured vehicle** under 'Indemnity A' of this **section** and subject to the **sub-limit** specified in the **schedule**.

We reserve the right at any time to relieve **ourselves** of any further liability under this clause on payment to **you** of the expenses incurred to that date.

18.2.4 Extensions to 'Indemnity A'

18.2.4.1 Trailers and implements

'Indemnity A' – Your legal liability to others' applies to any **trailer** which is detached from any **rental vehicle** but only in so far as it is necessary to meet the requirements of any law relating to compulsory insurance in the territory concerned and provided that the **trailer** is **your** responsibility.

18.3 'Indemnity B' - Damage to rental vehicles

18.3.1 Insuring clause

We will indemnify **you**:

For loss of or **damage** to a **rental vehicle** in accordance with the 'Basis of settlement' condition of 'Indemnity B - Damage to rental vehicles', **caused by**:

- a) **accident**;
- b) malicious **damage**, other than such **damage caused by you, your principals, directors or officers**, partners or **your employees**;
- c) fire, lightning, explosion;
- d) **theft** or attempted **theft**.

Except that the maximum amount that **we** will pay is:

five million pounds (£5,000,000) in connection with any one **occurrence** but limited to £150,000 in respect of any one **rental vehicle**. The maximum amount **we** will pay in total under Indemnity B including any extensions to Indemnity B will be £10,000,000.

18.3.2 Costs and expenses

18.3.2.1 Recovery and redelivery

If the **rental vehicle** is disabled as a result of loss or **damage** for which indemnity is provided under this **section**, **we** will indemnify **you** for the reasonable costs of protection and removal of the **insured vehicle** to the nearest suitable repairers and the reasonable cost of delivery to **you** in the **United Kingdom** after repair.

18.3.3 Extensions to 'Indemnity B'

18.3.3.1 Additional vehicle technology

In respect of any **accident** involving an **insured vehicle** indemnified under this **section**, **we** will pay up to £250 for loss or damage to **additional vehicle technology** in or on an **insured vehicle** provided that any relevant terms and conditions of the **policy** shall apply to this extension.

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

- a) the first £50 of any loss or damage;
- b) any loss or damage where:
 - i. any locks have not been engaged;
 - ii. any windows have been left open;
 - iii. the immobiliser is either not working or has not been activated;
 - iv. the keys or other removable ignition devices have been left in or on the **insured vehicle**;
 - v. any software, application or any connected device used to remotely operate the **insured vehicle** is left unlocked or unattended.

18.3.3.2. **New vehicle replacement**

Where the **rental vehicle** is either a **private car**, motorcycle or a commercial vehicle with a gross vehicle weight of 3.5 tonnes or less and within one year of registration and has been owned by **you** or bought under a hire purchase agreement or was leased or hired by **you** from new and has been:

- a) stolen and not recovered within twenty-eight (28) days; or
- b) **damaged** to the extent that the cost of repair exceeds fifty percent (50%) of the manufacturer's list price at the time of purchase,

At **your** request and subject to the consent of any other interested parties known to **us, we** will replace the vehicle with a new one of the same make, model and specification.

If a replacement vehicle is not available then the most **we** will pay is the **market value** of the **rental vehicle** at the time and date of the loss or **damage**.

18.3.4 **Electric vehicles – leased batteries**

In the event of loss or **damage** under this **section, we** will indemnify **you** for any payment **you** have to make to the owner of the **rental vehicle's** battery, if the battery is leased or hired to **you**.

18.3.5 **Exclusions and Limitations**

In addition to the exclusions under the 'Motor Road Risks' **section** and the 'General Exclusions' of this **policy** both of which shall apply equally to this **section, we** shall not be liable for:

18.3.5.1. **Hirers' own vehicles**

Any vehicle belonging to, possessed by or provided for use to any **employee** as a **rental vehicle** is deemed not to be in **your** custody or control in connection with the **business**. Nothing contained elsewhere in this **policy** shall override this exclusion.

18.3.5.2. **Other hire by you**

The hire of a rental vehicle by **you** if such vehicle is hired by agreement other than the **rental agreement**.

18.3.5.3. **Personal property**

Any loss or **damage** to personal property:

- a) from an unattended **rental vehicle** unless such vehicle has all doors, windows and other means of entry closed and locked with all keys removed to a place of safety; or
- b) from an unattended **rental vehicle** between the hours of 9pm and 6am unless parked in a securely locked building or garage or in a security compound or the **rental vehicle** is fitted with a Thatcham II security system which is armed at the time of the **damage**.

18.3.5.4. **Sub-hire**

Any claim or liability resulting from any **rental vehicle** being hired out for re-hire by the **renter** (including for the carriage of passengers for hire or reward).

18.3.5.5. **Taking away by a family member**

Loss, damage or liability arising from the **rental vehicle** being taken or driven by a member of **your** family or a family member of any of **your** principals, directors, partners or **employees** who is not an permitted driver as stated in the **certificate of motor insurance**.

18.3.6 **Theft by renter - excess**

In respect of loss resulting from theft or attempted theft of the **rental vehicle** by or with the connivance of the **renter**, or their representative: **you** shall bear at **your** own risk, 25% of each and every loss, with **our** maximum liability being 75% of such loss. However, the policy **excesses** shall not apply in addition.

18.3.7 Unauthorised drivers

Any liability, claim or damage arising whilst the **rental vehicle** is being driven by or is in charge of for the purpose of being driven by any person who is not within the 'Persons or Classes of persons entitled to drive' shown in the current **certificate of motor insurance** or is being used otherwise than within the 'Limitations as to use' shown in the certificate.

Except that this exclusion shall not apply in respect of the cover provided under 'Indemnity A – Your legal liability to others' whilst the **rental vehicle** is being used without **your** authority or by a subcontractor for repair alteration, service, maintenance, treatment, test or examination.

18.3.8 Work on a rental vehicle

Liability for death, **bodily injury** or **damage** arising directly or indirectly from work on any **rental vehicle** by **you** or any person in **your** service or acting on **your** behalf.

18.3.9 Conditions

In addition to the Conditions under – **Motor Road Risks section** and General Conditions of this **policy** both of which shall apply equally to this **section**, the following shall apply to this **section**:

18.3.10 Basis of settlement 'Indemnity B – Damage to rental vehicles.

For **rental vehicles** which do not fulfil the criteria 'new vehicle replacement' clause of this **section**, the reasonable cost of repairing any **damage** to an **rental vehicle** within its **market value** provided that such a repair is economical; or where such **rental vehicle** is stolen or **damaged** beyond economical repair, the cost of replacing the **rental vehicle** with one of a similar type and similar condition with an allowance for discounts available to the motor trade.

We may at **our** option fit replacement parts which have not been made by the vehicles manufacturer but which are of a similar standard.

18.3.11 Hire Purchase agreement

If **we** become aware that the **rental vehicle** is the subject of a hire purchase or other credit purchase agreement, payment in respect of the total loss of the **rental vehicle** shall be made to the owner as described in such agreement whose receipt shall be a full and final discharge of **our** liability in respect of such loss or **damage**.

18.3.12 Rental agreement requirements – CONDITIONS PRECEDENT

It is a condition precedent to **our** liability that prior to the hire of a **rental vehicle** **you** inspect the driving **licence** of the **renter** if a named person, and every person who will be driving the **rental vehicle** and by reference to such **licence** and any additional enquiry, establish that:

- a) all relevant information is included and correctly stated in the rental agreement;
- b) the **rental agreement** is completed and signed by the **renter**;
- c) the **renter**, if a named person and any **driver**:
 - i. is over twenty one years of age but under seventy years of age;
 - ii. has held a full UK driving **licence** for at least one year if twenty five years of age, or over or two years if between twenty one and twenty four years of age;
 - iii. has not been involved in more than one motoring **accident** or claim during the preceding three years;
 - iv. has not been convicted of any:
 - A. Road Traffic Act offence or series of such offences where they have more than 6 penalty points;
 - B. to **your** knowledge has criminal offence other than a Road Traffic Act offence.
 - v. to **your** knowledge does not have a prosecution pending for any criminal offence (except for the Road Traffic Act offences of parking, or speeding on one occasion if there are no convictions);
 - vi. does not suffer from any medical condition, disease or infirmity where terms or restrictions have been imposed on their **licence** by DVLA;

- vii. has not been required by another insurer to pay an increased premium or bear special terms or conditions or had a proposal declined or policy cancelled or renewal refused by an insurer.
- d) Prior to the hire of a **rental vehicle you** establish the **renter's** credentials by:
 - i. checking the identity of an individual of such person by inspecting their original driving **licence** and at least one other document being the original of their passport, bank cheque book, credit card or utility bill.
 - ii. as clause a) in respect of a company and in addition:
 - A. checking that the company exists;
 - B. establishing the link between the representative and their company by reference to a company identity card or pay slip or a letter of authority issued by said company;
 - C. checking by telephone the authenticity of the hire.
- e) **You** shall make and keep a record of all information specified for three months after the period of the hire or in the event of a claim, for the period that **we** shall decide.
- f) **We** may at **our** option repair, reinstate, replace or make good by payment of money any loss or **damage** and if to **our** knowledge the **rental vehicle** is the subject of a hire purchase agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to **us** in respect of such loss or **damage**.
- g) **You** shall not incur any expense in making good such **damage** without having previously notified **us** of the **accident** in the terms of this **section** and having supplied a detailed estimate of the cost of repairs.
- h) **You** shall take all reasonable precautions to safeguard the **rental vehicle** from loss or **damage** and to maintain it in an efficient and roadworthy condition.

