



Professional Spa Direct Day-Spa Policy Wording

In association with



InEvexco Limited 39 Kings Hill Avenue, West Malling, Kent ME19 4SD

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Important Helplines

Claims contacts

For full details of how to make a claim please refer to Section 9 'Claims Procedure.'

Policy Section		Claims administered by	Contact
1	Property Buildings, Contents Specified Items Money Goods In Transit	Davies Managed Systems	0344 856 2429 newclaims.arch@davies-group.com
2	Business Interruption Book Debts	Davies Managed Systems	0344 856 2429 newclaims.arch@davies-group.com
3	Employers', Public and Products Liability	Davies Managed Systems	0344 856 2478
4	Terrorism	Davies Managed Systems	0344 856 2429 newclaims.arch@davies-group.com
5	Business Legal & Tax Helpline	Arc Legal	0344 770 1040 quoting "Axiom – Commercial Legal Expenses Insurance"

Further information on what you must do if you need to claim is shown in Section 9 'Claims Procedure.'

Your Insurance Broker

InEvexco Limited is the insurance broker through which You arranged this Policy. They should be Your first point of contact for any queries You may have on the Policy, other than claims. Claim contacts are shown above. You can telephone InEvexco Limited on 0345 605 8670 or email info@professionalbeautydirect.co.uk.

Welcome

Introduction to Your Day-Spa Policy Wording

This is your Insurance Policy Wording. This Wording, together with the Schedule, Endorsements and the Statement of Fact form the Policy which is the legal document that sets out the insurance cover you have requested and which We have agreed to provide. Please read all the documents carefully and ensure you understand them fully. Please contact Your broker immediately if anything needs correcting, or if anything is not clear to You. The Policy has separate Sections for the different types of cover you have purchased. Cover only applies under Sections shown as operative in the Schedule. If you do not comply with the terms conditions and warranties in the Policy We may not pay in the event you wish to claim or may only make a reduced settlement. You should review the cover and sums insured periodically to ensure they are adequate for your requirements.

Throughout this Policy certain words have specific meanings. These words are listed in the Definitions Section, and those words always appear with a capital letter. Additional definitions are described in each Section of the Policy to which they apply. Where the same word is defined in General Definitions and in a particular Section, the definition shown under the Section will take precedence for the purposes of that Section's cover.

A new Schedule will be issued to record any amendments to the cover. Please refer to the replacement documents to see what cover is currently in force

In consideration of the payment of the Premium, The Insurer has agreed to provide the insurance described in this Policy for the Period of Insurance specified in the Schedule. The insurance provided by this Policy covers loss, damage, destruction, accident or liability that happens during the Period of Insurance in accordance with the Sections of the Policy shown in the Schedule. The Insurer will indemnify or compensate You by payment or, at their option, replace reinstate or repair lost, damaged or destroyed property, subject to the terms of the Policy.

Important – what You told Us

In arranging this Policy You must have provided us with a fair presentation of the risks to be insured. This means you must have clearly disclosed all material facts which You, Your senior management and/or persons responsible for arranging the Policy knew or ought to have known. If you have not made a fair presentation, this could mean that part or all of a claim may not be paid. Please be aware that in some circumstances, if you have not made a fair presentation of the risk, we may avoid the contract and the premium may not be returned. You must also make a fair presentation to Us when the policy is to be renewed.

Unless the Insurer and You agree otherwise, this Policy shall be subject to and construed solely in accordance with the Law of England and Wales. The Insurer and You agree that all disputes arising out of or in connection with this Policy shall be subject to the exclusive jurisdiction of the Courts of England and Wales.



Mark Clayton
Managing Director – InEvexco Limited
On behalf of Axiom Underwriting Agency Ltd

The Policy has been sold by InEvexco Ltd, authorised and regulated by the Financial Conduct Authority – register number 579079

Sections 1-4 of the Policy are underwritten by Axiom Underwriting Agency Ltd on behalf of Arch Insurance (Europe) Ltd under binding authority reference 031437 or replacement thereof.

Axiom Underwriting Agency Ltd - Registered in England and Wales No 0554727
Registered address: 1st Floor, Orchard House, Westerhill Road, Coxheath, Maidstone, Kent ME17 4DH.
Authorised and regulated by the Financial Conduct Authority – register number 441460.

Arch Insurance (Europe) Ltd - Registered in England and Wales No 4977362.
Registered address: 5th Floor, Plantation Place South, Great Tower Street, London EC3R 5AZ.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Conduct Authority register number 229887

Section 5 is administered by Arc Legal Expenses Ltd and insured by AmTrust Europe Limited, whose registered office is at Market Square House, St James's Street, Nottingham, NG1 6FG, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 202189.

Details can be checked on the Financial Services Register by visiting www.fca.org.uk or by contacting the Financial Conduct Authority on 0800 111 6768.

Protecting Your data

Security of Your data is very important to Us. We will ensure that Your data is processed with appropriate security measures in place. We will collect and process personal data about You and any other persons insured under the Policy, including information about health and criminal convictions. We will use the data to effect and administer the contract of insurance and any claim you may make.

If You provide any data to Us about other people to be insured on the Policy, such as family, friends or other associates, You must have their permission. It is Your responsibility to inform them about Our use of use of their data.

You may ask Us to erase Your data, or You may decline to provide data. If so, we may no longer be able to provide You with insurance services or deal with any claims, but We may still be required to process data about You for legal or regulatory reasons.

We will exchange data about You, including where applicable about health and criminal convictions, with other parties to provide You with, and administer this insurance and any claims. These parties may include Your broker, their supplier, the insurers, service suppliers, underwriting agents, credit reference agencies, anti-fraud databases, solicitors, claims administrators and their suppliers and agents, public and regulatory bodies. We will not use Your data or pass it to any other party for marketing products or services to You unless You have given consent.

We will not keep Your data for longer than necessary. We will delete data about You within eight years after Your cover ends, though for some types of insurance, We may be required to retain data for longer due to legal or regulatory obligations. If We transfer Your data outside the EEA, We will ensure it has equivalent protection. You have a number of rights in relation to Your data, including rights of access and in certain circumstances, of deletion.

We, Axiom Underwriting Agency Ltd or Our suppliers may use data about You (including sensitive data) for general risk assessment, statistical and trend analysis, research and modelling purposes.

If You need more information about how We process Your data or if You wish to exercise Your rights under the Data Protection laws, please contact

The Data Controller

Axiom Underwriting Agency Ltd, First Floor, Orchard House, Westerhill Road, Coxheath, Maidstone, Kent ME17 4DH, or enquiries@axiomunderwriting.co.uk.

If You are not satisfied with the way We have managed Your personal data, You may complain to the Information Commissioners Office. Further information can be found at www.ico.org.uk/concerns, or you can telephone them on 0303 123 1113.

Section 1 – Property Damage

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 1A – Buildings, Contents & Stock

Buildings

Buildings described in the Schedule, and including:

- a) landlords' fixtures and fittings;
- b) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture;
- c) walls, gates and fences;
- d) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the Premises, and extending to the public mains, but only to the extent of Your responsibility; and
- e) yards, car parks, roads, pavements, forecourts, all constructed of solid materials.

Computer and Electronic Business Equipment

All computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and similar devices, whether physical or remotely connected, for which You are responsible, all inside the Premises.

Contents

Contents belonging to You or held by You in trust for which You are legally responsible including:

- a) the shop front and, if fixed to the Buildings, any external signs, fittings or blinds;
- b) tenants' improvements, alterations and decorations, including closed circuit television and security systems;
- c) Employees, directors, partners, customers and visitors personal effects of every description (other than motor vehicles) not otherwise insured, for an amount not exceeding £500 in respect of any one person;
- d) Computer and Electronic Business Equipment;
- e) contents of outbuildings;
- f) contents in the open yards;
- g) patterns, models, moulds, plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement;
- h) wines and spirits for an amount not exceeding £1,000; and
- i) contents temporarily at dwelling places of directors and senior staff.

but excluding:

- i) landlords' fixtures and fittings;
- ii) Stock and materials in trade;
- iii) Money and stamps (including National Insurance stamps) in excess of £500;
- iv) documents, manuscripts and Business books, except for the cost of the materials and of clerical labour expended in reproducing such records;
- v) computer systems records, except for an amount not exceeding £10,000 in respect of the cost of the materials and of clerical labour and computer time expended in reproducing such records but not for the value to You of the information contained therein;
- vi) any expense in connection with the production of the information to be recorded in documents, manuscripts, business books or computer systems records; and
- vii) vehicles (and accessories) licensed for road use.

Damage

Damage shall mean accidental loss or destruction of or damage to the Property Insured.

Declared Value

Your assessment of the cost of reinstatement of the Property Insured at a level of costs applying at the time that such values are required by the Insurers as the basis for the calculation of the Policy premium (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for:

- a) debris removal costs;
- b) professional fees; and
- c) additional cost of reinstatement to comply with European Community and Public Authority requirements.

Section 1 – Property Damage

Empty

Empty shall mean unoccupied or not in use.

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible at each separate Premises after the application of all other terms and conditions of the insurance including but not limited to any Condition of Average.

Money

Cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, unused units in franking machines, National Savings Stamps and Certificates, National Insurance Stamps, trading stamps, gift tokens, customer redemption vouchers, VAT purchase receipts, credit company sales vouchers, credit card counterfoils, travellers tickets and, insofar as such are not otherwise insured, holidays with pay stamps and luncheon vouchers.

Non-Standard Construction

Constructed of materials other than those detailed in the definition Standard Construction.

Standard Construction

Brick, stone or concrete built and roofed with slates, tiles, metal, concrete, asphalt or sheets or slabs composed entirely of incombustible mineral ingredients and plastic rooflights.

(Note to policyholders - If any part of the building is not of Standard Construction, you must declare this to Insurers. In particular, felt on timber roofing is not Standard Construction).

Stock

Stock and materials in trade, including trade samples, belonging to You or held by You in trust for which You are legally responsible.

Territorial Limits

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

Cover

The Insurer agrees that if any of the Property Insured described in the Schedule suffers Damage at the Premises by any of the following Perils, the Insurer will settle claims in accordance with the undernoted Basis of Claims Settlement.

Property Insured

Building(s) at the Premises as described on the Schedule.

Contents at the Premises as described on the Schedule.

Stock and materials in trade at the Premises as described on the Schedule.

Miscellaneous as described in the Schedule.

The values shown on the Schedule represent the maximum values at risk.

Limit of Liability

The liability of the Insurers under this Section shall not exceed in the whole the Total Sum Insured or the Sum Insured in respect of each item or any other Limit of Liability as stated herein or in the Schedule.

The Sum Insured under each Item other than items solely applying to fees, removal of debris, rent, private dwelling houses, or other buildings in course of erection is separately subject to Average.

Section 1 – Property Damage

Perils

- A)** Fire excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by explosion resulting from fire;
 - c) Damage to property caused by its undergoing any process involving the application of heat.
- B)** Lightning excluding the amount of Excess shown in the Schedule.
- C)** Aircraft or other aerial devices or articles dropped therefrom excluding the amount of Excess shown in the Schedule.
- D)** Explosion excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage:
 - i) caused by the bursting of any boiler economiser or other vessel machine or apparatus belonging to You or under Your control and in which internal pressure is due to steam only;
 - ii) to any vessel machine or apparatus or its contents resulting from the explosion thereof; but this shall not exclude Damage caused by explosion of:
 - (1) any boiler
 - (2) gasused for domestic purposes only.
- E)** Earthquake excluding:
- a) the amount of Excess shown in the Schedule.
 - b) Damage caused by fire.
- F)** Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage arising from nationalisation confiscation requisition seizure or destruction by order of the government or any public authority;
 - c) Damage arising from cessation of work;
 - d) as regards Damage directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
 - i) Damage in the course of theft or attempted theft;
 - ii) Damage in respect of any Building which is Empty.
- G)** Storm or flood excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage solely due to change in the water table level;
 - c) Damage caused by frost subsidence ground heave or landslip;
 - d) Damage to fences gates and moveable property in the open;
 - e) Damage to stock stored in basements and/or at ground level unless stored on racks pallets or stillages at least 15cm above floor level.
- H)** Escape of water or oil from any tank apparatus pipe or appliance excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by water discharged or leaking from an automatic sprinkler installation;
 - c) Damage in respect of any Building which is Empty;
 - d) Damage to stock stored in basements and/or at ground level unless stored on racks pallets or stillages at least 15cm above floor level.
- I)** Impact by any road or rail vehicle (including any fork lift truck or other industrial vehicle) or animal excluding the amount of Excess shown in the Schedule.
- J)** Falling trees or parts thereof excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage caused by felling or lopping by or on behalf of the Insured.
- K)** Falling television or radio receiving aerials, aerial fittings and masts which cause Damage to Buildings excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage caused by the erection, dismantling, repair or maintenance of such apparatus.