18.3.13 Terms (with Insurance)

- a) **You** shall specify in the **rental agreement** that the hire of the **rental vehicle** is “**with insurance**”;
- b) **We** will indemnify the **renter**, **driver** and any passenger in accordance with the terms of Driver and passenger indemnity clause under **Section 15 – General Liability** (as amended by paragraph c) below) and ‘Indemnity A’ – Your legal liability to others under this **section** whilst the **rental vehicle** is used for **rental purposes** provided that the **renter** has entered into and complied with the terms of the **rental agreement**;
- c) in respect of Driver and passenger indemnity clause under **Section 15 – General Liability**:
 - i. the first paragraph shall read: In respect of death, **bodily injury** or damage **caused by** or arising out of the use of a **rental vehicle** on the **premises**, **we** will indemnify;
 - ii. sub-paragraph 1. shall read: the **renter** or **driver** using such vehicle with **your** permission;
 - iii. sub-paragraph 2 is deleted.

18.3.14 Terms (without Insurance)

- a) **You** shall specify in the **rental agreement** that the hire of the **rental vehicle** is “**without insurance**”;
- b) **You** shall require the **renter** to arrange fully comprehensive insurance, which also covers third party motor and loss or **damage** risks, in respect of the **rental vehicle** indemnifying the **renter** and all those permitted to drive or use such vehicle;
- c) **You** must establish that the **renter** has arranged such insurance by:
 - i. inspecting the cover note issued; or
 - ii. obtaining a letter of confirmation from the insurer or broker of the **renter** specifically in respect of such vehicle. **You** shall make and keep a copy of such cover note or letter for at least three months after the period of the hire or in the event of a claim, for the period that **we** shall determine.

- d) **We** shall not indemnify **you** in respect of any **rental vehicle** during the period of hire except:
- i. any loss arising from its own faulty or defective condition;
 - ii. if such insurance the **renter** was required to arrange fails to indemnify the **renter** or if such insurance has been cancelled, **we** shall indemnify **you** and no other party, in accordance with the terms of this **section** provided **you** have complied with the terms of **your policy**.

18.3.15 Security of rental vehicles – CONDITIONS PRECEDENT

In respect of loss or damage to **rental vehicles** arising from theft or attempted theft:

- a) each **rental vehicle** must be secured by means of the door and boot locks when the **rental vehicle** is parked and unattended;
- b) the windows or any form of sliding roof, sliding door, hood or removable panel roof must be closed when the **rental vehicle** is parked and unattended;
- c) the immobiliser fitted by the vehicle manufacturer or fitted post manufacture or as specified and agreed by **us** must be maintained at all times in working order and activated when the **rental vehicle** is parked and unattended;
- d) the keys or other device which unlocks the **rental vehicle** must not be left in or on the **rental vehicle**;
- e) any software, application or any connected device used to remotely operate the **rental vehicle** must not be left unlocked or unattended or in or on the **rental vehicle** whilst the **rental vehicle** is parked or unattended.

19. Legal Expenses

Cover under this **section** only applies where shown in the **schedule**.

All claims under this **section** are managed by Lawclub on **our** behalf.

If **you** want to make a claim under 'Part A – Uninsured Loss Recovery' **you** should telephone 08006783030 and quote master policy number 36522.

If **you** want to make a claim under 'Part B – Motor Prosecution Defence' **you** should telephone 0370 241 4140 and quote master policy number 36522.

Lawclub also provide the Lawphone Legal Helpline.

19.1 Commercial Legal Protection Definitions

Certain words in this **section** have special meanings. These words and their meanings are detailed in this **section** and apply wherever **we** have printed them in bold throughout.

19.1.1 Civil case

A legal action which does not involve the defence of any criminal prosecution against **you**.

19.1.2 Costs

Where **we** have given **our** written agreement, **we** will pay the following on **your** behalf:

- a) the professional fees and expenses reasonably and properly charged by the **legal representative** on the **standard basis**, up to the Guideline Hourly Rates set by the Senior Court Costs Office, which **you** cannot recover from **your** opponent;
- b) **your** opponent's **legal costs** and expenses incurred in a **civil case** which **you** are ordered to pay by a court or which **you** pay to **your** opponent with **our** written agreement.

We will only pay **costs** which are necessary and in proportion to the value of **your** claim. If **we** do not agree that the **costs** have been reasonably and properly incurred or are necessary and in proportion to the value of **your** claim, **we** will have those **costs** assessed in accordance with Our rights, under the Legal Expenses Claims Procedure.

We will only start to cover **costs** from the time **we** have accepted **your** claim in writing and appointed the **legal representative**.

19.1.3 Damages

Money that a court says **your** opponent must pay to **you** or money **your** opponent agrees to pay to **you** to settle **your** legal action.

19.1.4 Insured Event

An incident which gives rise to a claim under this **section** and as described below under 'What you are covered for'.

19.1.5 Legal representative

The solicitor or other person appointed with **our** agreement to represent **you** under the terms of this **section**.

19.1.6 Opponent

The party responsible for the accident or collision which has given rise to an **insured event** under this **section** and against whom **you** wish to bring a legal action.

19.1.7 Reasonable prospects of success

There are reasonable prospects of success if, at all times during **your civil case** against **your** opponent, it is more likely than not that:

- a) a court would:
 - i. decide the legal action under 'uninsured loss recovery' in **your** favour (this includes making a successful appeal or successfully defending an appeal following a decision made in respect of **your** claim by a court); or

- ii. award **you** a more favourable settlement than has already been offered by **your** opponent; and
- b) if **you** are seeking **damages** from **your** opponent, **you** will recover them.

Important information about reasonable prospects of success

At all times during **your** legal action **reasonable prospects of success** must exist for **us** to begin, and continue, providing cover under this **section**.

In order for **us** to decide whether **reasonable prospects of success** exist **we** will seek the opinion of the **legal representative**. If **we** and the **legal representative** do not agree on whether **reasonable prospects of success** exist, **we** will also seek the opinion of any other legally qualified advisor or other expert appropriate to **your** claim that **we** feel it is necessary to consult.

If **we** believe that **reasonable prospects of success** do not exist **we** will end **your** claim.

If **we** end **your** claim due to **reasonable prospects of success** no longer existing because **you** have not complied with the 'Conditions' applicable to this **section**, **we** will not pay any **costs** incurred during **your** claim.

If **we** end **your** claim due to **reasonable prospects of success** no longer existing because of any other reason, **we** will pay **costs** incurred up to the date that **we** end **your** claim.

19.1.8 Standard basis

The normal method used by the court to assess **costs** which the court decides are proportionate to **your** legal action and have been reasonably incurred by the **legal representative** and **your** opponent.

19.1.9 You/Your

For this **section you/your** is extended to include any person authorised to drive under **your certificate of motor insurance** or be a passenger in **your insured vehicle**.

19.2 Part A - Uninsured loss recovery

We will pay the **costs we** have agreed of **you** taking legal action against **your** opponent for **damages** arising from an accident involving **an insured vehicle** that:

- a) **we** and the **legal representative** agree:
 - i. is not **your** fault; and
 - ii. was caused by **your** opponent; and
- b) causes:
 - i. **your** death or bodily injury whilst **you** are in, on or getting into or out of an **insured vehicle**; or
 - ii. damage to an **insured vehicle**; or
 - iii. damage to property which **you** own or are legally responsible for and which is in or on an **insured vehicle**.

The cover provided by this **section** also includes the **costs** of making or defending an appeal following a decision by a court in respect of **your** legal action.

We will provide this cover as long as:

- a) the accident happened within the **territorial limits** and during the **period of insurance**; and
- b) the legal action will be decided by a court within the **territorial limits**; and
- c) **we** have given **our** written agreement to **you** making or defending an appeal following a decision by a court in respect of **your** legal action; and
- d) **reasonable prospects of success** exist.