Section 1 – Property Damage

- L)** Leakage of beer or mineral water from storage containers or connected apparatus excluding:
- a) the amount of Excess shown in the Schedule;
 - b) the cost of replacing the beer and mineral waters;
 - c) leakage of bottled stock;
 - d) Damage to stock stored in basements and/or at ground level unless stored on racks pallets or stillages at least 15cm above floor level.
- M)** Accidental escape of water from any automatic sprinkler installation excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by freezing in any building which is Empty;
 - c) Damage by heat caused by fire.
- N)** Theft or attempted theft excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage which does not involve:
 - i) entry to or exit from that part of any Building occupied by You for the purpose of the Business by forcible and violent means;
 - or
 - ii) actual or threatened assault or violence;
 - c) Damage from any part of the Building not occupied by You for the purpose of the Business;
 - d) Damage from the open or from any outbuilding;
 - e) Damage to property in transit;
 - f) Damage to Money and securities of any description.
- O)** Subsidence ground heave or landslip excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - c) Damage resulting from:
 - i) the construction demolition structural alteration or structural repair of any property;
 - ii) groundworks or excavation works;at the Premises.
 - d) Damage arising from normal settlement or bedding down of new structures;
 - e) Damage commencing prior to the granting of cover under this insurance.
- P)** Any other accident excluding:
- a) the amount of Excess shown in the Schedule;
 - b) Damage by any:
 - i) of the Perils;
 - ii) of the causes expressly excluded from the Perils;specified in paragraphs **A)** to **O)** (whether or not insured);
 - c) Damage to any property caused by:
 - i) its own faulty or defective design or materials;
 - ii) inherent vice latent defect gradual deterioration wear and tear;
 - iii) faulty or defective workmanship operational error or omission on the part of You or any of Your Employeesbut this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded;
 - d) Damage caused by:
 - i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects;
 - ii) change in temperature colour flavour texture or finish;
 - iii) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith;
 - iv) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates;but this shall not exclude:
 - i) such Damage which itself results from other Damage and is not otherwise excluded;
 - ii) subsequent Damage which itself results from a cause not otherwise excluded;
 - e) Damage caused by:
 - i) acts of fraud or dishonesty;
 - ii) disappearance unexplained or inventory shortage misfiling or misplacing of information;
 - f) Damage to:
 - i) any building or structure caused by its own collapse or cracking;
 - ii) moveable property in the open fences and gates by wind rain hail sleet snow flood or dust;
 - iii) property resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair.
 - g) Damage to:
 - i) property in transit;

Section 1 – Property Damage

- ii) Money and securities of any description;
- iii) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft;
- iv) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection.

Basis of Claims Settlement

Unless stated otherwise in the Schedule the basis of settlement under this Section shall be:

1 Reinstatement:

The amount payable in respect of Buildings or Contents shall be the cost of reinstatement of the Damage. For this purpose "reinstatement" means:

- a) the rebuilding or replacement of Property Insured lost or destroyed which provided Our liability is not increased may be carried out;
 - i) in any manner suitable to Your requirements
 - ii) upon another site
- b) the repair or restoration of Property Insured damaged in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Provided that:

- (1) Our liability for the repair or restoration of Property Insured damaged in part only shall not exceed the amount which would have been payable had such Property been wholly lost or destroyed.
- (2) If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property covered by any item subject to this Basis of Claims Settlement exceeds its Sum Insured at the commencement of any Damage Our liability shall not exceed that proportion of the amount of the Damage which the Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such Property at that time.
- (3) No payment beyond the amount which would have been payable in the absence of this Basis of Claims Settlement shall be made:
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of the Damage shall be insured by any other insurance effected by You or on Your behalf which is not upon the same basis of reinstatement.
- (4) All the terms and conditions of this Policy shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of Claims Settlement except insofar as it is varied hereby
 - b) where claims are payable as if this Basis of Claims Settlement had not been incorporated.

The maximum amount We will pay in respect of any one item is the Sum Insured.

2 Indemnity

The amount payable in respect of Stock and/or all other Property Insured shall be the value at the time of the Damage or at Our option the cost of reinstatement or replacement of such Property Insured or any part of it

Provided that:

if at the time of the Damage the Sum Insured for the item is less than the value of the item insured then Our liability shall be limited to that proportion of the Damage which the Sum Insured bears to the value of the Property Insured.

In respect of Rent, the insurance only applies if any of the Buildings or part thereof are unfit for occupation in consequence of Damage thereto but the amount payable shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of the Rent insured.

Section 1 – Property Damage

Exclusions

What is not covered (see also General Exclusions):

- 1) Damage to Property which at the time of the happening of Damage is insured by or would, but for the existence of this Policy, be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected.
- 2) Damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- 3) Any property more specifically insured by You or on Your behalf.
- 4) Damage to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data, or any part of any computer, other equipment, component or system, whether tangible or intangible (including but without limitation any information or programs or software) and whether Your property or not where such Damage is caused by programming or operator error, Virus or Similar Mechanism or Hacking;

For the purpose of this exclusion the following definitions apply:

- a) Virus or Similar Mechanism shall mean program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not. This definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs;
- b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.

Clauses & Conditions that apply to Section 1A – Buildings, Contents & Stock

1A.1 Acquisitions

The insurance for Buildings and Contents extends to include:

- a) additions and extensions to the Property Insured (but not appreciation in value) made after the commencement of each annual Period of Insurance;
- b) any newly built or newly acquired Buildings or Contents;

at any Premises covered by this insurance or elsewhere in the Territorial Limits.

Provided that:

- a) such additional property is not otherwise insured;
- b) the Sum Insured by each item shall be increased for that period only by the value of the additional property insured for an amount not exceeding 10% of the Buildings or Contents Sum Insured or £250,000 whichever is the less;
- c) You provide the Insurers with details of these acquisitions as soon as practicable and pay the appropriate additional premium.

1A.2 Architects, Surveyors, Legal and Consulting Engineers Fees

The insurance for Buildings and Contents items includes an amount in respect of architects, surveyors, legal and consulting engineers fees necessarily incurred in the reinstatement or repair of the Property Insured consequent upon its Damage but not for preparing any claim it being understood that the amount payable under the item shall not exceed in total the limits stated in the Basis of Claims Settlement.

1A.3 Automatic Reinstatement after a Loss

In the event of loss the limits stated in the Basis of Claims Settlement will be automatically reinstated from the date of the loss unless written notice to the contrary is given either by the Insurers or You and You shall pay any required premiums for reinstatement from that date.

1A.4 Change of Tenancy

You must advise the Insurers of all changes in tenancy or occupation within the Premises, as specified in Section 6 Policy Conditions, General Condition 6.1 – Alteration in Risk.

Section 1 – Property Damage

1A.5 Construction of Buildings

Except as otherwise stated the Buildings described in the Schedule are of Standard Construction.

1A.6 Damage to Landscaped Gardens

The Insurers will pay the cost of restoring any Damage done to landscaped gardens, for which You are responsible, by the Emergency Services in attending the Premises as a result of any Peril insured. The Insurer's liability under this clause shall not exceed £1,000 any one loss.

1A.7 Day One Basis

Applicable only to those items showing a Declared Value as stated in the Schedule.

- 1) You having stated in writing the Declared Value (shown in brackets below the Sum Insured) incorporated in each item to which this clause applies the premium has been calculated accordingly.

For the purposes of this clause Declared Value shall mean:

Your assessment of the cost of reinstatement of Buildings and Contents arrived at in accordance with paragraph 1 of the Basis of Claims Settlement Condition of this Section at the level of costs applying at the start of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with an allowance for:

- a) the additional cost of reinstatement to comply with:
 - i) European Union Legislation
 - ii) Act of Parliament
 - iii) Bye-Laws of any public authority
 - b) professional fees
 - c) debris removal costs
- 2) You must notify Us of the Declared Value at the start of each Period of Insurance. If You fail to notify Us of the Declared Value at the start of any Period of Insurance We will use the last Declared Value notified to Us for the following Period of Insurance.
 - 3) Provisions (2) and (4) of the Basis of Claims Settlement Condition are restated as follows:
 - (2) If at the time of the Damage the Declared Value is less than the cost of reinstatement of the Property Insured arrived at in accordance with paragraph 1 of this Condition at the start of the Period of Insurance Our liability for any Damage will be limited to that proportion which the Declared Value bears to the cost of reinstatement of the Property Insured arrived at in accordance with paragraph 1 of this Condition.
 - (4) All the terms and conditions of this Policy shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of Claims Settlement except insofar as it is varied hereby;
 - b) where claims are payable as if this Basis of Claims Settlement had not been incorporated except that the Sums Insured shall be limited to 115% of the Declared Value.

1A.8 Designation

For the purposes of determining where necessary the heading under which any property is insured the Insurers agree to accept the designation under which such property has been entered in Your books.

1A.9 Empty Buildings

- a) Whenever the Premises stated in the Schedule are unoccupied or not in use the Empty Buildings Condition below applies;
- b) You must notify the Insurers in writing immediately any Empty building or Empty portion of a building insured by this Policy becomes occupied or any occupied building becomes Empty and pay an additional premium if required.

1A.10 Empty Buildings Condition

It is a condition precedent to the liability of the Insurers that whenever the Premises are Empty:

- a) You notify the Insurers immediately You become aware:
 - i) that the Building(s) are Empty; and
 - ii) of any Damage to the Empty Building(s) whether or not such loss, destruction or damage is insured;
- b) the Buildings are inspected internally and externally at least once during each week by You or on Your behalf;
- c) all trade refuse and waste materials are removed from the interior of the Premises and no accumulation of refuse and waste be allowed in the adjoining yards or spaces You own;
- d) You shall secure the Buildings and rectify any defects which render the Buildings insecure; and
- e) the gas, water and electricity supplies are turned off at the mains (except electricity needed to maintain any fire or intruder alarm system in operation).

Section 1 – Property Damage

1A.11 European Community and Public Authorities (Including Undamaged Property)

Subject to the following Special Conditions the insurance for Buildings and Contents in this Section extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the Stipulations of:

- a) European Community Legislation; or
- b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-laws of any Public Authority;

(hereafter referred to as 'Stipulations') in respect of:

- i) the lost, destroyed or damaged property thereby insured; and
- ii) undamaged portions of that property.

Excluding:

- a) the cost incurred in complying with the Stipulations:
 - i) in respect of Damage occurring prior to the inception of this Policy;
 - ii) in respect of Damage not insured by the Policy;
 - iii) under which notice has been served on You prior to the happening of the Damage;
 - iv) for which there is an existing requirement which has to be implemented within a given period; and
 - v) in respect of property entirely undamaged by any peril insured against by this Policy;
- b) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen;
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of that property by reason of compliance with the Stipulations.

Special Conditions

- 1) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Insurers may agree (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Insurers under this clause not being increased.
- 2) If the liability of the Insurers under (any item of) this Section apart from this clause shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Insurers under this clause (in respect of any such item) shall be reduced in like proportion.
- 3) The total amount payable under (any item of) this Section in respect of this clause shall not exceed:
 - a) £250,000 in respect of the lost, destroyed or damaged property;
 - b) £250,000 in respect of undamaged portions of property (other than foundations).
- 4) All the terms and conditions of the Policy except insofar as they are varied by this condition shall apply as if they had been incorporated herein.

1A.12 Exhibitions

The insurance for Contents and Stock extends to cover the property described for a period not exceeding 15 days whilst at any exhibition within the Territorial Limits.

The liability of the Insurers under this clause shall not exceed £2,000.

1A.13 Fire Break Doors and Shutters

It is a condition precedent to liability of the Insurers that all fire break doors and shutters are kept closed except during working hours and are maintained in efficient working order.

1A.14 Fire Extinguishing Appliances

It is a condition precedent to liability of the Insurers that all fire extinguishing appliances will be maintained in efficient working order during the currency of the insurance.

1A.15 Fire Extinguishment – Automatic Sprinkler Installations

It is a condition precedent to liability of the Insurers that if:

- a) a reduced premium rate is allowed on account of such an installation;
- b) such an installation is required by the Insurers as a condition of cover; or
- c) the insurance covers Damage by the accidental escape of water from a sprinkler installation;

You will:

- a) take all reasonable steps to:
 - i) prevent frost and other damage to the installations;and in so far as it is Your responsibility:
 - ii) maintain the installations (including the automatic external alarm signal) in efficient condition;
 - iii) maintain ready access to the water supply control facilities;
- b) in the event that changes repairs or alterations to the installations are proposed notify the Insurers in writing and obtain Our prior agreement in writing;
- c) allow the Insurers access to the Premises at all reasonable times for the purpose of inspecting the installations; and
- d) undertake to:

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- i) make a test every week for the purposes of ascertaining that the alarm gong is in working order and that the stop valves controlling the individual water supplies and the installations are fully open;
- ii) make a test every working day for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit;
- iii) make a test at least once a week for the purposes of ascertaining the condition of:
 - (i) the Brigade connection; and
 - (ii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade;
- iv) make quarterly or half-yearly tests if required by the Insurers to do so for the purposes of ascertaining that each water supply is in order and record the particulars of each test;
- v) make tests every week for the purposes of ascertaining that the pump(s) can be started both automatically and manually and that in respect of any diesel engine driven pump the battery electrolyte level and density are correct and record the completion of these tests;
- vi) have a contract with approved installing engineers providing for the maintenance of and half-yearly inspection of the installations and to obtain from them following each inspection certification that they are in satisfactory working order; and
- vii) remedy promptly any defect revealed by such tests or otherwise.

1A.16 Glass Breakage

The Insurers will, at their option, pay for or make good to You any breakage or malicious scratching of internal or external fixed plain plate glass being Your property for which You are responsible at the Premises occurring during the Period of Insurance and being in sound condition at the inception of this Policy.

The Insurers will in addition pay for the cost of:

- a) breakage of fixed sanitary ware;
- b) boarding up and repair to associated framework reasonably incurred as a result of an insured breakage. You may without the Insurers prior consent instruct builders or glaziers to board up where necessary;
- c) repair or replacement of lettering alarm foil or other ornamentation work on glass provided that the Insurers maximum liability for any one loss shall not exceed £500;
- d) repair or replacement of fixed mirrors provided that the Insurers maximum liability for any one loss shall not exceed £500; and
- e) removal or replacement of fixtures and fittings which may be necessary in connection with the replacement of the glass provided that the Insurers maximum liability for any one loss shall not exceed £500.