The most **we** will pay for all claims arising out of the same accident involving an **insured vehicle** is one hundred thousand pounds (£100,000).

19.3 Part B - Motor prosecution defence

We will pay the **costs** of **you** defending criminal proceedings being brought against **you** arising from **your** ownership or use of an **insured vehicle**. **We** will also pay the **costs** of making an appeal against **your** conviction or sentence by a court.

We will provide this cover as long as:

- a) the event giving rise to the criminal proceedings happened within the **territorial limits** and during the **period of insurance**; and
- b) **you** advise **us** of **your** summons no later than 7 days after receiving it; and
- c) the criminal proceedings will be decided by a court within the **territorial limits**; and
- d) **we** have given **our** written agreement to **you** making an appeal against **your** conviction or sentence by a court.

The most **we** will pay for all claims arising from the same criminal proceedings involving an **insured vehicle** is one hundred thousand pounds (£100,000).

19.4 Lawphone Legal Helpline

You have access to Lawphone Legal Helpline 24 hours a day, 365 days a year, for advice on any legal matter relating to **your business**. The advice **you** receive from Lawphone will always be according to the laws of England & Wales or Northern Ireland (as applicable).

Call Lawphone on 0370 241 4140 and when doing so:

- a) **you** should confirm that **you** are a QBE Motor Trade Combined Advantage policyholder;
- b) **you** will then be asked for a brief summary of the problem;
- c) this will be passed to an adviser who will return **your** call.

19.5 Conditions

- a) **Your agreements with others:**

We will not be bound to any agreement between **you** and the **legal representative** or **you** and any other person or organisation.

- b) **Freedom to choose the legal representative:**

At any time before **we** and the **legal representative** agree that legal proceedings need to be issued or defended in a court, **we** will choose the **legal representative**.

You have the right to choose the **legal representative** if **we** and the **legal representative** agree that negotiations with **your** opponent have failed to settle the dispute and it becomes necessary for legal proceedings to be issued or defended in a court.

You can also choose the **legal representative** if a conflict of interest arises which means that **our** chosen **legal representative** cannot act for **you** because of their professional rules of conduct. **You** must send the name and address of **your** chosen **legal representative** to **us**. If **we** agree to appoint **your** chosen **legal representative**, they will be appointed on the same terms as **we** would have appointed **our** chosen **legal representative**, other than in respect of any agreement **we** and **your** chosen **legal representative** reach over the **costs** that **we** will pay.

When choosing the **legal representative**, **you** must remember **you** have a duty to keep the **costs** of any legal proceedings as low as possible.

If there is a dispute under this section including about **our** choice of **legal representative** that **you** and **us** cannot resolve, the matter will be settled in accordance with the Disputes clause below.

19.6 Exclusions to this section

In addition to the 'General Exclusions' **we** will not indemnify **you** for:

- a) any claim arising out of a contract **you** have with another person or organisation;
- b) a claim for an event which is not covered under this **policy**;

- c) where the date of the **insured event** is before the date of inception of this **policy**;
- d) any claim that is not notified to **us** as soon as is practicable following an **insured event**. **We** shall have the right to reject any claim under this **section** where **your** delay in notifying **us** has adversely affected the likely outcome of **your** legal action and/or prejudiced **our** position;
- e) any **costs**:
 - i. incurred before **we** have accepted **your** claim in writing and appointed the **legal representative**;
 - ii. **you** have paid directly to the **legal representative** or any other person without **our** permission;
 - iii. relating to an appeal following a decision by a court in respect of **your** legal action against **your** opponent unless **we** and the **legal representative** agree that **reasonable prospects of success** exist;
 - iv. that the court orders **you** to pay to **your** opponent at the end of a **civil case** on anything other than the **standard basis**. This will normally be because of **your** improper or unreasonable conduct during the legal action;
- f) any money **you** have to pay under a contract **you** have with the **legal representative** where the amount of that money is determined by the amount of:
 - i. **legal costs** and expenses incurred by the **legal representative** in respect of **your** claim; or
 - ii. **damages you** receive from **your** opponent. These types of contracts are normally referred to as either conditional fee agreements or damages based agreements.
- g) any disputes between **you** and **us** or **you** and **your legal representative**;
- h) any dispute arising from:
 - i. an application for a review of the way that a decision has been made by a government authority local authority or other public body (this is normally referred to as a judicial review); or
 - ii. any other challenge to any existing or proposed legislation;
- i) any claim that has arisen from **your** deliberate or reckless action;
- j) any actual or potential prosecution, dispute or accident that **you** were aware of, or should have been aware of, before the cover under this **policy** started;
- k) any Value Added Tax that is payable on the **costs** incurred which **you** can recover from elsewhere;
- l) parking offences for which **you** do not receive points on **your licence**;
- m) driving while under the influence of drink or drugs;
- n) any fines or other penalties awarded against **you** by a court or tribunal;
- o) any claim where **you** do not have a valid i) MOT certificate or taxation for the **vehicle** where required by law; or ii) driving **licence**;
- p) any criminal proceedings where an indemnity is available under another **section** of this **policy**;
- q) any award of costs made against **you** by a court following criminal proceedings.

19.7 Legal expenses claim procedure

You must:

- a) not appoint a **legal representative** if **you** require **your** claim to be covered by this **section**;

- b) at all times throughout **your** legal action give the **legal representative** and Lawclub a complete accurate and truthful account of all the circumstances that are relevant to **your** legal action of which **you** are aware or should have been aware. This will include details of any agreement between **you** and any other person or organisation. **You** and anyone acting on **your** behalf must not knowingly give any false, fraudulent, exaggerated or incorrect statement or document to **your legal representative** or to Lawclub;
- c) follow the advice of, and cooperate fully with, the **legal representative** and **us** at all times during **your** legal action. This will include attending all court hearings or other appointments that the **legal representative** asks **you** to attend;
- d) not withdraw **your** claim from the **legal representative** without the written agreement of the **legal representative** and **us**;
- e) get **our** written agreement before making or defending an appeal against the decision of a court in respect of **your** legal action;
- f) instruct the **legal representative** to take all reasonable steps to recover costs from **your** opponent and pay them to **us**. If **you** do not do this, **we** will have the right to reduce the amount that **we** pay under this **policy** to the amount that **your** costs would have been if **you** had instructed the **legal representative** to take all such reasonable steps.

The legal representative must:

- a) get **our** written permission before instructing a barrister or other legally qualified advisor or expert;
- b) tell **us** at the first opportunity once they become aware of any information or development relating to **your** legal action which will more likely than not mean that:
 - i. **reasonable prospects of success** no longer exist; or
 - ii. the losses or **damages** that **you** can recover from **your** opponent will be reduced from the amount that was originally expected by the **legal representative**;
- c) tell **us** at the first opportunity once they become aware that **you** want to make an offer, or **your** opponent has made an offer, to settle **your** legal action;
- d) report the result of **your** legal action to **us** at the first opportunity after it is finished;
- e) take all reasonable steps to recover **costs** from **your** opponent and pay them to **us**.

We will have the right to:

- a) appoint the **legal representative** in **your** name and on **your** behalf;
- b) take over and conduct, in **your** name, any claim or proceedings;
- c) contact the **legal representative** at any time and have access to all statements, opinions, reports or any other documents relating to **your** legal action;
- d) appoint a barrister or other legally qualified advisor or expert appropriate to **your** legal action and ask for his or her opinion on the value of **your** legal action and whether **reasonable prospects of success** exist;
- e) end **your** claim if, at any time during **your** legal action **reasonable prospects of success** no longer exist. If, after **we** end **your** claim, **you** continue the legal action and get a better settlement than they expected, **we** will pay **your costs** which **you** cannot get back from anywhere else;
- f) have any legal bill assessed if **we** and the **legal representative** or the representative acting for and on behalf of **your** opponent cannot agree on the level of **costs**. If **we** do this the assessment will be carried out by a court, independent expert in the assessment of **costs** or another competent party. **We** will not pay any more than the **costs** that are determined reasonable by the assessment;
- g) settle **your** claim by paying the amount in dispute. If **we** do this, **we** will not pay any **costs** incurred after the date that **we** tell **you**, and any **legal representative**, that **we** have decided to settle **your** claim. (This will not apply where legal proceedings have begun in a court before the date, **we** decide to settle **your** claim. In these circumstances **we** will settle the claim by paying **costs** that are necessary to discontinue those legal proceedings as well as the amount in dispute);
- h) settle the **costs** covered by this **section** at the end of **your** legal action.