Excluding any breakage of glass

- i. whilst buildings are Empty
- ii. more specifically insured by You or on Your behalf
- iii. which is stained, tinted or curved

unless breakage is caused by Perils A, B or D and where such perils are insured by this Section

1A.17 Loss of Metered Water

The Insurers will indemnify You in respect of loss of metered water incurred as a direct result of Damage, except those in respect of any loss that has not been discovered and remedial action taken within 30 days of the occurrence of the Damage. The amount payable in respect of any one Premises shall be ascertained by comparing the charge made by the water suppliers on their account for the period during which the loss occurred with the normal charge adjusted for any relevant factors affecting Your liability for metered water during such period.

The Insurer's liability under this clause shall not exceed £2,500 any one loss. The Insurer will not pay charges incurred in respect of any building which is Empty.

1A.18 Mortgagees

The act or neglect of any mortgagor or occupier of any Building insured by this Policy whereby the risk of Damage is increased without the authority or knowledge of any mortgagees shall not prejudice the interest of the mortgagees in this insurance provided they shall notify the Insurers immediately on becoming aware of such increased risk and pay an additional premium if required.

1A.19 Non Invalidation

Any act, omission or alteration, unknown to You or beyond Your control, which increases the risk of Damage, will not invalidate this insurance if, immediately You become aware, You give notice to the Insurers and pay an additional premium if required.

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1A.20 Reinstatement by the Insurer

If any Property Insured is to be reinstated or replaced by the Insurer You shall at Your own expense provide all such plans, documents, books and information as may be reasonably required. The Insurer shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and the maximum amount payable in respect of any one of the items insured is its Sum Insured.

1A.21 Removal of Debris

The insurance by each item of this Section extends to include costs and expenses necessarily incurred by You with the Insurers consent in:

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

of the portions of the Property Insured as a result of Damage insured against by this Policy.

Excluding any costs or expenses:

- a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site; and
- b) arising from pollution or contamination of property not insured by this Section.

The liability of the Insurers in respect of any item shall in no case exceed the limits stated in the Basis of Claims Settlement.

1A.22 Repairs and Alterations

Tradesmen may be employed to effect repairs or minor structural alterations in all or any of the Buildings insured without prejudice to this insurance.

1A.23 Sale of Property Insured

If at the time of Damage You have contracted to sell Your interest in any Building insured by this Policy and the purchase has not been, but is later, completed, the purchaser, on completion of the purchase (if and so far as the property is not otherwise insured against such Damage by him or on his behalf), shall be entitled to the benefit under this Section so far as it relates to such Damage without prejudice to the rights and liabilities of You or the Insurers until completion.

1A.24 Seasonal Increase

It is noted that the Sum Insured in respect of Stock is increased by 25% during November and December and thirty days prior to Easter each year.

1A.25 Subrogation Waiver

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

- a) any Company standing in relation of parent to subsidiary (or subsidiary to parent) to You; and
- b) any Company which is a subsidiary of a parent company of which You are a subsidiary;

in each case within the meaning of the Companies Act or the Companies (NI) Order, as appropriate, current at the time of Damage.

1A.26 Subsidence Ground Heave and Landslip

Special Conditions for Peril O - Subsidence Ground Heave and Landslip.

Insofar as this insurance relates to Damage caused by subsidence ground heave or landslip:

- a) You shall notify the Insurer immediately You become aware of any demolition groundworks excavation or construction being carried out on any adjoining site;
- b) the Insurer shall then have the right to vary the terms or cancel this cover.

1A.27 Temporary Removal

The Property Insured by this Section (other than Stock if insured) is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes elsewhere and in transit to and from the cleaners, renovators or repairers, all in the Territorial Limits. The liability of the Insurer under this clause in respect of each item of this Section for any Damage occurring elsewhere than at the Premises shall not exceed £10,000.

Excluding:

- a) property insofar as it is otherwise insured; or
- b) property temporarily removed to motor vehicles and motor chassis licensed for normal road use.

All the terms and conditions of the Policy except insofar as they are varied by this condition shall apply as if they had been incorporated herein.

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1A.28 Temporary Removal of Documents

The insurance of deeds and other documents (including stamps thereon) manuscripts, plans and writings of every description, computer systems records and books (written and printed) extends to cover such property for an amount not exceeding £5,000 whilst temporarily removed to any premises not in Your occupation and in transit to and from these premises all in the Territorial Limits but excluding property insofar as it is otherwise insured.

1A.29 Theft Cover Extension

Any cover provided under this Section in respect of theft is extended to include:

a) Theft Damage to Buildings

Where there is no building insurance under this Section the Insurers will pay for loss or damage (except for fire) to that part of the Premises referred to in the Schedule containing the property insured under this Section directly resulting from theft or attempted theft. Provided always that You are the owner of such Premises or are legally liable for such damage and subject always to the Insurers maximum liability not exceeding £25,000.

b) Theft of Keys

The Insurers will pay the reasonable costs necessarily incurred in replacing external door locks at the Property Insured following the loss of keys by:

- i) theft from the Premises or registered office or from the home of; or
- ii) theft following hold-up whilst such keys are in the personal custody of; You or any principal director, partner or Employee authorised to hold such keys.

Provided that the maximum amount payable in any one Period of Insurance shall not exceed:

- i) £1,000 in respect of any one Premises; and
- ii) £25,000 in aggregate.

1A.30 Trace and Access

The Insurers will pay the reasonable costs necessarily incurred by You in locating the source and subsequent making good of Damage resulting from:

- a) the escape of water from any tank apparatus or pipe; and
- b) accidental damage to cables underground pipes and drains serving the Premises.

Provided that the maximum amount payable in any one Period of Insurance shall not exceed:

- a) £10,000 in respect of any one occurrence; and
- b) £10,000 in aggregate.

Section 1 – Property Damage

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 1B – All Risks (Specified Items)

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible at each separate Premises after the application of all other terms and conditions of the insurance including but not limited to any Condition of Average.

Geographical Area

European Union which means anywhere in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man and any other countries of the European Union.

Cover for Section 1B – All Risks (Specified Items)

The Insurer shall indemnify You against loss or damage to any of the property shown in the Schedule by any accident or misfortune of a fortuitous nature occurring anywhere in the Geographical Area shown on the Schedule for an amount in respect of:

- a) property lost or stolen - such sum as shall be equal to the intrinsic value of the property at the time of the loss;
- b) damage to property - such sum as shall be sufficient to make good the damage.

Limit of Liability

The maximum amount payable under any item is the Sum Insured shown in the Schedule.

Average

If at the time of any loss or damage the value of the Property Insured under any item is greater than its Sum Insured You shall be considered as being Your own insurer for the difference and shall bear a rateable share of the loss accordingly. (See also General Condition 7.3 – Average)

Basis of Claims Settlement

The basis of claims settlement is the cost of repair or the current replacement value without deduction for wear and tear provided that all necessary repairs or replacements are carried out without delay.

Exclusions for Section 1B – All Risks (Specified Items)

What is not covered (see also General Exclusions):

This Section does not cover:

- 1) the Excess as stated in the Schedule;
- 2) loss or damage arising from wear and tear or from any process of cleaning or restoring or adjusting or repairing;
- 3) loss or damage arising from or attributable to the action of light or atmosphere, moths, parasites or vermin;
- 4) loss by official confiscation or detention;
- 5) loss or damage to any electrically driven machine or apparatus directly caused by its own overrunning short-circuiting self-heating or by the application of excessive electrical energy or mechanical derangement not arising from external impact;
- 6) loss or damage to any component part of any item insured in the Schedule while such part is removed from its normal position in the item;
- 7) loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds;
- 8) loss or damage by theft from any unattended motor vehicle unless such vehicle has been securely locked at all points of access;

Section 1 – Property Damage

- 9) loss or destruction of or damage to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data or any part of any computer, other equipment, component or system, whether tangible or intangible (including but without limitation any information or programs or software) and whether or not Your property where such loss, destruction or damage is caused by programming or operator error Virus or Similar Mechanism or Hacking.

For the purpose of this exclusion the following Definitions apply:

- a) Virus or Similar Mechanism shall mean program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether or not involving self-replication. This definition of Virus or Similar Mechanism includes, but is not limited to trojan horses, worms and logic bombs.
 - b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.
- 10) damage caused by:
- a) acts of fraud or dishonesty by Your Employees;
 - b) unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
or
 - c) any process of fitting, testing, servicing, repair, renovation or adjustment.

Section 1 – Property Damage

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 1C – Money and Assault

Bodily Injury

Bodily Injury by violent and visible means which, directly and independently of any other cause, results in death or disablement.

Business Hours

Your normal working hours and any other period during which You or any Employees entrusted with Money are on the Premises in connection with the Business.

Insured Person

You or any of Your Employees, within the age limits 16 to 70 years.

Loss of Limb

Physical severance of one or more limbs at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg.

Loss of Sight

Total and irrecoverable loss of sight, which shall be considered as having occurred:

- a) in both eyes when the Insured Person's name has been added to the register of Blind Persons on the authority of a fully qualified ophthalmic specialist;
- b) in one eye when the degree of sight remaining after correction is 3/60 or less on the Snellen Scale (which means the Insured Person is only able to see at 3 feet that which they should normally be able to see at 60 feet).

Money

Cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, unused units in franking machines, National Savings Stamps and Certificates, National Insurance Stamps, trading stamps, gift tokens, customer redemption vouchers, VAT purchase receipts, credit company sales vouchers, credit card counterfoils, travellers tickets and, if not otherwise insured, holidays with pay stamps and luncheon vouchers.

Non-Negotiable Items

Crossed cheques, crossed postal orders, crossed money orders, crossed bankers drafts, National Savings Certificates, credit company sales vouchers or receipts, National Insurance Stamps affixed to cards and VAT purchase receipts.

Permanent Total Disablement

Permanent total disablement (other than by Loss of Limb or Loss of Sight) which, after 24 months of the Bodily Injury, prevents You or any of Your Employees from pursuing any occupation.

Temporary Total Disablement

Total disablement which, within 24 months of the Bodily Injury, prevents You or any of Your Employees from pursuing their normal occupation.

Territorial Limits

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

Section 1 – Property Damage

Cover - Money

The Insurers will indemnify You up to the Limit of Liability any one loss stated below or as otherwise shown in the Schedule in respect of loss from any cause of Money held in connection with the Business:

- | | |
|--|--------|
| a) while in transit within the Territorial Limits or in a bank night safe until removed by the bank: | £3,000 |
| b) from the Premises during Business Hours: | £3,000 |
| c) from the Premises out of Business Hours; | |
| i) in locked safes or strongrooms as specified in the Schedule; | |
| ii) in all other unspecified locked safes or strongrooms: | £1,000 |
| iii) not in a locked safe or strongroom: | £250 |
| d) while at Your residence or that of any of Your principals or authorised Employees: | £250 |
| e) from gaming amusement or vending machines on the Premises: | £500 |

Non-Negotiable Items

Notwithstanding the limits referred to in the Schedule the limit for Non-Negotiable Items shall be £250,000 any one loss.

Safes and machines

The Insurers will pay the cost of repair or replacement of safes, strong rooms, tills, cash registers, franking machines and special Money-carrying cases following loss or destruction of, or damage to, safes, strong rooms, tills, cash registers, franking machines and special Money-carrying cases if loss, destruction or damage results from theft or attempted theft of Money or Non-Negotiable Items, subject to a limit of £1,000 for any one loss.

Clothing and personal effects

The Insurers will pay for damage to clothing and personal effects belonging to You or any of Your Employees as a result of robbery or attempted robbery up to a limit of £250 in respect of any one person.

Exclusions

What is not covered (see also General Exclusions):

We shall not indemnify You in respect of loss destruction or damage:

- 1) arising from fraud or dishonesty of any director partner or Employee unless discovered and reported to the Police and Us in writing within 7 days after the event;
- 2) resulting from use of any form of payment which proves to be counterfeit false invalid uncollectible or irrecoverable for any reason;
- 3) where a more specific insurance is in force except for any excess beyond the amount recoverable thereunder;
- 4) due to errors or omissions;
- 5) from unattended vehicles being any vehicle with no person in charge or keeping the vehicle under observation and able to observe or prevent any attempt by any person to interfere with the vehicle;
- 6) outside the Territorial Limits;
- 7) resulting directly or indirectly from forgery fraudulent alteration or substitution fraudulent use of a computer or electronic transfer;
- 8) from any automated teller machine or cash dispensing machine unless specifically stated in the Schedule.
- 9) to Money belonging to the Post Office.

Section 1 – Property Damage

Cover - Assault

If the Insured Person shall suffer Bodily Injury caused solely or directly as a result of robbery or attempted robbery in the course of the Business the Insurer will pay Benefit on the basis of the Table of Compensation as stated below or as otherwise shown in the Schedule.

Table of Compensation (Assault)

Benefit	Description	Limits of Liability
1	Death	£10,000
2	Loss of Limb	£10,000
3	Loss of Sight	£10,000
4	Permanent Total Disablement	£10,000
5	Temporary Total Disablement	£100 per week (maximum 104 weeks)

Provided that Benefits 1, 2 or 3 must occur within 2 years of sustaining Bodily Injury.

Exclusions - Assault

What is not covered (see also *General Exclusions*):

No liability will attach to the Insurers for Bodily Injury arising from or influenced by:

- any existing physical defect or infirmity;
- the medical condition of any person entitled to compensation hereunder; or
- resulting from pregnancy or childbirth.

Compensation will not be payable:

- under more than one of the Benefits for the same injury; or
- under more than one Section of this Policy in respect of the same injury.

No further Compensation will be payable to the same Insured Person after payment of any Compensation made under Benefits 1, 2, 3 or 4.