19.8 Disputes

If there is a dispute between **You** and **Us**, the matter may be referred to an arbitrator who **You** and **We** agree to. If **You** and **We** cannot agree on an arbitrator, the President of the Law Society or the Chairman of the Bar Council will choose one. Whoever loses the arbitration must pay all the costs involved. If the decision is not clearly made against either **You** or **Us**, the arbitrator will decide how **You** and **We** will share the costs.

20. General Exclusions

The following 'General Exclusions' apply to all **sections** and **sub-sections** of this **policy** including any extensions, unless otherwise expressly provided either in this **section** or in another **section** of the **policy**.

In some cases a General Exclusion has particular relevance to the cover provided under an extension and so it is highlighted in the extension. However, in such cases (i) the extension in question remains subject to all other general exclusions and (ii) the exclusion so highlighted remains applicable to all other parts of the **policy** and not just the extension where it is highlighted.

Defined terms (in bold text) in the **sub-sections** below may be found within the General Definitions **section** and/or within the specific definitions within other **section(s)** (to which the individual **sub-sections** below may relate). Where a term is defined in both the 'General Definitions' **section** and/or in one or more other **sections**, the specific definition relevant to the **section** will prevail.

Unless expressly provided otherwise, **we** will not indemnify **you** for any loss or liability which is **caused** or contributed to by any of the following:

20.1 War and Terrorism

Damage, loss, interruption or interference or **bodily injury** directly or indirectly caused by, contributed to by, or arising out of or in connection with:

- a) any act of **war** or **act of terrorism**;
- b) any action controlling, preventing, suppressing, retaliating against or responding to any act of **war** or **act of terrorism**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

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

This exclusion will not apply to the extent that, if it did not apply, any claim would be covered under any extension of this **policy** or by the 'Terrorism' **section** if shown as 'INCLUDED' in the **schedule**.

20.2 Cyber risks – Employers' Liability and General Liability

In respect of the 'Employers' Liability', 'General Liability' and 'Extensions to Employers' Liability and General Liability Sections' **sections** only:

- a) **cyber act** or **cyber incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act** or **cyber incident**; or
- b) loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any **data**, including any amount pertaining to the value of such **data**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

Paragraph a) above will not apply in respect of any actual or alleged liability for:

- i. any ensuing third party bodily injury, death, physical illness or disease; or
- ii. any ensuing physical damage to or destruction of third party property;

caused by a **cyber incident**, unless that **cyber incident** comprises or is contributed to by a **cyber act**.

This exclusion will not apply to:

- a) the 'Data Protection' extensions in the 'Employers' Liability' and 'General Liability' **sections** (and in respect of General Liability Optional Extension for 'Data Protection' if specified as 'INCLUDED' in the **schedule**); or

- b) any consequent **personal injury** or **damage** caused by **act of terrorism**, for which cover is expressly provided elsewhere in the **policy** and if specified as 'INCLUDED' in the **schedule**.

We will not indemnify **you** for any action taken in controlling, preventing, suppressing or remediating a **cyber incident** or a **cyber act**.

20.3 Cyber risks – 'Property Damage, Business Interruption', 'Fidelity', 'Loss of MOT Licence', 'Motor Road Risks' and 'Self Drive Hire' Sections

In respect of the 'Property Damage', 'Business Interruption', 'Extensions for the Property Damage and Business Interruption Sections', 'Exclusions to the Property Damage and Business Interruption Sections', 'Other Terms and Conditions for the Property and Business Interruption Sections', 'Fidelity', 'Loss of MOT Licence', 'Motor Road Risks' and 'Self Drive Hire' sections:

- a) any **cyber event**; and
- b) damage, loss, interruption or interference, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, or arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

However:

- i. paragraph a) above will not apply to any **damage** to **property insured** and resulting business interruption under this **policy** caused by any fire or explosion directly and solely caused by a **cyber event** although paragraph a) will continue to apply where the **cyber event** is itself directly or indirectly caused by a **cyber act**;
- ii. paragraph a) above will not apply to any claim, loss or **damage** for which **we** would otherwise indemnify **you** under the 'Machinery breakdown' extension in this **policy**, although paragraph a) will continue to apply where the claim, loss or **damage** is directly or indirectly caused by a **cyber act**;
- iii. paragraphs a) and b) above will not apply to any claim, loss or **damage** for which **we** would otherwise indemnify **you** under the 'Computer breakdown' extension in this **policy**, if this is shown as 'INCLUDED' in the **schedule**, although paragraphs a) and b) will continue to apply where the claim, loss or **damage** is directly or indirectly caused by a **cyber act**.

Paragraph b) above will be subject to the proviso that, should **data processing media** owned or operated by **you** suffer **damage** insured by this **policy**, then this **policy** will cover the cost to repair or replace the **data processing media** itself plus the costs of copying the **data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the **data**. If such media is not repaired, replaced or restored the basis of valuation will be the cost of the blank **data processing media**. However, this **policy** excludes any amount pertaining to the value of **data**, to **you** or any other party, even if such **data** cannot be recreated, gathered or assembled, other than to the extent that such cover is provided under the 'Computer breakdown' extension, if this is shown as 'INCLUDED' in the **schedule**.

This exclusion will not apply to any claim or loss for which cover is expressly provided under the 'Terrorism' **section** of in the **policy** if this is shown as 'INCLUDED' in the **schedule**.

20.4 Data loss and connected devices

In respect of the 'Property Damage', 'Extensions for the Property Damage and Business Interruption Sections', 'Motor Road Risks' and 'Self Drive Hire' sections:

- a) Any loss, damage, liability or costs arising out of the loss of, or the re-installing, recovering, replicating or replacing of data of any type held or stored on any **vehicle computer system, additional vehicle technology, accessory** or connected device. This exclusion shall not operate to exclude cover expressly granted under:
- i. standard extension 'Lock replacement for insured vehicles' under the Property Damage **section**;
 - ii. extension 'Locks and Keys' to Indemnity B under the Motor Road Risk **section**; or
 - iii. extension 'Additional vehicle technology' under the 'Property Damage', 'Motor Road Risks' or 'Self Drive Hire' **sections**.

20.5 Data protection liabilities

Breach or alleged breach of the **Data Protection Law** other than as provided in the data protection cover or extensions in the 'Employers' Liability' **section**, the 'General Liability' **section** (and in respect of the General Liability Optional Extension 'Data Protection'; only if specified as 'INCLUDED' in the **schedule**).

20.6 Deliberate acts

- a) Any deliberate act by or on behalf of **you** or any **insured person**;
- b) this exclusion does not apply to damage resulting from the use of reasonable force to protect persons or property against a peril not excluded by this **policy**;
- c) this exclusion also does not apply to the extent of the cover (if any) provided by:
- i. the 'Fidelity' **section** in respect of acts of dishonesty committed by or in collusion with **your employees**;
 - ii. the 'Employers' Liability **section** and any relevant extensions relating to Employers' Liability in the 'Extensions to the Employers' Liability and General Liability Sections' **sections** (to which a specific 'Deliberate Acts' exclusion applies); or
 - iii. The cover provided under the 'Motor Road Risk' and 'Self Drive Hire' **sections** at Indemnity A.

20.7 Fees for intervention

The recovery or attempted recovery of costs by the Health and Safety Executive under the Health and Safety and Nuclear (Fees) Regulations 2022 relating to 'fees for intervention'.

20.8 Fines and penalties

Liability for payment of any fines or penalties imposed or ordered to be paid, or any contractual penalties claimed as damages for breach of contract for late or non-completion of orders and, for the purposes of the 'Property Damage', 'Business Interruption' and 'Extensions for the Property Damage and Business Interruption Sections' **sections** only, in addition, any civil or criminal penalties of whatsoever nature, including loss, interruption or interference caused by non-payment of such penalties.

20.9 Nuclear hazards and weapons

- a) **Nuclear hazards**; or
- b) any chemical, biological, biochemical or electromagnetic weapons, whether directly or indirectly regardless of any other cause or event contributing concurrently or in any other sequence thereto.

This exclusion does not apply to the 'Employers' Liability' **section**, to the extent that the excluded risks arise in the course of the **employment of employees** by **you**.

20.10 Retroactive date

Any act, error or omission committed, or alleged to have been committed, prior to the **retroactive date**, where a **retroactive date** is specified as applying to a **section** or cover.

20.11 Software

Any loss, **damage** or liability arising out of, caused by, contributed to, resulting from, or in connection with:

- a) any unauthorised software alteration made by **you** or any other person where **you** had knowledge of the alteration; or
- b) **your** failure to install software updates as recommended by the vehicle manufacturer or distributor that **you** knew or ought reasonably to have known were critical to the proper operation of the **vehicle computer system** and the **insured vehicle** or the safety of the **insured vehicle**.