Clauses & Conditions that apply to Section 1C – Money and Assault

1C.1 Money Carryings

It is a condition precedent to the liability of the Insurers that Money in transit shall be carried by the number of able bodied and responsible adults or by the security carrier described below:

- | | |
|--------------------------------------|---|
| a) Up to £2,500 | One able bodied and responsible adult; |
| b) greater than £2,500 up to £5,000 | Two able bodied and responsible adults; |
| c) greater than £5,000 up to £7,500 | Three able bodied and responsible adults; |
| d) greater than £7,500 up to £10,000 | Four able bodied and responsible adults; |
| e) greater than £10,000 | Approved Security Carrier. |

1C.2 Key Security

It is a condition precedent to the liability of the Insurers that outside Business Hours the safes or strongrooms be kept locked and the keys and/or combination codes of the safes or strongrooms shall not be left on the Premises unless the Premises are occupied by You or any of Your authorised Employees in which case such keys and/or combination codes if left on the Premises shall be deposited in a secure place not in the vicinity of the safes or strongrooms.

1C.3 Cash Tills

It is a condition precedent to the liability of the Insurers that outside Business Hours all cash till drawers be left open or removed from the till with their contents removed elsewhere.

Section 1 – Property Damage

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 1D – Goods In Transit

Clothing and Personal Effects

Personal possessions of You or Your drivers worn or carried during transit excluding cash bank notes credit cards watches and jewellery.

Consignment

All property sent at one time in one or more packages in one load to the same destination.

Damage

Loss or destruction of or damage.

Excess

The amount or amounts shown in the Schedule which We will deduct from each and every claim at each separate location and will be deducted after the application of Average.

Money

Cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, unused units in franking machines, National Savings Stamps and Certificates, National Insurance Stamps, trading stamps, gift tokens, customer redemption vouchers, VAT purchase receipts, credit company sales vouchers, credit card counterfoils, travellers tickets and, insofar as such are not otherwise insured, holidays with pay stamps and luncheon vouchers.

One Event

Any one occurrence or series of occurrences attributable to one original cause.

Property

Goods and Tools belonging to You or for which You are responsible relating to the Business shown in the Schedule except for any goods specifically excluded by this Section.

Territorial Limits

Anywhere in Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man including sea or air transits between these territories.

Tools

Tools, tool kits or test equipment which You own or are hired by You or used by You in connection with the Business and for which You are responsible.

Vehicle

Motor vehicle, articulated vehicle, trailer, semi-trailer.

Cover for Section 1D – Goods In Transit

In the event of Damage to Property in transit to destinations within the Territorial Limits whilst being carried by Vehicles operated by You, hauliers, rail or post, the Insurers will pay You the value of the Property at the time of the Damage or, at their option reinstate, replace or repair the Property. In the event of Damage affecting labels, capsules or wrappers the Insurer shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers and the cost of reconditioning the Property but in no event shall the Insurer be liable for more than the insured value of the damaged Property.

Cover commences when the Property is lifted immediately prior to despatch or loading and continues until arrival at destination including unloading.

Cover includes temporary housing in the course of transit, whether on or off the means of conveyance, and does not include temporary housing of Property unloaded from a Vehicle at any premises owned or rented by You.

Cover includes incoming supplies and Property consigned to You from addresses within the Territorial Limits if it is Your responsibility.

Section 1 – Property Damage

Limit of Liability for Section 1D – Goods In Transit

The liability of the Insurers under this Section shall not exceed any Limit of Liability as stated in the Schedule or any other Limit of Liability as stated herein.

Extensions for Section 1D – Goods In Transit

Expenses

The Insurers will pay expenses reasonably incurred for which You are responsible in:

- a) the removal of debris and site clearance of Property damaged whilst in transit from the immediate area of the site where the Damage occurred;
- b) transferring Property to any other Vehicle following fire, collision, overturning or impact of the conveying Vehicle including carrying the Property to the original destination or to place of collection;
- c) reloading onto the Vehicle any Property which has fallen from the Vehicle; and
- d) re-securing the Property where there is dangerous movement of the load in transit.

Subject to a limit of £1,000 in respect of any one loss.

Clothing and Personal Effects

In the event of the payment of a claim under this Section for Property the Insurers will also pay up to £500 for Damage to Clothing and Personal Effects (excluding wear and tear) whilst they are in Vehicles operated by You but the Insurers will not pay for audio visual and telecommunications equipment or clothing watches and jewellery whilst being worn.

Ropes and Sheets

The Insurers will pay for Damage (excluding wear and tear) to tarpaulins, sheets, trailer curtains, ropes, chains, webbing straps and packing materials which belong to You or for which You are responsible whilst carried on any Vehicle operated by You.

Subject to a limit of £1,000 in respect of any one loss.

Exclusions for Section 1D – Goods In Transit

What is not covered (see also General Exclusions):

We will not provide an indemnity in respect of:

- 1) Damage caused by:
 - a) defective or inadequate packing insulation or labelling, inadequate documentation, disappearance or unexplained or inventory shortage;
 - b) evaporation or ordinary leakage;
 - c) vermin insects wear tear inherent vice latent defect gradual deterioration;
 - d) an existing or hidden defect;
 - e) vibration denting scratching or bruising;
 - f) mechanical or electrical breakdown derangement defect or failure.
- 2) Shortage in weight.
- 3) Damage caused by deterioration or variation in temperature unless directly consequent upon fire, theft or overturning or collision of the carrying Vehicle.
- 4) Damage arising from:
 - a) confiscation requisition or destruction by order of any government or any public authority;
 - b) riot civil commotion strikes lockouts or labour disturbances.
- 5) Damage;
 - a) occurring outside the Territorial Limits;
 - b) not connected with the Business.

Section 1 – Property Damage

- 6) Damage to:
- a) jewellery precious stones watches clocks gold and silver articles furs curios;
 - b) wines spirits perfumes and tobacco products;
 - c) audio visual equipment;
 - d) computer hardware and software;
 - e) rare books and works of art;
 - f) Money and bullion non ferrous metals;
 - g) living creatures;
 - h) explosives;
- unless such Property is specifically stated in the Schedule as insured and the Damage is not otherwise excluded.
- 7) Damage caused by theft or attempted theft of the Property insured and/or Tools and/or Clothing and Personal Effects from any unattended Vehicle being any Vehicle with no person in charge or keeping the Vehicle under observation and able to observe or prevent any attempt by any person to interfere with the Vehicle unless You have ensured that:
- a) all doors windows and other points of access have been locked where locks have been fitted; and
 - b) all manufacturers' security devices have been put into effect; and
 - c) the keys have been removed from any unattended Vehicle; and
 - d) unattached trailers have anti-hitching devices fitted and they are put into effect.
- 8) Damage resulting from theft or attempted theft from any unattended Vehicle during the hours from 9pm until 6am unless such Vehicle is garaged in:
- a) a securely locked building of substantial nature; or
 - b) a compound which has secure walls and/or fences and securely locked gates.
- 9) Property in transit for hire or reward.
- 10) loss of market, loss of profits, delay or any Consequential Loss.
- 11) the Excess as stated in the Schedule.

Clauses & Conditions that apply to Section 1D – Goods In Transit

1D.1 Average

If at the time of the Damage the Sum Insured is less than the total value of the Property You will be considered as Your own insurer for the difference and bear a proportionate share of the loss. (See also General Condition 7.3 – Average)

1D.2 Basis of Claims Settlement

This will normally be a payment in money but the Insurers have the option to repair, replace or reinstate Property lost or damaged.

In the event of Damage to any part of a machine which, when complete for sale or use, consists of several parts the Insurers will only pay for the value of the part actually lost or damaged including any replacement charges.

1D.3 Basis of Valuation

The valuation of Property shall be at invoice cost. If an invoice has not been raised the basis of valuation will be the value of the Property at the time of the commencement of the transit.

1D.4 Limitations and Requirements

If Your Vehicles are left unattended all doors and the boot must be securely locked and windows and other openings securely closed.

1D.5 Reasonable Precautions

It is a Condition precedent to Our Liability that You must take all reasonable precautions to prevent Damage by:

- a) exercising reasonable care in the selection of drivers obtaining references and providing instruction;
- b) exercising reasonable care in the packaging and labelling or addressing of the Property;
- c) maintaining Vehicles in an efficient and roadworthy condition and ensure they are suitable for the purpose for which they are to be used;
- d) complying with regulations imposed by any lawful authority.

Section 1 – Property Damage

1D.6 Reinstatement of Sum Insured

The Insurers will automatically reinstate the Vehicle limits shown in this Section from the date of any loss unless written notice to the contrary is given by the Insurers.

You may be required to pay extra premium and if the loss has resulted from theft the Insurers may require You to fit additional protective devices to the Vehicle.

Section 1 – Property Damage

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 1E – Deterioration of Stock

Appliance

Any frozen food cabinet deep freezer cold room cold store refrigerator or chilled unit at the Premises.

Damage

Loss or destruction of or damage.

Cover for Section 1E – Deterioration of Stock

The Insurers will indemnify You in respect of Damage occurring during the Period of Insurance, by deterioration or putrefaction, to stock belonging to You or for which You are responsible while contained in any Appliance caused by:

- a) a change in temperature as a result of:
 - i) the breaking, distortion or burning out of any part of the:
 - (i) unit;
 - (ii) unit wiring;
 - (iii) supply cable to the unit, including the plug and fuse; caused by mechanical or electrical defects in the unit while it is being used under normal working conditions;
 - ii) failure of temperature controls to operate correctly;
 - iii) accidental failure of the public electricity supply but only if this is not deliberately caused by the supply authority.
- b) accidental leakage of refrigerant or refrigerant fumes from the Appliance.

Limit of Liability

The maximum amount payable under any item is the Sum Insured shown in the Schedule.

Average

If at the time of any loss or damage the value of the Property Insured under any item is greater than its Sum Insured You shall be considered as being Your own insurer for the difference and shall bear a rateable share of the loss accordingly. (See also General Condition 7.3 – Average)

Exclusions for Section 1E – Deterioration of Stock

What is not covered (see also General Exclusions):

We shall not indemnify You in respect of:

- 1) Damage caused by:
 - a) wear and tear, deterioration or gradually developing flaws or defects in the unit;
 - b) failure to correctly set any temperature controls;
 - c) Your wilful neglect.
- 2) loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- 3) the Excess as stated in the Schedule.

Clauses & Conditions that apply to Section 1E – Deterioration of Stock

1E.1 Maintenance

It is a condition precedent to liability under this Section that You must ensure that You arrange a maintenance contract on any Appliance which is over 10 years old.

Section 2 – Business Interruption

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 2A – Gross Profit, Rent & Book Debts

For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded.

Business Interruption

Business Interruption shall mean loss resulting from interruption of or interference with the Business carried on by You at the Premises in consequence of loss or destruction of or damage to property used by You at the Premises for the purpose of the Business.

Territorial Limits

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

Incident

- a) Loss or destruction of or damage to property used by You at the Premises for the purpose of the Business;
or
- b) Loss, destruction of or damage to Your books of account or other business books or records at the Premises in respect of Book Debts.

Indemnity Period

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

Maximum Indemnity Period

The Period as stated in the Schedule.

Turnover

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

Gross Profit

The amount by which:

- a) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed
- b) the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

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

Uninsured Working Expenses

Bad debts purchases (less discounts received) carriage packing and freight and discounts allowed, unless otherwise stated in the Schedule.

Note: The words and expressions used in this definition shall have the meaning usually attached to them in Your books and accounts.

Rent Receivable

The money paid or payable to You for accommodation and services provided in the course of the Business at the Premises.

Estimated Gross Profit

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

Actual Gross Profit

The Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months).

Rate of Gross Profit

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

Section 2 – Business Interruption

Annual Turnover

The Turnover during the twelve months immediately before the date of the Incident.

Standard Turnover

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

Annual Rent Receivable

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

Standard Rent Receivable

The Rent Receivable during the period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period.

Under Rate of Gross Profit, Annual Turnover, Standard Turnover, Annual Rent Receivable, Standard Rent Receivable adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

Outstanding Debit Balances

The total recorded debits adjusted for:

- a) bad debts
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Incident) to the credit accounts of the Business in the period between the date to which the last monthly record relates and the date of the Incident
- c) any abnormal condition of trade which had or could have had a material effect on the Business

so that the figures thus adjusted will represent as nearly as reasonably practicable those which would have been obtained at the date of the Incident had the Incident not occurred.

Cover for Section 2A – Gross Profit, Rent & Book Debts

In the event of Business Interruption by any of the following Perils We will pay to You in respect of each item in the Schedule the amount of loss resulting from such interruption or interference provided that at the time of the happening of the loss, destruction or damage there is an insurance in force covering Your interest in the property at the Premises against such loss, destruction or damage and that:

- a) payment shall have been made or liability admitted therefore; or
- b) payment would have been made or liability admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

Limit of Liability for Section 2A – Gross Profit, Rent & Book Debts

The Liability of the Insurers under this Section shall not exceed:

- 1) 133.33% of the Estimated Gross Profit shown in the Schedule
and
- 2) 100% of the Total Sum Insured shown in the Schedule for each other item stated in the Schedule.

Perils

A) Fire excluding Damage:

- a) by explosion resulting from fire
- b) to property caused by its undergoing any process involving the application of heat.

B) Lightning.

C) Aircraft or other aerial devices or articles dropped therefrom.