20.12 Vehicle computer system

Any loss or damage to or impairment in the function of the vehicle computer system arising out of, caused by, contributed to, resulting from or in connection with any actual, threatened or anticipated criminal, unauthorised or malicious act, hack, denial of service attack or deployment of any virus, ransomware, code or software.

21. General Claims Conditions and Requirements

The meaning of terms in bold below may be found within the General Definitions **section** and/or within the specific definitions within other **section(s)** to which the specific clauses below relate. Where a term is defined in both the General Definitions **section** and/or in one or more other **sections**, the specific definition relevant to the **section** will prevail.

Unless expressly stated elsewhere in this **policy** the conditions and requirements of this **section** apply to all **sections** of this **policy**. If non-compliance with the conditions of this **section** increases the amount **we** may be liable to pay for a claim under this **policy** **we** may not pay the amount of the claim that is increased by the non-compliance with this **section**.

The 'Conditions precedent' provision (clause 2.4) sets out the consequences of a failure to comply with the provisions marked as 'CONDITIONS PRECEDENT'.

21.1 'Property Damage', 'Business Interruption', 'Extensions to the Property Damage and Business Interruption Sections' and 'Terrorism' sections

Claim Notification – CONDITIONS PRECEDENT

- a) Unless stated elsewhere in the **policy**, **you** must notify **us** as soon as practical but in any event within thirty (30) days of any **incident**, accident, event or **damage** which may be the subject of indemnity under the **policy sections** above;
- b) In respect of **damage** caused by riot, **you** must give notice to **us** in writing within twenty-one (21) days; and
- c) In respect of **damage** caused by theft or malicious persons as covered under the 'Property Damage', 'Business Interruption' and 'Extensions to the Property and Business Interruption Sections' **sections**, **you** must give immediate notice to the police and take all practical steps to assist any investigation or recover the property lost.

21.1.1 Claim Procedure

Unless stated otherwise, **we** will handle and oversee all claims but day to day handling may be managed by a third party agent on **our** behalf. For every claim, **you** and any person acting on **your** behalf must:

- a) provide **us** or **our** appointed agent with copies of any legal documents relating to an insured event within three (3) business days of receipt; and
- b) provide **us** at **your** own expense, with a written account of those articles or portions of **damaged property insured**, the amount of the **damage** based on the value at the time it took place, and full details of any business interruption loss together with supporting accounts and financial information, within thirty (30) days after **damage** (or expiry of the **indemnity period** in the case of business interruption).

21.2 Fidelity section

Claim Notification – CONDITIONS PRECEDENT

- a) **You** must notify **us** as soon as practicable but in any event no later than the earlier of sixty (60) days after **loss** is **discovered** or sixty (60) days following the expiry of the **policy**;
- b) the notice must include sufficient details available to **you** to enable **us** to consider the claim and authorise investigation, if appropriate; and
- c) in addition, within eight (8) months of the loss being discovered, **you** shall provide **us** with a proof of loss, unless agreed otherwise by **us** in writing. The proof of **loss** to be provided must be sworn by **your** Chief Financial Officer, or equivalent, with full particulars of the **loss** and related **costs**.

21.3 Wrongful Conversion section

You must notify **us** as soon as practical but in any event within ten (10) business days of becoming aware of the following:

- a) Any verbal or written communication or other notice or complaint against **you**, by any person who claims to have a legal interest in an **insured vehicle**;
- b) Any verbal or written communication or other notice of any claim, proposed claim or other proceedings against **you** for the return of an **insured vehicle**;
- c) Any verbal or written communication or notice or complaint against **you**, by any person with whom **you** have contracted to sell an **insured vehicle** where legal title or ownership of such vehicle is in question;
- d) Any verbal or written communication or other notice of any claim, proposed claim or other proceedings against **you** by any person with whom **you** have contracted to sell an **insured vehicle** where legal title or ownership of such vehicle is in question.

You must not:

- a) make any admission of liability or offer or promise of payment without **our** written consent.

21.4 Loss of MOT licence section

Claim Notification – CONDITIONS PRECEDENT

You must immediately notify **us** in writing and supply any additional information and give any assistance that **we** may reasonably require as soon as **you** are aware of any:

- a) notice, caution or complaint against **you**, the **premises**, any of **your employees**, any **licence** holder, manager, tenant or other occupier of the **premises**;
- b) proceedings against or conviction of **you**, any of **your employees**, any **licence** holder, manager, tenant or other occupier of the **premises** for any breach of any law directed related to licenced activities;
- c) transfer or proposed transfer of the **licence**;
- d) alteration in the purpose for which the **premises** are used;
- e) circumstances which may endanger the continuance of the **licence** or its renewal;
- f) application for revocation of the **licence**;
- g) the withdrawal or refusal to renew the **licence**.

21.5 Employers' and General Liability sections and extensions

Claim Notification – (CONDITIONS PRECEDENT for 'General Liability' sections only)

You must notify **us** as soon as practical but in any event within twenty (20) business days of becoming aware of the following:

- a) a verbal or written communication addressed to **you** which seeks to hold **you** liable for loss, or expresses an intention to do so;
- b) an **occurrence** or circumstance which may give rise to a claim, including but not limited to:
 - i. an inquest, fatal accident inquiry, prosecution, public inquiry or other proceedings;
 - ii. **personal injury** to an **employee** in the course of employment by **your business**;
 - iii. a **RIDDOR** incident involving any person;
 - iv. an Industrial Tribunal hearing which includes allegations of **personal injury** or **damage**;
 - v. **personal injury** or **damage** sustained by anyone on any premises which are owned or occupied by **you**;
 - vi. **personal injury** or **damage** sustained by any of **your** direct or indirect customers involving **your products**;

- vii. the discovery of **pollution** on or emanating from any premises which are owned or occupied by **you**.

Such notice must include full details and be provided by telephone or email.

Compliance with this term is a condition precedent only to **our** liability under the 'General Liability' **section** (and any relevant extensions relating to the 'General Liability' **section** in the 'Extensions to the Employers' Liability and General Liability Sections' **section**) but is not a condition precedent for the purpose of the 'Employers' Liability' **section** (or any relevant extensions relating to the 'Employers' Liability' **section** in the 'Extensions to the Employers' Liability and General Liability Sections' **section**)

21.6 Motor Road Risks

Claim Notification

You must report all **accidents** involving an **insured vehicle** as quickly as possible regardless of blame.

You can report **accidents** and claims by telephone 24 hours a day, 365 days a year on 0800 100 8181.

It is important to report claims to **us** early so that **we** can provide **you** with prompt assistance and be able to control the cost of claims.

You must:

- a) upon receipt, immediately send to **us** every claim form, writ, legal process or other communication in connection with any **accident**;
- b) inform **us** immediately of any impending prosecution, Coroner's inquest or fatal inquiry;
- c) notify the police as soon as possible of any **theft**, or **damage** by attempted **theft** or other criminal acts and provide the police with all assistance necessary;
- d) give **us** all information and assistance **we** require, including access to the **insured vehicle** involved for inspection by **us** or anyone appointed by **us**; and
- e) allow **us**, in **your** name or the name of anyone entitled to indemnity under this **policy** to have full control in the conduct of all matters arising from an **accident** which causes a claim (including any amount within any **excess**) and where **we** require, the absolute conduct and control of all negotiations, defence, recoveries and settlements.

You must not:

- f) make any admission of liability or offer or promise of payment without **our** written consent; or
- g) effect any repairs to a **damaged insured vehicle** without **our** prior approval.

21.7 No admission of liability – CONDITIONS PRECEDENT

In respect of the subject matter of any claim or potential claim, **you** and every person acting on **your** behalf must not admit responsibility, liability, make an offer or promise, nor offer payment or indemnity without **our** prior written consent.

Compliance with this term is not a condition precedent to **our** liability under the Employers' Liability **section** (or any relevant extensions relating to the 'Employers' Liability' in the 'Extensions to the Employers' Liability and General Liability Sections' **section**).

a) Your duties

In respect of every claim **you** and every person acting on **your** behalf must:

- i. on the **occurrence** of any **incident**, **accident**, event, loss or **damage** act with due diligence, undertake or permit to be undertaken all reasonably practicable steps to minimise the loss;
- ii. provide **us** or **our** appointed agent with copies of any legal documents relating to the matter within three (3) business days of receipt;
- iii. always act honestly;

- iv. give **all** such information, assistance and forward all documents to enable **us** to investigate, settle or resist any claim as **we** may require;
- v. provide all evidence and information in respect of the claim as **we** may reasonably require together with (if **we** ask for it):
 - A. a statutory declaration of the truth of the claim and any matters connected with it;
 - B. authorisation to obtain relevant information held by third parties, including medical records;
- vi. co-operate with **us** or **our** appointed agents to allow compliance with any relevant practice directions and pre-action protocols;
- vii. not destroy evidence or supporting information or documentation without our prior written consent;
- viii. not destroy any property that may give rise to a claim; and
- ix. comply with any reporting obligations provided for under Data Protection Law.

You will provide **us** with the information required by this condition at **your** own expense unless the expense is covered by the 'Professional accountants' **sub-section** of the 'Business Interruption' **section**.

21.8 Our rights

For every claim:

- a) **We** will have conduct of any potential insured claim which may be subject to an indemnity and may take over the defence or settlement of any **claim** in **your** name.
- b) **We** may at any time pay the **limit of indemnity** or **sub-limit** (after deduction of any sums already paid) or such lesser sum for which the claim or **claim** can be settled and will relinquish the conduct and control of such claim and thereafter be under no further liability except (where payable under the relevant **section**) for payment of **defence costs** incurred prior to the date of payment.
- c) **We** may at any time require **you** to reimburse **us** for payments made under any **section** that does not exceed the applicable **excess** or **deductible**.
- d) **You** must reimburse **us** for any **defence costs** and paid damages (including claimant costs recoverable from **you**) incurred in connection with an insured event where any settlement figure does not exceed the **excess** or **deductible**.

21.9 Subrogation

- a) Except where expressly provided otherwise elsewhere in the **policy**, **you** and any person acting on **your** behalf must not waive any rights of recourse or recovery against any other person relating to an **occurrence, claim**, loss or suit that may give rise to a claim.
- b) **You** or any **insured person** or **other insured party(ies)** must, at **our** request and expense undertake such acts as may be required for the purpose of enforcing any rights and remedies whether or not **we** have indemnified **you**.
- c) If **you** have any uninsured losses that are properly recoverable against a third party which **we** intend to pursue by way of a subrogated claim, **we** will, at **your** request, include **your** uninsured losses in the subrogated claim. **We** will have sole control over the conduct, strategy, management and settlement of the subrogated claim and **we** will fund all **legal costs**. **We** will pay **you** any recovery from the subrogation proceedings, less expenses incurred by **us** in such proceedings, in the proportion that the amount that:
 - i. any applicable **excess** or **deductible**; and
 - ii. any other provable and recoverable uninsured loss,
 bears to the whole loss amount.

22. General Terms

The following 'General Terms' apply to all **sections** and **sub-sections** of this **policy** including any extensions, unless otherwise expressly provided.

Defined terms (in bold text) in the **sub-sections** below may be found within the General Definitions **section** and/or within the specific definitions within other **section(s)** (to which the individual **sub-sections** below may relate).

Where a term is defined in both the 'General Definitions' **section** and/or in one or more other **sections**, the specific definition relevant to the **section** will prevail.

22.1 Applicable law and jurisdiction

The law applying to the **policy** is the law stated in the **schedule**.

Any dispute or legal proceedings between **you** and **us** in connection with the **policy** will be subject to the exclusive jurisdiction of the courts of the country stated in the **schedule**.

22.2 Application of sum insured, limit(s) of indemnity, sub-limits and benefits

22.2.1 'Property Damage', 'Business Interruption', 'Extensions to Property Damage and Business Interruption Sections' and 'Terrorism' sections

- a) Where a **sum insured** is stated in the **schedule** against an item or items of **property insured, section** or **sub-section**, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims during the **period of insurance** for the item of **property insured, section** or **sub-section** of the **policy** against which the **sum insured** is stated in the **schedule**, regardless of the number of **occurrences, premises** or other locations or departments to which the claims relate or the number of territories or divisions or subdivisions of territories to which the claims relates or the number of entities, persons or interested parties making the claim or claims under this **policy**. Where a **sum insured** is stated in the **policy** or **schedule** to apply on a first loss basis, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of a loss arising from a single **occurrence** at a single **premises**. Where a **sum insured** applies on a first loss basis, it will not be available in respect of additional loss at the same **premises** arising out of a different **occurrence**, or loss at any additional **premises** regardless whether or not such loss arises from the same single **occurrence**;
- b) where a **sub-limit** is stated in the **schedule** or within this document against an insured cause of **damage** or loss, or against an extension or **sub-section**, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims connected with the same single **occurrence** regardless of the number of **premises** or other locations or departments to which the claims relate or the number of territories or divisions or subdivisions of territories to which the claims relate or the number of entities, persons or interested parties making the claim or claims under this **policy**. However, if in the **schedule** or in this document a **sub-limit** is described as applying in the aggregate, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims during the **period of insurance** regardless of the number of **occurrences, premises** or other locations or departments giving rise to claims or the number of territories or divisions or subdivisions of territories to which the claims relate or the number of entities, persons or interested parties making the claim or claims under this **policy**;
- c) where a **sub-limit** is stated in this document, this will only apply in the event that cover is available for the extension or **sub-section**, and no **sub-limit** is shown in the **schedule**. If a **sub-limit** is shown in the **schedule** this will supersede any applicable **sub-limit** in this document;
- d) any **sub-limit** for a specified cover included in the **schedule** is deemed to be part of and not in addition to the applicable **sum insured** unless expressly stated otherwise in the **sections** or **schedule**;
- e) if more than one entity makes a claim under the **policy** in connection with the same **occurrence**, **our** maximum liability will not exceed the **sum insured** or **sub-limit** which would apply if the claim were made by a single entity;

- f) where a single **occurrence** gives rise to a claim or claims under two or more extensions which are subject to a **sub-limit**, **our** maximum liability for the **occurrence** will not exceed the single largest applicable **sub-limit**;
- g) where a single **occurrence** gives rise to a claim or claims under more than one extension under the 'Business Interruption Optional Extensions' **sub-section**, the total amount for which **we** will indemnify **you** will not exceed the single largest **sub-limit** of the applicable extensions. In no circumstances will **we** indemnify **you** for more than one **sub-limit** under the 'Business Interruption Optional Extensions' **sub-section** in relation to claims arising from the same single **occurrence** regardless of the number of **premises** or other locations or departments to which the claims relate or the number of territories or divisions or subdivisions of territories to which the claims relate or the number of extensions or the number of entities, persons or interested parties making the claim or claims under this **policy**.

22.2.2 'General Liability' and 'Extensions to Employers' Liability and General Liability' sections only in respect of 'General Liability'

- a) Where a **limit of indemnity** or **sub-limit** is stated in the **schedule**, the amount stated is the maximum amount for which **we** will indemnify **you** under the **policy** for all claims connected with the same single **occurrence** made under any one insured **section**. The **limit of indemnity** or **sub-limit** applies regardless of the number of **sub-sections** or extensions under which the claim or claims are made, or the value of the individual **limits** or **sub-limits**.
- b) Where a **limit of indemnity** is stated in the **schedule** this will apply as explained at (a) above and the total amount for which **we** will indemnify **you** will not exceed the **limit of indemnity** even where this is lower than the applicable **sub-limit(s)**.
- c) If an **occurrence** gives rise to a claim or claims under two or more extensions which are subject to a **sub-limit**, **our** maximum liability for the **occurrence** will not exceed the single largest applicable **sub-limit**.
- d) If more than one entity makes a claim under the **policy** in connection with the same **occurrence**, **our** maximum liability will not exceed the **limit of indemnity**, or **sub-limit** which would apply if the claim were made by a single entity.
- e) Any **sub-limit** shall form part of, and is not in addition to, the **limit of indemnity** or **section** limit unless expressly stated otherwise in the **sections** or **schedule**.

22.2.3 Motor Road Risks and Self Drive Hire sections

- a) Where a **sum insured**, **limit of indemnity** or **sub-limit** is stated in the **policy** or **schedule** to apply, the amount stated is the maximum amount for which **we** will indemnify **you** or any other person entitled to an indemnity under this **policy** in respect of any loss, liability or **damage** arising from an **occurrence**.
- b) Where a **sum insured**, **limit of indemnity** or **sub-limit** is stated in the **schedule** to be "in the aggregate", that is the maximum that **we** will pay for any, and all cover, which that limit applies to in any one **period of insurance**.
- c) Where a **sub-limit** is stated in this document, this will only apply in the event that cover is available for the extension or **sub-section**, and no **sub-limit** is shown in the **schedule**. If a **sub-limit** is shown in the **schedule** this will supersede any applicable **sub-limit** in this document.
- d) Any **sub-limit** shall form part of, and is not in addition to, the **limit of indemnity** or 'Section Limit' unless expressly stated otherwise in the **sections** or **schedule**.
- e) If more than one entity makes a claim under the **policy** in connection with the same **occurrence**, **our** maximum liability will not exceed the **sum insured** or **sub-limit** which would apply if the claim were made by a single entity.