D) Explosion excluding:

- a) Damage caused by the bursting of any vessel machine or apparatus belonging to You or under Your control and in which internal pressure is due to steam only;

Section 2 – Business Interruption

- b) loss resulting from You being deprived of the use of any vessel machine or apparatus or its contents as a result of the explosion thereof;
but this shall not exclude explosion of:
 - i) any boiler used for domestic purposes only or of any other boiler or economiser on the Premises;
 - ii) gas used for domestic purposes only.
- E)** Earthquake excluding Damage caused by fire.
- F)** Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons excluding Damage:
 - a) arising from nationalisation confiscation requisition seizure or destruction by order of the government or any public authority;
 - b) arising from cessation of work;
- G)** Storm or flood excluding Damage:
 - a) solely due to change in the water table level;
 - b) caused by frost subsidence ground heave or landslip;
 - c) to fences gates and moveable property in the open;
 - d) to stock stored in basements and/or at ground level unless stored on racks pallets or stillages at least 15cm above floor level.
- H)** Escape of water or oil from any tank apparatus pipe or appliance excluding Damage:
 - a) by water discharged or leaking from an automatic sprinkler installation;
 - b) in respect of any Building which is Empty;
 - c) to stock stored in basements and/or at ground level unless stored on racks pallets or stillages at least 15cm above floor level.
- I)** Impact by any road or rail vehicle (including any fork lift truck or other industrial vehicle) or animal.
- J)** Falling trees or parts thereof excluding Damage caused by felling or lopping by or on behalf of the Insured.
- K)** Falling television or radio receiving aerials, aerial fittings and masts which cause Damage to Buildings excluding Damage caused by the erection, dismantling, repair or maintenance of such apparatus.
- L)** Leakage of beer or mineral water from storage containers or connected apparatus excluding:
 - a) the cost of replacing the beer and mineral waters;
 - b) leakage of bottled stock;
 - c) Damage to stock stored in basements and/or at ground level unless stored on racks pallets or stillages at least 15cm above floor level.
- M)** Accidental escape of water from any automatic sprinkler installation excluding Damage:
 - a) by freezing in any building which is Empty;
 - b) by heat caused by fire.
- N)** Theft or attempted theft excluding Damage:
 - a) which does not involve:
 - i) entry to or exit from a Building by forcible and violent means
or
 - ii) actual or threatened assault or violence;
 - b) to property in transit;
- O)** Subsidence ground heave or landslip excluding Damage:
 - a) arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - b) resulting from:
 - i) the construction demolition structural alteration or structural repair of any property;
 - ii) groundworks or excavation works;
at the Premises.
 - c) arising from normal settlement or bedding down of new structures;
 - d) commencing prior to the granting of cover under this insurance.
- P)** Any other accident excluding Damage:
 - a) by any:
 - i) of the Perils;
 - ii) of the causes expressly excluded from the Perils;
specified in paragraphs **A)** to **O)** (whether or not insured);
 - b) to any property caused by:
 - i) its own faulty or defective design or materials;

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- ii) inherent vice latent defect gradual deterioration wear and tear;
 - iii) faulty or defective workmanship operational error or omission on the part of You or any of Your Employees
- but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded;
- c) caused by:
 - i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects;
 - ii) change in temperature colour flavour texture or finish;
 - iii) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith;
 - iv) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates;
 - v) the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunications services;
- but this shall not exclude:
- i) such Damage which itself results from other Damage and is not otherwise excluded;
 - ii) subsequent Damage which itself results from a cause not otherwise excluded;
- d) caused by:
 - i) acts of fraud or dishonesty;
 - ii) disappearance unexplained or inventory shortage misfiling or misplacing of information;
 - iii) erasure or distortion of information on computer systems or other records
 - (1) whilst mounted in or on any machine or data processing apparatus or
 - (2) due to the presence of a magnetic flux
- unless caused by Damage to the machine or apparatus in which the records are mounted.
- e) to:
 - i) any building or structure caused by its own collapse or cracking;
 - ii) moveable property in the open fences and gates by wind rain hail sleet snow flood or dust;
 - iii) property resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair.
- f) to:
 - i) property in transit;
 - ii) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft;
 - iii) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection;
 - iv) land roads pavements piers jetties bridges culverts or excavations
 - v) livestock growing crops or trees.

Basis of Claims Settlement for Section 2A – Gross Profit, Rent & Book Debts

Gross Profit/Estimated Gross Profit (if shown as operative in the Schedule)

The insurance is limited to loss of Gross Profit due to:

- a) reduction in Turnover; and
- b) increase in cost of working;

and the amount payable as indemnity shall be:

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

Section 2 – Business Interruption

Provided that:

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

Rent Receivable (if shown as operative in the Schedule)

The insurance is limited to:

- a) loss of Rent Receivable; and
- b) increase in cost of working;

and the amount payable as indemnity shall be:

- a) in respect of loss of Rent Receivable:
the amount by which the Rent Receivable during the Indemnity Period shall fall short of the Standard Rent Receivable in consequence of the Incident; and
- b) in respect of increase in cost of working:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Rent Receivable thereby avoided

less any sum saved during the Indemnity Period in respect of such charges and expenses of the Business payable out of Rent Receivable as may cease or be reduced in consequence of the Incident.

Provided that:

if the Sum Insured by the item on Rent Receivable be less than the Annual Rent Receivable (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Book Debts (if shown as operative in the Schedule)

If any of Your books of account or other business books or records at the Premises suffer loss destruction or damage preventing You from tracing or establishing the Outstanding Debit Balances, the Insurers will indemnify You for:

- a) the difference between the Outstanding Debit Balances and the total of the amounts received or traced in connection with such balances;
- b) the additional expenditure incurred with the consent of the Insurers in tracing and establishing customer's debit balances after the Incident.

Provided that:

- a) if the Sum Insured is less than the Outstanding Debit Balances the amount payable shall be proportionately reduced;
- b) You shall:
 - i) maintain a record elsewhere than in the building in which the original records are kept showing the total amount outstanding in the credit accounts of the Business at the end of each month and in the event of an Incident giving rise to a claim shall supply that record to the Insurers;
 - ii) keep all business records in which credit accounts of the Business are shown stored in fire resisting safes strongrooms or cabinets when not in use.

Exclusions for Section 2A – Gross Profit, Rent & Book Debts

What is not covered (see also General Exclusions):

- 1) Loss resulting from any loss destruction or damage by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- 2) Business Interruption directly or indirectly caused by or arising from any programming or operator error, Virus or Similar Mechanism or Hacking.

For the purpose of this exclusion the following Definitions apply:

- a) Virus or Similar Mechanism shall mean program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not. This

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definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs;

- b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.

Clauses & Conditions that apply to Section 2A – Gross Profit, Rent & Book Debts

2A.1 Alternative Trading

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

2A.2 Automatic Reinstatement after a Loss

In the event of loss the limits stated in the Basis of Claims Settlement will be automatically reinstated from the date of the loss unless written notice to the contrary is given either by the Insurers or You and You shall pay any required premiums for reinstatement from that date.

2A.3 Failure of Supply

This Section includes loss resulting from interruption of or interference with the Business as insured as a result of the accidental failure of supply of:

- a) electricity at the terminal ends of the service provider's feeders at the Premises;
- b) gas at the service provider's meters at the Premises;
- c) water at the service provider's main stop cock serving the Premises (other than by drought);
- d) telecommunications services (excluding the provision of extranets or access to or presence on the internet or access to applications and related services over the internet) at the incoming line terminals or receivers at the Premises but excluding satellites;

not occasioned by the deliberate act of any service provider nor by the exercise by any such provider of its power to withhold or restrict supply or provision of telecommunication services.

Special Conditions applicable to this clause:

- 1) the Maximum Indemnity Period shall not exceed 3 months in respect of telecommunications services;
- 2) the Indemnity Period shall commence 24 hours after the commencement of the failure of supply including telecommunications services and not as stated in the Definitions.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2A.4 Infectious Diseases

The Insurers shall indemnify You in respect of interruption of or interference with the Business during the Indemnity Period following:

- a) any:
 - i) occurrence of a Notifiable Disease (as defined below) at the Premises or attributable to food or drink supplied from the Premises;
 - ii) discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease;
 - iii) occurrence of a Notifiable Disease within a radius of 25 miles of the Premises;
- b) the discovery of vermin or pests at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority;
- c) any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority; or
- d) any occurrence of murder or suicide at the Premises.

Special Conditions applicable to this clause:

- 1) Notifiable Disease shall mean illness sustained by any person resulting from:
 - i) food or drink poisoning; or
 - ii) any human infectious or human contagious disease excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition, an outbreak of which the competent local authority has stipulated shall be notified to them.
- 2) For the purposes of this clause:

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident beginning:

 - i) in the case of a) and d) above with the date of the occurrence or discovery; or
 - ii) in the case of b) and c) above the date from which the restrictions on the Premises applied; and ending not later than the Maximum Indemnity Period thereafter shown below.

Section 2 – Business Interruption

Premises shall mean only those locations stated in the Premises definition. In the event that the Section includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this clause.

- 3) The Insurers shall not be liable under this clause for any costs incurred in the cleaning repair replacement recall or checking of property.
- 4) The Insurers shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.

Maximum Indemnity Period shall mean 3 months.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2A.5 New Business

For the purpose of any claim arising from an Incident occurring before the completion of the first years trading of the Business at the Premises such loss will be ascertained by applying the Gross Profit Gross Revenue or Rent Receivable earned during the period between the commencement of the Business and the date of the Incident to the amount by which the Gross Profit Gross Revenue or Rent Receivable during the period of interruption or interference will have fallen short of the proportional equivalent for that period of the Gross Profit or Gross Revenue or Rent Receivable realised during the period between the commencement of the Business and the date of the Incident.

2A.6 Payments on Account

Payments on Account may be made during the Indemnity Period if required.

2A.7 Premium Adjustment

The following provisions apply separately to each item on Gross Profit.

- a) Where the premium paid is not provisional.
At the end of the Period of Insurance the Insurers will allow a pro rata return of premium (not exceeding 50% of the premium paid) if the premium calculated at the appropriate rate on the Actual Gross Profit (as reported by Your auditors) is less than the premium paid.

Provided that if the Actual Gross Profit has been affected by Damage as insured the Insurers will add to the amount declared the additional amount of Gross Profit which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration.

- b) Where a provisional premium is paid.
The premium paid at the commencement of each Period of Insurance is provisional and You shall declare to the Insurers within six months of the expiry of each period the Actual Gross Profit as reported by Your auditors.

The premium will be calculated at the appropriate rate on the declaration and the premium paid will be adjusted as stated below provided that if the Actual Gross Profit has been affected by Damage as insured the Insurers will add to the amount declared the additional amount of Gross Profit which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration.

- i) If the insurance is on the Gross Profit basis:
If the premium calculated is:
 - a) less than the premium paid
the Insurers will repay the difference to You but not exceeding the difference between the premium paid and the premium payable on 50% of the Sum Insured;
 - b) greater than the premium paid
You shall pay the difference but not exceeding the difference between the premium paid and the premium payable on the full Sum Insured.

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

- ii) If the insurance is on the Estimated Gross Profit basis:
If the premium calculated is:
 - a) less than the premium paid
the Insurers will repay the difference to You;
 - b) greater than the premium paid
You shall pay the difference.

Section 2 – Business Interruption

2A.8 Prevention of Access-Loss of Attraction

Subject to the terms and conditions of this Section, loss resulting from interruption of or interference with the Business in consequence of loss, destruction of or damage to property in the vicinity of the Premises, where such loss, destruction or damage shall prevent or hinder the use of or access to the Premises, or causes a fall in the number of customers attracted to the vicinity of the Premises, whether or not Your Premises or Your property in the Premises is damaged, shall be deemed to be an Incident, but excluding loss resulting from loss or destruction of or damage to property of any supply undertaking from which You obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of such services.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2A.9 Professional Accountants

The Insurers will pay the reasonable charges payable by You to Your professional accountants for producing information required by the Insurers, under Obligation 8.1e) of Section 8 – Claims Procedure, and for reporting that such information is in accordance with Your accounts, but not for any other purposes in the preparation of any claim.

Provided that the sum of the amount payable under this clause and the amount otherwise payable under the Policy shall in no case exceed the Sum Insured.

2A.10 Renewal Clause

(Applicable if Estimated Gross Profit Cover is operative)

Prior to each renewal You shall provide the Insurers with the Estimated Gross Profit for the financial year most nearly concurrent with the ensuing Period of Insurance.

2A.11 Subsidence Ground Heave and Landslip

Special Conditions for Peril O - Subsidence Ground Heave and Landslip.

Insofar as this insurance relates to Damage caused by subsidence ground heave or landslip:

- a) You shall notify the Insurer immediately You become aware of any demolition groundworks excavation or construction being carried out on any adjoining site;
- b) the Insurer shall then have the right to vary the terms or cancel this cover.

2A.12 Uninsured Working Expenses

If any working expenses of the Business are not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in calculating the amount recoverable under this Section as an increase in cost of working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the Uninsured Working Expenses.

2A.13 Unspecified Suppliers

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss, destruction or damage at the premises of any of Your suppliers, all in the Territorial Limits, which shall be deemed to be an Incident, but excluding loss resulting from loss or destruction of or damage to property of any supply undertaking from which You obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of such services.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2A.14 Value Added Tax

To the extent that You are accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.

Section 2 – Business Interruption

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 2B – Loss of Licence

Licence

The licence granted for the retail sale of excisable liquors at the Premises specified in the Schedule.

Loss of Licence

- a) Forfeiture of a Licence under the provisions of the appropriate legislation covering the issue of the Licence;
 - b) refusal to renew a Licence by the licensing authority;
- due to causes beyond Your control.

Cover for Section 2B – Loss of Licence

The Insurers will indemnify You for reduction in the value of Your interest in:

- a) the Premises; or
- b) the Business

following Loss of Licence.

In addition We will also pay for costs and expenses incurred with Our written consent where You appeal against the Loss of Licence.

Limit of Liability

The liability of the Insurers under this Section shall not exceed the Limit of Indemnity as shown in the Schedule.