22.2.4 'Employers' Liability' section

- a) **Our** total liability under this **section** shall not exceed the 'Section Limit' specified in the **schedule**.
- b) The Section Limit' shall apply to all **occurrences** arising out of the same event, cause or circumstance.

22.2.5 'Fidelity' and 'Wrongful Conversion' sections

- a) **Our** total liability under these **sections** for any single **loss** shall not exceed the relevant **limit of indemnity** specified in the **schedule**.
- b) For the avoidance of doubt, the **limit of indemnity** is the maximum payable by **us** regardless of the number of insured parties, persons or organisations bringing claims or suits, or claims or series of claims against **you**, or claims or series of claims made by **you**;
- c) All **loss** arising from the same or related acts or omissions shall be treated as one single **loss** under this **policy** such that only one **limit of indemnity** will apply.

22.2.6 'Loss of MOT Licence' section

- a) **Our** total liability under this **section** shall not exceed the sums insured specified in the **schedule**.
- b) The sums specified in the **schedule** shall be the maximum **we** will pay (i) in respect of all loss or series of losses arising out of the same event, cause or circumstance; and (ii) in the aggregate during the period of insurance.

22.3 Application of Deductible or Excess

- a) Where a **deductible** applies, this amount shall be deducted from the applicable **limit of indemnity, sum insured** or **sub-limit** in order to calculate the amount of the indemnity **we** will pay **you** under the **policy**.
- b) Where an **excess** applies, this amount shall not be deducted from the applicable **limit of indemnity, sum insured** or **sub-limit** in order to calculate the amount of the indemnity **we** will pay **you** under the **policy**.
- c) Where a **deductible** or **excess**, except an aggregate **deductible** or **excess**, is stated in the **schedule** to apply in respect of a **section** or **sections** of this **policy**, that **deductible** or **excess** will apply once to any losses or claims under that **section** or **sections**:
 - i. in the 'Property Damage', 'Business Interruption', 'Extensions for Property Damage and Business Interruption', 'Employers' Liability', 'General Liability', 'Extensions for Employers' Liability and General Liability', 'Terrorism', 'Motor Road Risks' and 'Self Drive Hire' **sections**, arising from one **occurrence**;
 - ii. in the 'Fidelity' or 'Wrongful Conversion' **sections**, arising from the same or related acts;
 - iii. in the 'Loss of MOT licence' **section**, arising out of the same event, cause or circumstance,including under any extensions. This is subject to the proviso that, where the **schedule** states that a more specific **deductible** or **excess** applies to an extension, that more specific **deductible** or **excess** shall apply to that element of the claim that is made under the extension instead of the **deductible** or **excess** that applies to the **section** or **sections** in which the extension is contained.
- d) Where the **schedule** states that a more specific time **excess** applies to an extension only, the monetary **excess** that applies to the **section** or **sections** in which the extension is contained will apply instead to that element of the claim made under the extension but only if the monetary **excess** is the higher of the two once **we** have calculated the monetary value of the time **excess**.
- e) Where both a more specific time **excess** and a monetary **excess** are stated on the **schedule** to apply to an extension, the applicable **excess** will be the higher of the two once **we** have calculated the monetary value of the time **excess**.
- f) Where more than one **excess** or **deductible** could be applied to one claim or **occurrence** under any **section** or **sections**, only the single highest **excess** or **deductible** will be applied. However, all applicable non-ranking **excesses** will continue to apply;
- g) Where **you** make a claim under an extension for which the applicable **sub-limit** is less than the **deductible** that applies to that **section** or **sections** of the **policy**, no amount will be payable by **us** under that extension unless a more specific monetary **deductible** applies to the extension.

22.4 Application of aggregate deductible or aggregate excess

Where an aggregate **deductible** or aggregate **excess** is stated on the **schedule** the following additional provisions apply:

- a) any **excess** stated on the **schedule** to be 'non-ranking' is excluded from and forms no part of the indemnity that **we** provide under this **policy**;
- b) all sums claimed over and above any applicable non-ranking **excess** will be subject to the standard **deductible** or standard **excess** stated on the **schedule** and such sums shall contribute towards the aggregate **deductible** or aggregate **excess**;
- c) the standard **deductible** or standard **excess** will apply until the total sum of these equals or exceeds the aggregate **deductible** or aggregate **excess** in respect of all losses occurring during the **period of insurance** at which point the aggregate **deductible** or aggregate **excess** will be exhausted;
- d) once the aggregate **deductible** or aggregate **excess** has been exhausted, the standard **deductible** or standard **excess** will not apply to any future claims for losses occurring during the **period of insurance** but such claims will continue to be subject to any non-ranking **excess** and will be subject to the residual **deductible** or residual **excess** stated on the **schedule**.

22.5 Assignment

Any assignment of interest under the **policy** will not bind **us** unless and until **our** written consent is endorsed hereon.

22.6 Cancellation

We may cancel this **policy** by giving **you** seven (7) days' written notice to **your** correspondence or email address shown in the **schedule** or to **your** registered office. **We** may at any time during the **period of insurance** serve written notice on **you** at the address shown on the **schedule** cancelling the **policy** with effect from the seventh (7th) day after service of the notice.

Such cancellation will not affect the coverage or premium attributable to the period prior to cancellation. Upon demand and subject to no claims having been notified under the **policy**, **we** will return to **you** a part of any premium paid in excess of that proportionate to the pre-cancelled portion of the **policy**.

Without prejudice to any other forms of service, the notice of cancellation is deemed to be served on the third (3rd) day after being posted if sent by pre-paid letter post properly addressed.

22.7 Compliance with policy terms

You and anyone acting on **your** behalf must each comply with every applicable provision of the **policy**.

To the extent this insurance provides a benefit to any other party, **you** must arrange for each insured party to comply with every applicable provision of the **policy**.

If **you** or anyone acting on **your** behalf breaches any provision of the **policy** **we** may, without prejudice to any of **our** other rights, reject or reduce sums payable to the extent that **our** liability under the **policy** has been incurred or increased by reason of the breach. If the breached term is a condition precedent, **we** will not indemnify **you** for any part of **your** claim subject to the terms of the Insurance Act 2015.

If **we** have paid any sums to **you** or anyone acting on **your** behalf for which **we** were not liable (whether by reason of breach of any provision of the **policy** by **you** or anyone acting on **your** behalf or for any other reason) **you** must promptly repay such sums to **us**.

To the extent **we** may waive all or some of **our** rights in relation to any obligation to **you**, this will not prevent **us** from relying on any provisions in the future and any delay in reliance or any partial reliance by **us** will not prevent **us** from relying on any such provisions, in whole or in part, in the future.

22.8 Conflict of interest

In the event of a conflict of interest between:

- a) for the purpose of the 'Property Damage' **section**, **you** and any **insured person** as defined in that **section**;
- b) for the purpose of the 'Employers' Liability', 'General Liability', and 'Extensions to the Employers' Liability and General Liability' **sections**, **you** and any **other insured party**;

indemnified by this insurance, separate representation will be arranged for each party.

22.9 Contract (Rights of Third Parties) Act 1999 and Contract (Third Party Rights) (Scotland) Act 2017

This **policy** does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or the Contract (Third Party Rights) (Scotland) Act 2017 by any person who is not named as the **insured** and both **you** and **we** may amend, cancel or terminate this insurance without giving notice to, or requiring the consent of, any other third party. However, this will not preclude rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

22.10 Data privacy notice

Any personal data provided to **us** will be processed in compliance with all applicable laws and regulations and in accordance with the privacy notice which can be found using the details provided in the **schedule**.

22.11 EU Coverage

Any automatic coverage provided by this **policy** for:

- a) entities acquired by, merged with, or established by, **you**;
- b) property or other interests acquired by **you**; or
- c) additional insureds,

will not apply to the extent that, as a result of the United Kingdom's withdrawal from the European Union, **we** are not permitted by applicable law or regulation to provide that coverage and/or would become exposed to legal or regulatory sanction as a consequence of providing that coverage.

22.12 Fork lift trucks – CONDITIONS PRECEDENT

- a) All drivers must: i) must be at least eighteen years of age; ii) have completed a training course in the safe use of fork lift trucks through an Accredited Training Provider belonging to one of the accrediting bodies as recognised by the Health & Safety Executive; and iii) have completed a refresher course within five years of any initial training programme. **You** must retain the appropriate documentation verifying the completion of such training.
- b) Whenever a fork lift is unattended: i) the ignition keys must be removed; or ii) the vehicle must be otherwise immobilised, to prevent unauthorised use.
- c) All operational safety systems must be engaged in accordance with the manufacturers' recommendations.

The carriage of passengers, unauthorised use or application as a tool in excess of the design capabilities of the vehicle is prohibited at all times.

22.13 Inspection and audit

We or **our** representative will be permitted to inspect **your** property and operations with reasonable notice. Such inspections do not warrant that the property or operations are safe.

22.14 Insurance Act 2015

Nothing in the **policy** is intended to vary the provisions of the Insurance Act 2015.

22.15 Legislation and other requirements

All Acts of Parliament, laws, regulations, standard form contracts and permits (in each case, as applicable) referred to in this **policy** will include any deriving rule, order, regulation, permit, contract or instrument and will include any subsequent amendment, replacement, consolidation or reenactments.

22.16 Changes during the policy period

You must notify **us** within thirty (30) days of any material change to **you**, **your business** or the risks insured if indemnity under this **policy** is sought in relation to any such change.

We will not indemnify **you** for any liability arising out of a material change for which indemnity would otherwise have been available under this **policy** unless **we** have provided valid confirmation of cover, whether by an express term of the **policy**, endorsement, written confirmation or otherwise.

If **you** have been provided with password access to update **your** motor insurance database records **you** will include details of any **vehicle(s)** in **your** control.

You must tell **us** immediately of any alterations or changes to:

- a) the driving credentials of any **insured person** including (but not limited to) any claims, convictions, licence variations or medical conditions which any such person becomes subject to during the **period of insurance**; and
- b) the profile of vehicles which **you** insure under the **policy** including where there is any material change in the type, specification, power, performance, or value of **your insured vehicles** when considered as a whole.

22.17 Minimisation of risk

You must take all reasonable steps at **your** own expense to prevent an **incident, accident, event, occurrence, loss or damage** arising or continuing. **You** must take such steps at **your** own expense to the extent that cover under the **policy** has not been confirmed by **us**.

Upon the happening of an **incident, accident, event, occurrence, loss or damage** and at all times thereafter, **you** must act as a prudent uninsured and take all reasonable measures as are appropriate to avoid or minimise any claims which arise or may arise.

Any failure by **you** to take such steps will reduce or extinguish **our** liability to indemnify **you** under the **policy** to the extent that such failure has increased the claim under this **policy**.

22.18 Other insurance

In respect of the 'Property', 'Business interruption', 'Fidelity', 'Wrongful Conversion', 'Loss of MOT licence' and 'Terrorism' **sections**, if at the time of any claim made under this **policy** there is any other valid and collectible insurance covering the same claim or any part thereof **we** will not be liable for more than its rateable proportion of loss. If such other insurance provides that it will operate in excess of this **policy**, then, unless it is purchased as and stated specifically to be a **policy** operating in excess of this **policy** reference, this **policy** shall operate in excess of such other insurance.

In respect of the 'Employers' Liability', 'General Liability', 'Motor Road Risks', 'Self Drive Hire' and 'Commercial Legal Protection' **sections**, this **policy** shall not provide any indemnity in respect of any claim or part thereof which at the time of any claim made under this **policy** is covered by any other valid and collectible insurance and shall not contribute to any claim with any such valid and collectible insurance.

This **policy** shall under no circumstances be made subject to the terms, limitations, conditions and definitions of any other insurance, except that if any other insurance is subject to any condition of average, then the insurance provided by any **section** if not already subject to a condition of average will be subject to average in like manner.

For the purposes of this condition, other insurance shall not cease to be regarded as 'valid and collectible' merely because the **insured** has failed to comply with any notification or other claim conditions which apply to such other insurance.

This condition is subject to any contrary provision within the specific **sections**.

22.19 Premium adjustment

Where the premium in whole or part is provisionally based on estimates provided by **you**, **you** will keep accurate records and provide such information as **we** require within three (3) months of the expiry of the **period of insurance**. The premium will then be adjusted, and any additional premium paid by **you**.

At **our** request **you** must supply an auditor's certificate attesting to the accuracy of any calculations.

22.20 Records

We may hold documents relating to this **policy** and any claims under it in electronic form and may destroy the originals.

An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

22.21 Recovery of benefits

Where **your** liability in damages is reduced owing to the application of benefits and/or charges under the Compensation Recovery Unit, **your** liability in damages will be deemed to include such benefits and/or charges.

22.22 Representation

Where more than one entity is designated as 'insured', the first named insured will act on behalf of all insureds and other parties covered under the **policy** with respect to the giving and receiving of any notices from **us** or their representatives including any notice of cancellation. The payment to the first named insured of any return premium that **we** may pay under the **policy** will satisfy **our** obligations to return premium to any other party covered by this **policy**.

22.23 Risk survey

- a) **We** reserve the right to carry out a survey of the **property insured** at any time. **We** may choose to impose one or more risk improvement requirements as conditions or conditions precedent should they be of sufficient importance to **us**.
- b) Under no circumstances will a survey relieve **you** of **your** obligations to comply with all of the **policy** terms, conditions, conditions precedent and requirements and **you** should not assume that because a breach has not been raised during or following a risk survey that **we** are aware of it and have decided to accept it.

Your compliance with risk improvement requirements imposed during previous policy years will continue to be required.

22.24 Sanction limitation and exclusion

We will not provide cover nor indemnify **you** for any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us** or any member of **our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

22.25 Subscribing insurer

Our obligations under the **policy** are several and not joint with any other subscribing insurer and are limited solely to the extent of each individual insurer's subscription.

We are not responsible for the subscription of any co-subscribing insurer.

22.26 Waiver of subrogation

- a) To the extent **you** are required by any agreement to waive **your** rights to recover from any other party, **we** agree to waive any rights of subrogation to which **we** might have been entitled. However, this waiver of subrogation will not apply to any contractor or **sub-contractor** undertaking works at the **premises** where the total value of the contracts under which the works are being undertaken exceeds £100,000 unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require.
- b) **We** agree to waive any rights, remedies or relief to which **we** might become entitled by subrogation, following an **occurrence**, against any one of **your subsidiary companies**.

22.27 Work on electric vehicles - CONDITIONS PRECEDENT

It is a condition precedent to **our** liability under all **sections** of the **policy** for any damage, loss or liability incurred by **you** (or by any person insured under the **policy**) which is directly or indirectly caused by or contributed to by works to an electric vehicle, that any **employee**, sub-contractor or other person carrying out such works is qualified to the appropriate Institute of the Motor Industry (IMI) standard.

23. How To Complain

23.1 Complaints to QBE

You can complain about this **policy** by contacting **your** broker or where **your policy** is insured by QBE Europe SA/NV, QBE UK Limited or where your insurer is or includes a Lloyd's syndicate write to:

Customer Relations, QBE European Operations,

30 Fenchurch Street, London EC3M 3BD

Email: CustomerRelations@uk.qbe.com

Telephone: 020 7105 5988

23.2 The UK Financial Ombudsman Service (UK FOS)

If **you** feel that **your** complaint has not been satisfactorily resolved, you may be eligible to contact the UK FOS to review the complaint.

Information about the eligibility criteria is available on the UK FOS website <https://www.financial-ombudsman.org.uk/consumers/how-to-complain>.

You can contact the UK FOS via its website or

write to Exchange Tower, London, E14 9SR,

Tel: +44 (0)800 023 456711.3. Financial Services Compensation Scheme (FSCS)

23.3 Financial Services Compensation Scheme (FSCS)

You may be entitled to compensation from the FSCS if **we** are unable to meet **our** obligations under the **policy**. Further information is available from www.fscs.org.uk, or **you** can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

Working for a better world

QBE Foundation

We want to help find solutions to the problems of tomorrow, but we also want to tackle those the world is facing today. That's why we established the QBE Foundation in 2011 to direct our charitable efforts to the most pressing issues and to date we have donated more than £10m to good causes.

Our Foundation is creating strong, resilient, and inclusive communities, focusing investment and efforts on two key areas where we believe we can have the greatest impact – climate resilience and inclusion. We support charities in a variety of ways, from matching employee fundraising efforts, encouraging employee volunteering, and providing grants to charities that align with Climate Resilience and Inclusion. A set of guiding principles drive our partnerships and initiatives.

Premiums4Good

Like all insurers, we invest premiums until they are needed to pay claims. QBE is using its scale to build a more sustainable future

Our innovative global initiative, Premiums4Good, gives clients the option to contribute more and opt in to allocate 100% of their premiums to invest in Social and Environmental Impact Bonds, targeting sustainable energy, financial inclusion, housing and social real estate and social care projects. By December 2022, our customers had invested US\$1.58bn of their premiums in this way and our target is for that figure to reach US\$2bn by 2025.

We're proud to partner with so many businesses who want to make a positive difference.



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