Exclusions for Section 2B – Loss of Licence

What is not covered (see also General Exclusions):

We will not pay where:

- 1) You can obtain statutory compensation for Loss of Licence;
- 2) the Loss of Licence arises out of:
 - a) any town or country planning improvement or redevelopment;
 - b) compulsory purchase or surrender;
 - c) reduction or redistribution of Licences;
 - d) a change in the law affecting the grant surrender or forfeiture or refusal to renew the Licence.

Clauses & Conditions that apply to Section 2B – Loss of Licence

2B.1 Change in Risk

It is a condition precedent to liability under this Section that You must notify Us in writing immediately that You become aware of any:

- a) change in tenancy or management of the Premises;
- b) transfer or proposed transfer of the Licence;
- c) complaint against the Premises or the control of the Premises;
- d) action or complaint against the:
 - i) Licence holder;
 - ii) manager;
 - iii) tenant or other occupier of the Premises;for any breach of the licensing law, or any other matter where the character or reputation of the person concerned is affected or brought into question with respect to their honesty moral standing or sobriety;
- e) objection to renewal of the Licence, or other reasons which could endanger the Licence or its renewal.

Section 2 – Business Interruption

2B.2 Notification

It is a condition precedent to liability under this Section that, in the event of a Loss of Licence, You must inform Us in writing within 24 hours. You are also required to provide any assistance or information We may request.

2B.3 Replacement

In the event of the death bankruptcy or incapacity or desertion of the Premises or conviction for any offence (where such conviction affects the character or reputation of the convicted person with respect to their honesty moral standing or sobriety) of the Licence holder tenant manager or occupier You will where practicable and at Our request procure a suitable person to replace the person concerned and one to whom the Licence will be transferred or a new Licence will be granted by way of renewal.

Section 3 – Legal Liabilities

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 3A – Employers' Liability

Injury

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

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Territorial Limits

- a) Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
- b) Elsewhere in the world, other than Offshore, in connection with temporary visits undertaken in the course of the Business by any person normally resident in the territories described in a) above.

Cover for Section 3A – Employers' Liability

The Insurers will indemnify You against all sums that You shall become legally liable to pay as damages, together with costs and expenses shown below, in respect of Injury sustained within the Territorial Limits during the Period of Insurance by any Employee arising out of his employment by You in the course of the Business.

Limit of Indemnity

The liability of the Insurers under this Section for damages, costs and expenses payable in respect of any one claim or series of claims against You arising out of one event shall not exceed the amount stated in the Schedule.

Costs and expenses shall be deemed to mean:

- a) costs and expenses of claimants for which You are legally liable;
- b) other costs and expenses incurred with the Insurers written consent in respect of any claim which may be the subject of indemnity under this Section;
- c) solicitors fees incurred with the Insurers written consent for:
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against You in respect of breach or alleged breach of any statutory duty resulting in Injury;
 - ii) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
- d) legal costs and expenses incurred with the Insurer's written consent by You and, at Your request, any director or Employee, and costs awarded against You or the director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - i) the proceedings relate to the health safety or welfare of Employees;
 - ii) the Insurers will not indemnify You in respect of:
 - (1) proceedings consequent upon a deliberate act by or omission by You, any director or Employee;
 - (2) fines or penalties of any kind or the costs of appeal against improvement or prohibition notices; or
 - (3) costs and expenses insured by any other policy.
- e) legal costs and expenses incurred with the Insurer's written consent by You, and costs awarded against You arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of the defence of criminal proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation provided that:
 - i) the liability of the Insurers for all legal costs and expenses payable in any one Period of Insurance shall not exceed the sum of £5,000,000 or the Limit of Indemnity stated in the Schedule whichever is the lesser and will form part of and not be in addition to the Limit of Indemnity stated in the Schedule;
 - ii) the proceedings relate to an actual or alleged offence committed during the Period of Insurance within the Territorial Limits and in connection with the Business;
 - iii) the Insurers will not indemnify You in respect of:
 - (1) proceedings which result from any deliberate act or omission by You;

Section 3 – Legal Liabilities

- (2) any fines or penalties of any kind;
- (3) any remedial or publicity orders or any steps required to be taken by such orders;
- (4) costs and expenses insured by any other policy.

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Insurers will indemnify in the terms of this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
 - b) At Your request the Insurers will indemnify in the terms of this Section:
 - i) any principal in respect of liability arising out of the performance by You of any agreement entered into by You with the principal to the extent required by such agreement;
 - ii) any of Your directors or Employees in respect of liability arising in connection with the Business; Provided that You would have been entitled to indemnity under this Section if the claim had been made against You;
 - iii) any officer committee or member of Your canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any of Your directors or senior officials in respect of private work undertaken by any Employee for such director or senior official;
- Provided that:
- a) each person shall as though he were You observe fulfil and be subject to the terms of this Section insofar as they can apply; and
 - b) the Insurers shall retain the sole conduct and control of all claims.

Compensation for Court Attendance

In the event of the following persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which You are entitled to indemnity under this Section the Insurers will provide compensation to You at the following rates per day for each day on which attendance is required:

- a) any of Your directors or partners £250
- b) any Employee £100

Right of Recovery

This Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands or the Isle of Man but You shall repay to the Insurers all sums paid by the Insurers which the Insurers would not have been liable to pay but for the provisions of such law.

Unsatisfied Court Judgements

In the event of Injury to an Employee, sustained during the Period of Insurance and arising out of his employment by You in the course of the Business, which results in a judgement for damages being obtained by such Employee, or his personal representatives, and which remains unsatisfied in whole or in part six months after the date of such judgement, the Insurers will, at Your request, pay to the Employee or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

- a) the judgement for damages is obtained:
 - i) in a court of law within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; and
 - ii) against a company, partnership or individual other than You, conducting a business at or from premises within the territories described in i) above;
- b) there is no appeal outstanding;
- c) the judgement relates to Injury which would otherwise be within the terms of the Policy; and
- d) if any payment is made under the terms of this clause the Employee or the personal representative of the Employee shall assign the judgement to the Insurers.

Section 3 – Legal Liabilities

Exclusions applying to Section 3A – Employers' Liability

What is not covered (see also General Exclusions):

- 1) So far as concerns the liability of any principal or liability assumed by You under agreement, and which would not have attached in the absence of such agreement, this Section shall not apply to any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- 2) Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation.
- 3) Any liability arising out of work undertaken or operations located Offshore.
- 4) More than £5,000,000 including Claimant's Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) arising out of one event which falls within the definition of Terrorism under this Policy.
- 5) More than £5,000,000 including Claimant's Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising out of the manufacture of, mining of, use of, sale of, installation of, survey or investigation of, management of, removal or distribution of, existence of or exposure to asbestos products, asbestos fibres or asbestos dust or property or materials containing any of the foregoing.

Section 3 – Legal Liabilities

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 3B – Public Liability

Abuse or Molesation

Injury directly or indirectly caused by abuse, assault, harassment, mistreatment or maltreatment

Injury

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

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Products Supplied

Product or item, including containers, packaging, instruction, or labelling sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of You or any structure, constructed, erected or installed or contract work executed by or on behalf of You in the course of the Business.

Territorial Limits

- a) Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- b) manual and non-manual work carried out during temporary visits anywhere in the world other than the United States of America or Canada in the course of the Business by any person normally resident within the territories described in a) above.
- c) non-manual work carried out during temporary visits to the United States of America or Canada by any person normally resident within the territories described in a) above.

Cover for Section 3B – Public Liability

Indemnity

The Insurer will indemnify You against all sums that You shall become legally liable to pay as damages in respect of accidental:

- a) Injury to any person;
- b) loss of or damage to material property;
- c) obstruction, trespass, nuisance or interference with any right of way, air, light or water or other easement; or
- d) wrongful arrest, detention, imprisonment or eviction of any person or invasion of the right of privacy;

occurring within the Territorial Limits during the Period of Insurance and happening in connection with the Business.

Limit of Indemnity

The liability of the Insurers for all damages payable to any claimant or number of claimants as a result of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the amount stated in the Schedule for any one event.

Contingent Motor Liability

Notwithstanding Exclusion 2) under Exclusions '**What is not covered.**' the Insurers will indemnify You in the terms of this Sub-Section against legal liability in respect of Injury, loss or damage arising out of the use in connection with the Business of any motor vehicle not owned or provided by You.

The Indemnity will not apply to legal liability:

- a) in respect of loss of or damage to any such vehicle or to goods carried in or on the vehicle;
- b) in respect of Injury, loss of or damage arising while such vehicle is being:
 - i) driven by You;
 - ii) driven with the general consent of You or of Your representative by any person who to the knowledge of You or Your representative does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding such a licence;
 - iii) used elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; or
 - iv) engaged in racing, pace making reliability trials or speed testing;
- c) in respect of which You are entitled to indemnity under any other insurance.

Section 3 – Legal Liabilities

Defective Premises Act

The Insurer will indemnify You in respect of Injury or loss or damage to Property which You may incur as owner by virtue of the Defective Premises Act 1972 in connection with any premises which have been disposed of by You and which prior to disposal were occupied by You in connection with the Business.

The Indemnity will not apply to legal liability:

- a) for which You are entitled to indemnity under any other policy of insurance;
- b) for Injury, loss or damage happening prior to such disposal; or
- c) for the cost of repairing, replacing or reinstating any defect giving rise to such claim or for the rectification of faulty workmanship.

Overseas Personal Liability

The Insurers will indemnify You and, if You so request, any of Your directors, partners or Employees or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in connection with the Business.

The Indemnity will not apply to legal liability:

- a) arising out of the ownership or occupation of land or buildings; or
- b) in respect of which any person referred to is entitled to indemnity under any other insurance.

Rented Premises

Exclusion 5) b) under Exclusions “**What is not covered.**’ shall not apply to premises leased, let, rented, hired or lent to You.

The Indemnity will not apply to legal liability in respect of:

- a) loss or damage arising under agreement unless liability would have attached to You in the absence of such agreement;
- b) loss of or damage to premises caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by You or on Your behalf; and
- c) the first £500 of each and every occurrence of loss or damage caused otherwise than by fire or explosion.

Section 3 – Legal Liabilities

Exclusions for Section 3B – Public Liability

What is not covered (see also General Exclusions):

Legal liability:

- 1) arising out of:
 - a) work in or on aircraft;
 - b) work in or on airport or aerodrome runways, manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access; or
 - c) the ownership possession or use by You or on Your behalf of any aircraft watercraft (other than watercraft not exceeding 8 metres in length or any hand-propelled boat or pontoon);
- 2) arising out of the ownership, possession or use by You or on Your behalf of any mechanically propelled vehicle or attached trailer in circumstances where compulsory insurance or security is required or where insurance is provided by another policy provided always that:
this exclusion shall not apply in respect of liability arising during the act of loading or unloading any such mechanically propelled vehicle or attached trailer unless insurance is provided by another policy;
- 3) in respect of Injury or loss of or damage to property caused by or in connection with any Products Supplied which have ceased to be in Your custody or control other than food or drink provided as a service at Your Premises to Employees or visitors;
- 4) in respect of Injury to any Employee;
- 5) in respect of loss of or damage to:
 - a) property belonging to You; or
 - b) property which is leased, let, rented, hired or lent to You or which is the subject of a bailment to You;
- 6) arising out of professional treatment, advice, design or specification provided by You or on behalf of You for a fee;
- 7) for the costs of remedying any defect or alleged defect in land or premises sold or disposed of by You or for any reduction in the value of such land or premises;
- 8) assumed by You under agreement unless the conduct and control of claims is vested in the Insurers but indemnity shall not in any event apply to liquidated damages, fines or penalties;
- 9) arising out of work undertaken or operations located Offshore;
- 10) for loss of or damage to that part of any property upon which You are or have been working where the loss or damage is the direct result of such work;
- 11) for aggravated exemplary vindictive or punitive damages awarded by any Court of Law;
- 12) for the first £250 of each and every occurrence in respect of loss or damage to property.

Section 3 – Legal Liabilities

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 3C – Products Liability

Abuse or Molestation

Injury directly or indirectly caused by abuse, assault, harassment, mistreatment or maltreatment.

Injury

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

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Proprietary Manufacture

Products manufactured and sold only by the owner of the patent, formula, brand name or trademark associated with the product

Products Supplied

Product or item, including containers, packaging, instruction, or labelling sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of You or any structure, constructed, erected or installed or contract work executed by or on behalf of You in the course of the Business.

Territorial Limits

Anywhere in the world in respect of Products Supplied in or from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Treatment/Treatments

Standard Treatments and Additional Treatments listed in the tables in this Section and any Additional Treatments Insured shown in the Schedule undertaken by You, Your Employees or persons operating on Your behalf on Your customers and excluding any treatment not shown

Cover for Section 3C – Products Liability

Indemnity

The Insurers will indemnify You against all sums that You shall become legally liable to pay as damages and costs and expenses of claimants in respect of accidental:

- a) injury to any person; and
- b) loss of or damage to material property;

occurring within the Territorial Limits during the Period of Insurance and caused by any Products Supplied or Treatment.

Limit of Indemnity

The liability of the Insurers for all damages payable as a result of all occurrences during any one Period of Insurance shall not exceed the amount stated in the Schedule for any one Period of Insurance.

Section 3 – Legal Liabilities

Exclusions for Section 3C – Products Liability

What is not covered (see also General Exclusions):

Legal liability:

- 1) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which are in Your custody or control;
- 2) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which to Your knowledge are for use in or on any aircraft or aerospace device;
- 3) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which to Your knowledge are directly or indirectly exported to the United States of America or Canada;
- 4) in respect of Injury to any Employee;
- 5) in respect of loss of or damage to:
 - a) property belonging to You; or
 - b) property which is leased, let, rented, hired or lent to You or which is the subject of a bailment to You.
- 6)
 - a) in respect of the cost or value of any Products Supplied or replacement, repair, removal, rectification or reinstatement of Products Supplied where legal liability arises from a defect in or the unsuitability of such Products Supplied;
 - b) for any costs incurred in recalling or modifying any Products Supplied;
- 7) assumed by You under agreement unless the conduct and control of claims is vested in the Insurers but indemnity shall not in any event apply to:
 - a) liquidated damages fines or penalties; or
 - b) legal liability which attaches by virtue of an express warranty indemnity or guarantee given or entered into by You in connection with any Products Supplied and which would not have attached in the absence of such warranty indemnity or guarantee.
- 8) arising out of professional advice, design or specification provided by You or on behalf of You for a fee;
- 9) for aggravated exemplary vindictive or punitive damages awarded by any Court of Law.

Section 3 – Legal Liabilities

Applicable to Sections 3B and 3C – Public Liability and Products Liability

Cover - Sections 3B and 3C – Public Liability and Products Liability

Costs

The Insurers will in addition:

- a) pay all other costs and expenses incurred with its written consent in respect of any claim which may be the subject of indemnity under this Section;
- b) pay solicitors fees incurred with its written consent for:
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against You in respect of breach or alleged breach of any statutory duty resulting in Injury; and
 - ii) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
- c) indemnify You and, at Your request, any director or Employee in respect of legal costs and expenses incurred with the Insurers written consent, and costs awarded against You and Your director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - i) the proceedings relate to the health, safety or welfare of persons other than Employees;
 - ii) the Insurers will not indemnify You in respect of:
 - (1) fines or penalties of any kind or the costs of appeal against improvement or prohibition notices;
 - (2) proceedings which result from any deliberate act by or omission by You, any director or Employee;
 - (3) costs and expenses insured by any other policy.
- d) indemnify You in respect of legal costs and expenses incurred with the Insurer's written consent by You, and costs awarded against You arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of the defence of criminal proceedings for any offence brought under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation provided that:
 - i) the liability of the Insurers for all legal costs and expenses payable in any one Period of Insurance shall not exceed the sum of £5,000,000 or the Limit of Indemnity stated in the Schedule whichever is the lesser and will form part of and not be in addition to the Limit of Indemnity stated in the Schedule;
 - ii) the proceedings relate to an actual or alleged offence committed during the Period of Insurance within the Territorial Limits and in connection with the Business;
 - iii) the Insurers will not indemnify You in respect of:
 - (1) proceedings which result from any deliberate act or omission by You;
 - (2) any fines or penalties of any kind;
 - (3) any remedial or publicity orders or any steps required to be taken by such orders;
 - (4) costs and expenses insured by any other policy.

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Insurers will indemnify in the terms of this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
 - b) At Your request the Insurers will indemnify in the terms of this Section:
 - i) any principal in respect of liability arising out of the performance by You of any agreement entered into by You with the principal to the extent required by such agreement;
 - ii) any of Your directors or Employees in respect of liability arising in connection with the Business; Provided that You would have been entitled to indemnity under this Section if the claim had been made against You.
 - iii) any officer committee or member of Your canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any of Your directors or senior officials in respect of private work undertaken by any Employee for such director or senior official;
- Provided that:
- a) each such person shall, as though he were You, observe, fulfil and be subject to the terms of this Section insofar as they can apply;
 - b) the Insurers shall retain the sole conduct and control of all claims;

Section 3 – Legal Liabilities

- c) where the Insurer is required to indemnify more than one party the total amount of indemnity payable to all parties in respect of damages shall not exceed the Limit of Indemnity.

Compensation for Court Attendance

In the event of the following persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which You are entitled to indemnity under this Section the Insurers will provide compensation to You at the following rates per day for each day on which attendance is required:

- a) any of Your directors or partners £250
b) any Employee £100

Consumer Protection Act 1987 – Legal Defence Costs

The Insurer will pay all amounts You or, at Your request, any of Your directors or Employees become legally liable to pay in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987 or any regulations made under the Act committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with their consent in an appeal against conviction arising from the proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of Your Business as stated on the Schedule;
b) this extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
c) You and Your directors or Employees shall give the Insurer immediate notice of any summons or other proceedings against You or Your directors or Employees.

The Indemnity will not apply to legal liability:

- a) where You or Your directors or Employees are insured by any other policy of insurance;
b) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of You or Your directors or Employees;
c) in respect of legal costs and expenses which You or Your directors or Employees may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of You or Your director or Employee;
d) in respect of fines or penalties;
e) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined; and
f) unless the Insurers have the sole conduct and control of all claims.

Cross Liabilities

This Section shall apply separately to each person named in the Schedule as if a separate policy had been issued to each provided that if the Insurer is required to indemnify more than one party in respect of any occurrence the total liability of the Insurer shall not exceed the Limit of Indemnity.

Data Protection Act 1998 Extension

The Insurer will indemnify You in respect of liability arising under the Data Protection Act 1998 to pay compensation for damages or distress, provided that:

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

The total liability of the Insurers including all costs and expenses shall not exceed £250,000 during any one Period of Insurance.

For the purposes of this extension the phrases or words Data Processor and Data shall carry the same meaning as defined under the Data Protection Act 1998.

The Indemnity will not apply to legal liability:

- a) in respect of the recording or provision of Data for reward or for determining the financial status of any person; or
b) which arises as a result of Your deliberate act or omission and which could reasonably have been expected by You having regard to the nature and circumstances of such act or omission.

Discharge of Liability

The Insurers may pay the Limit of Indemnity or any lesser amount for which any claim or claims against You can be settled and the Insurers shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

Section 3 – Legal Liabilities

Food Safety Act Legal Defence Costs

The Insurer will pay legal costs and expenses You or, at Your request, any of Your directors or Employees incur in the defence of any criminal proceedings brought for a breach of the Food Safety Act 1990, or any regulations under the Act, committed or alleged to have been committed during the Period of Insurance. The Insurer will also pay legal costs and expenses incurred with their consent in an appeal against conviction arising from such proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of Your Business as stated on the Schedule;
- b) this extension only applies to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;
- c) You or Your directors or Employees give the Insurers immediate notice of any summons or other process served upon You or Your directors or Employees and of any event that may give rise to proceedings against You or Your directors or Employees.

The Indemnity will not apply to legal liability:

- a) where You or Your directors or Employees are insured by any other policy of insurance;
- b) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of You or Your directors or Employees;
- c) for legal costs and expenses which You or Your directors or Employees may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of You or Your directors or Employees;
- d) in respect of fines or penalties;
- e) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined.

USA and Canada

Insofar as this Section applies to legal liability arising in the United States of America or Canada or if an action for damages is commenced therein or in any subsequent action in connection therewith is brought elsewhere in the world the liability of the Insurers in respect of all damages payable together with the costs and expenses of claimants and any other costs and expenses incurred with the Insurers written consent shall not exceed the Limit of Indemnity and shall exclude punitive damages and/or exemplary damages and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages or by way of fines or penalties.

Section 3 – Legal Liabilities

Exclusions Sections 3B and 3C – Public Liability and Products Liability

What is not covered (see also General Exclusions):

Pollution or Contamination

This insurance does not cover any legal liability in respect of Pollution or Contamination other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

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

The liability of the Insurers for all damages payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed in the aggregate the amount shown in the Schedule as the Limit of Indemnity for any one event.

For the purpose of this exclusion and limitation 'Pollution or Contamination' shall be deemed to mean:

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

Asbestos

This insurance does not cover any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Abuse or Molestation Exclusion

This Policy shall not indemnify the Insured against liability arising out of actual or alleged

- (a) Abuse or Molestation or bullying whether physical or verbal or written or sent by electronic mail or text messages
or
- (b) criminal acts or improper behaviour or gross misconduct involving sexual activity or sexual Abuse or Molestation

involving any individual who is or was at any time in the care and/or custody and/or control of the Insured or any Employee or sub-contractor of the Insured

For the purpose of this Exclusion such liability shall include any related claims alleging or arising from a failure on the part of the Insured or the Insured's Employees or persons working on behalf of the Insured to adequately protect such individuals

Professional Advice or Treatment

This insurance does not cover any legal liability caused by through or in connection with

- (a) remedial professional or other advice or treatment given or administered by the Insured or any person acting on behalf of the Insured, or
- (b) any failure to give advice or treatment or
- (c) any lack of professional skill

other than in respect of Standard Treatments or Additional Treatments shown as Operative in the Schedule, and then always subject to compliance with the terms conditions and Warranties in this Policy

Goods or Products

This insurance does not cover any legal liability arising from goods or products sold supplied serviced repaired altered treated installed or stored warehoused or processed by or on behalf of the Insured other than

- (a) motor vehicles or office machinery surplus to the Insured's requirements
- (b) food or drink for consumption on the Premises; and
- (c) goods sold or supplied by You of a Proprietary Manufacture
- (d) blended oil preparations derived from essential oils of Proprietary Manufacture in respect of Aromatherapy, for external use only, when all other terms and conditions of the Policy have been complied with

Medical Exclusion

This Policy does not cover medical malpractice. There is no cover where treatment would reasonably be expected to be undertaken by an appropriately qualified medical professional. However this exclusion will not apply where treatment is

- a. complementary to a customer's professional medical treatment and
- b. undertaken with the written approval of the customer's GP or consultant, and
- c. provided by a qualified therapist.

Section 3 – Legal Liabilities

Standard Treatments

Cover is subject to compliance with the warranties applicable and all other Policy terms and conditions

Acne Clearance (not by intense pulsed light, variable pulsed light, light heat energy and laser)
Acupressure
Advanced AHA Cosmeceuticals
Advanced Electrolysis (Red Vein, Skin Tags, Milia, Warts, Moles, and Spider Naevi)
Aeroline Air Jet Body Massage
Alexander Barrie System of Pelvic Correction
Alexander Technique
Alkaline Skin Wash
Alpha Hydroxy Acid & Beta Hydroxy Acid Treatments
Amateur Theatrical Make-up
Amatsu
Angelic Reiki
Aqua Detox
Aromatherapy
ATMA
Audio Sonic
Auric / Magnetic Healing
Australian Bush Flower Essence
Autherics
Ayurveda
Barbering
Bel-Vas-Pata
Bi-Aura
Bikini Hair Colouring
Bio Detox
Bio Oxygen
Bio Skin Jetting
Bio Skin Smoothing
Biocell Body Treatment
Bleaching of Superfluous Hair
Body Electrotherapy
Body Wrapping including Ionithermie
BodyTalk
BotoMask
Bowen Technique
Brazilian Blow Dry
Camouflage Treatment
Chakra Healing
Chinese Cupping
Chi Detox
Chroma Clear
Cleansing
Cognitive Therapy
Colonic Massage
Colour Therapy
Cosmeceuticals
Cosmetic Brushing
Counselling (not Psychotherapy)
Cranio Sacral Therapy
Crimping
Crystal Healing
Crystal Ki
Crystal Sound
Crystal Wand Massage
D-Tox Spa
Daoyin Tao
Deep Tissue Massage
Depilatory Creams
Dietary Posture and Advice
E-Lybra Balancing Machine
Ear Piercing
Earth Oxygen
Electrical Epilation (Short Wave Diathermy, Blend, Tweezer and Non Invasive Methods)
Electrical Slimming/Body Toning treatments
Electrical Treatment for Skin improvement
Emmett Technique Body Pressure Therapy
Endermology
Energy Massage Therapy
Enerpeel PA
Enlighten
Epilation
Eye Treatments
Eyelash Extensions (excluding the extensions themselves)
Eyebrow Plucking
Eyebrow Threading
Eyebrow Tweezing
Eyelash and Eyebrow Tinting
Eyelash Curling
Eyelash Perming
Face and Body Painting including Henna Art
Facial and Body Electrotherapy
Facials, Facial Massage (including Oxygen, Chi and Ayurvedic Facials), Masks, Scrubs, Steaming and Electrotherapy, and Shirodhara
False Eyelashes
False Tanning Products including Airbrush tanning and spray tanning
Fantasy Make-up
Flotation Tanks
Flower Remedies
Food Intolerance, Vitamin & Mineral Deficiency Testing by use of Diagnostic Unit (not in isolation)
Food Services (Small food facility, Bar, Café)
Galvanic Body and Facial Treatment
Glitter Tattoos
Gly Derm Treatments
Glycolic Acid Treatments
H2O Massage
Hair Colouring
Hair Cutting
Hair Drying
Hair Extensions (*excluding the extensions themselves, qualified hairdressers only*)
Hair Straightening
Hair Styling
Harturderm' Anti Wrinkle Treatment
Heat Treatments
High Frequency Treatments (Direct and Indirect)
Hopi Ear Candles (Thermo Auricular Therapy)
Idebenone Superceuticals
Individual Exercise, Remedial
Infinite Balance
Infra Red Treatments, including Infra Red Saunas
Intuitive Massage
Ionithermie
Jacuzzi

Section 3 – Legal Liabilities

Standard Treatments (continued)

Cover is subject to compliance with the warranties applicable and all other Policy terms and conditions

Jagua Works
Kahuna
Kaiamea
Low Intensity Light Treatment
Lymphatic Drainage Massage
Magnet Therapy
Make-up - to include the application of
Manicure
Manual Treatments for Cellulite and Stretch Marks
Massage (Abhyanga, Ayurvedic Body & Face, Baby, Balinese, Body, Chieneitsang, Chinese Foot, Facial, Hands Free, Head, Hot stone, Indian Head, Indian Face, Indonesian Traditional, Korean Hand, Lava Shell, Linn T, Lomi Lomi (Hawaiian), Mongolian Hot Oil, Mongolian Sky Energy, Pinda Sweda, Swedish, Thai, Thai Compress, Thai Foot, Thai Yoga Trager, TuiNa)
Master Energy Colour Therapy
Meditation
Meditation Floatation Tanks
Melchizedek Method
Mesotherapy not involving the use of injection (non invasive)
Metamorphic Technique
Micro Electrotherapy
Microcurrent
MicroDerma Percussion
Microdermabrasion, Micro Epidermal Skin Technology, Skin Rejuvenation and Photo Rejuvenation by means other than Intense Pulsed Light, Variable Pulsed Light, Light Heat Energy and Laser
Micro-needling/Collagen Induction Therapy/Metotherapy (Face - max 1.5mm needles)
Nail Art (Inc. Gel Nails)
Nail Extensions (Acrylic and Gel)
New Energy Vision
NO HANDS Massage
Non-ablative Volumetric Skin Tightening
Nose Piercing
Omni Healing
Oxygen anti-wrinkle treatments
Oxygen Concentrator - use of
Oxygen Treatments
Oxygenating Massage
Oxyjet Star
Ozone Therapy
Paraffin Wax
Pedicure
Peditox
Perfume Blending
Permanent Hair Waving
Perming
Photo Spray
Photopneumatic Therapy
Plaiting
Platinum Detox
Polarity Therapy
Pregnancy Massage
Quantum Touch
Radio Frequency Body and Facial Treatments including Non-Ablative Volumetric Skin Tightening Treatments for lines, wrinkles and cellulite
Raindrop Therapy
Reflexology
Reflexology Vibrational Medicine
Reiki
Reiki Drumming
Rejuvaslim
Remedial Camouflage
Remedial Exercise
Resonance Therapy
Sauna/Steam Cabinet or Room, Aroma Steam Rooms
Seichem, RESET
Semi permanent mascara
Shiatsu
Shirodhara
Shireen Poring Method
Shortwave Diathermy (Red Vein, Skin Tags, Milia, Warts, Moles, and Spider Naevi)
Spinal Touch Therapy
Sports Massage Therapy
Spray Tanning
Sterex Blend Method (Red Vein, Skin Tags, Milia, Warts, Moles, and Spider Naevi)
Stone Therapy and Stone Massage
Su-Do Body Art
Sugaring
Superceuticals
TCA Peels (*including Janssen Cosmetics Fruit Peel 60%*)
Temporary Tooth Jewellery (Smile Gems or Tooth Fairy)
Tibetan Acupressure Head Massage
Toning Tables, Power Plates and Vibro Plates
Tooth Jewellery (Smile gems and Tooth Fairy only)
Ultra Sound Miscrubber Exfoliating Treatments
Ultra Sound Treatment for the Treatment of Cellulite
Usui Reiki Shiki Ryoho
Vacuflex Reflexology System
Vacuum Suction
Vajazzles
Vertical Reflex Therapy (VRT)
Vibrational Therapy (colour, light, sound)
Waxing – hot, cool, cold, Brazilian and Hollywood
Wet Shave (including Turkish and Cut Throat Shave and Beard Design)
Yuko Hair Straighteners

Section 3 – Legal Liabilities

Additional Treatments

Cover for any individual Additional Treatment shown below is only operative where it is shown as Operative in the Schedule

Cover is subject to compliance with the Warranties applicable and all other Policy terms and conditions

- Sunbeds (maximum of 3)
- Sclerotherapy by Hypodermic Injection, Mesotherapy by use of injection or gun, Dermatude, and Meso Vytal (excluding treatment of varicose veins) and Advanced Micro-needling
- Micropigmentation and Microblading
- Intense Pulsed Light and Thermo Coagulation
Includes Intense Pulsed Light Hair Removal, Variable Pulsed Light Hair Removal, Light Heat Energy Hair Removal Intense Flash Light Hair Removal, Micro Epidermal Skin Technology, Micro Dermabrasion Skin Rejuvenation Photo Rejuvenation and Acne Clearance. Intense Pulsed Light for skin tags milia warts moles and spider naevi. Veinwave for red vein removal
- Cryolipolysis and Cryotherapy but excluding Smart Lipo or any surgical or Liposuction involving puncture or incision of the skin or insertion of an instrument or foreign material into the body
- Laser Treatments (Hair Removal, Skin rejuvenation and Lipolysis)
Includes Laser Hair Removal, Thread Veins, Spider Naevi, Micro Epidermal Skin Technology, Micro Dermabrasion, Skin Rejuvenation, Photo Rejuvenation, Acne Clearance, Skin Tags, Warts, Moles, Milia, Dermatological and Chiropody Treatments, Inch Loss by Laser Lipo.
- Water Based Facilities (Swimming Pools, Plunge Pool, Vitality Pool)
- Thermal Spa Rooms (Hammam, Hot Rooms, Turkish Baths, Monsoon Showers, Ice Fountain, Russian Banya)
- Fitness Activities and Fitness Rooms (as part of the Business only, not in isolation)

Section 3 – Legal Liabilities

Warranties - Sections 3B and 3C – Public Liability and Products Liability

(Note to Policyholders – a warranty is like a promise from you to the Insurers. If you do not keep the promise, then insurers are permitted to decline claims relating to the promise)

IMPORTANT

It is essential that You comply with all of the following Warranties applicable to Treatments provided by the Business, whether provided by You or by an Employee or by someone else acting on Your behalf. There is no cover under either Section 3B - Public Liability or Section 3C – Products Liability if there is non-compliance with a Warranty and such non-compliance leads to or contributes in any way towards a claim that would otherwise be covered. You must also comply with all other terms and conditions of the Policy.

Warranties apply to any person providing Treatment on Your behalf. For the purpose of Warranties the terms You and Your will include persons providing Treatment on Your behalf. This means there is no cover under the Policy if a person providing Treatment does so unless the Warranties applicable to that Treatment and all other terms and conditions of the Policy are complied with.

It is warranted by You that

1 Sterilisation

all open-blade razors or needles shall be brand new or shall be sterilised thoroughly prior to commencing any Treatment on every customer

2 Qualifications

You and any person acting on Your behalf hold the relevant certificates and or qualifications applicable to all Treatments provided. Unless otherwise agreed by Us You and any person acting on Your behalf will hold a level 2 or higher beauty/nails/hair qualification.

For Advanced treatments and electrical treatments You and any person acting on Your behalf will hold a level 3 beauty qualification and manufacturers training plus any additional qualifications mentioned in the Advanced Treatments section of this wording.

Qualifications gained from online training **will not** be accepted.

In respect of hair extensions you must hold a full hairdressing qualification in addition to the relevant method training.

IT IS YOUR RESPONSIBILITY TO ENSURE AND RECORD THAT ALL STAFF HOLD THE RELEVANT QUALIFICATIONS AND TRAINING TO CARRY OUT TREATMENTS OFFERED.

3 Manufacturer's Instructions

any equipment and products for the performance of **Treatments** will be used in accordance with manufacturer's instructions

4 Age Restriction

You will obtain written consent from the parent or guardian of any person under the age of 16 prior to performing any Treatment unless otherwise stated in this Policy and

Acrylic Nails will not be applied to anyone under the age of 14 and

Treatments listed as Operative in the Additional Treatments section of the Schedule (if any) plus micro-needling will not be performed on anyone under the age of 18

5 Nail Extensions

You will check that the client is not allergic to acrylics or plastics prior to applying false nails or nail extensions and before proceeding with the treatment. You will not apply false nails or acrylic nail extensions to any person under the age of 14.

6 Alpha Hydroxy Acid & Beta Hydroxy Acid Treatments

Prior to AHA or Enerpeel PA or Glycolic or Gly Derm **Treatments** being performed each client will be given full after-care instructions by **You** and will sign a record card to the effect that the client will carry out the after-care. Maximum concentration of Glycolic or Alpha Hydroxy Acids must not exceed 43% by volume unbuffered /esterified unless agreed in writing by **Us**

Section 3 – Legal Liabilities

Alpha Hydroxy Acids (AHA) are defined as

glycolic acid
lactic acid
malic acid
citric acid
glycolic acid plus ammonium glycolate
alpha-hydroxyethanoic acid plus ammonium alpha-hydroxyethanoate
alpha-hydroxyoctanoic acid
hydroxycaproic acid
mixed fruit acid
tartaric acid
tri-alpha hydroxy fruit acids
triple fruit acid
sugar cane extract
alpha hydroxy and botanical complex
l-alpha hydroxy acid
glycomer in crosslinked fatty acids alpha nutrient (three AHAs)

Beta Hydroxy Acids are defined as

salicylic acid and related substances such as salicylate sodium
salicylate and willow extract
beta hydroxybutanoic acid
tropic acid
triethocanic acid

We will not be liable for any injury arising from the use of Jessner peels.

7 TCA (Trichloroacetic Acid) Peel Treatments

It is warranted by You that the concentration of TCA (Trichloroacetic Acid 7% combined with Salicylic Acid 2%) will not exceed these respective percentages.

Warranties

You warrant that in respect of TCA (Trichloroacetic Acid) Peel treatments;

- (a) **You** will provide the client with a full and thorough consultation
- (b) **You** will provide the client with written before and after care instructions and ensure the client signs a record card confirming that they will comply with the before and after care instructions
- (c) **You** will perform a sensitivity patch test on the client using the exact substance that is to be applied during the TCA treatment in accordance with the manufacturer's instructions 24 hours before the proposed treatment and will not proceed with the treatment if the results of the test are not satisfactory
- (d) **You** will not carry out this treatment on any person who is pregnant
- (e) **You** will not carry out this treatment on any person with sores or open cuts or wounds
- (f) **You** will not carry out this treatment on any person who has an allergy to Aspirin or anyone who is using Retinoic Acid or Retin A
- (g) the maximum concentration of Trichloroacetic Acid will not exceed 7% and Salicylic Acid will not exceed 2%
- (h) **You** will not carry out treatment on any person under the age of 18

8 Dietary and Nutritional Advice

You will ensure that the client obtains consent from their General Practitioner prior to commencing a slimming diet under Your advice or instruction

9 Ear Piercing and Nose piercing

Piercing of the soft non-cartilaginous part of the ear lobe and nose piercing – Treatment is carried out using a system designed to protect the gun instrument from contamination using pre-sterilised ear studs and back clasps

Ear piercing of the cartilaginous part of the ear Treatment is carried out using one of the following systems: Blomdahl Medical Ear Piercing System, Caress 2000, Coren, Inverness, Medisept, New Caflon Disposable, Perfex, Studex Ear Piercing System, Trips Sterile Guard

10 Electrical Epilation

You will use a new sterile needle (which will be disposed of immediately into a sharps container once treatment is completed) for each client in respect of short wave diathermy

Section 3 – Legal Liabilities

11 Eyelash And Eyebrow Tinting Including Semi-Permanent Mascara

You will perform a sensitivity patch test on the client using the exact substance that is to be applied during the eyelash or eyebrow treatment at least 24 hours before applying the client's eyelash or eyebrow for the first time and will not proceed with the treatment if the results of the test are not satisfactory

12 Toning Tables

You and any person acting on Your behalf

- (a) have received training in the use of toning tables, power plates and vibro plates
- (b) take from the client their medical history and undertake a written consultation prior to use
- (c) ensure that the client signs the record card prior to each time they use the equipment stating that they are not suffering from any injury or medical condition that could be affected by the use of toning tables
- (d) display prominently the manufacturer's instructions
- (e) supervise use of toning tables and will remain on the premises continuously while the equipment is in use

13 Hair Colouring including Bikini Hair Colouring

You will perform a sensitivity patch test on the client using the exact substance that is to be applied during the Hair Colouring or Bikini Hair Colouring at least 24 hours prior to treating the client for the first time and will not proceed with the treatment if the results of the test are not satisfactory

14 Pregnancy Massage

You and any person acting on Your behalf must

- (a) have the client's General Practitioner or Midwife's consent prior to treatment
- (b) not massage over the abdomen
- (c) not carry out treatment during the first trimester (12 weeks)
- (d) not massage pressure points on both sides of the ankles nor massage the webbing between thumb and index finger

15 Baby Massage

You must use a doll when teaching the parents/guardians how to carry out baby massage treatment

16 Waxing

You must hold the relevant qualification certificate for the waxing treatment carried out. Short courses are not acceptable, unless agreed in writing by Us

17 Omnilux Treatments

You do not practise any Omnilux Revive or Omnilux Plus treatments other than skin rejuvenation or any form of Omnilux Blue or Omnilux PDT treatment

18 Face and Body Painting

a parent/guardian or responsible adult is present and consents to the face painting of a minor and no face painting will be carried out on any minor under the age of two years and

You will

- (a) use only paints which have been specifically formulated as cosmetics for use on the face /body and are EU compliant
- (b) ensure adequate precautions will be taken to prevent infection from dirty water & brushes and cross infection from sponges already used on other persons
- (c) ensure no painting will be done in close proximity to the eyes, open wounds, cold sores or other skin conditions

19 Glitter Tattoos

a parent/guardian or responsible adult is present and consents to the application of the glitter tattoo on a minor and no glitter tattoos may be applied to any minor under the age of three years

You will

- (a) only use cosmetic grade glitter and cosmetic grade glue which have been specifically formulated for use in the application of glitter tattoos and are EU compliant
- (b) check for latex allergies prior to the application of any glitter tattoo
- (c) ensure adequate precautions will be taken to prevent infection from dirty water sponges & brushes and cross infection from any equipment already used on other persons
- (d) not apply any glitter tattoo above the neck line or to the face or to any person who has open wounds, cold sores or other skin conditions

20 Su-Do Body Art and Henna Body Art

You will perform a sensitivity patch test on the client using the exact substance that is to be applied during the Su-Do Body Art or Henna Art treatment at least 24 hours prior to treating the client and will not proceed with the treatment if the results of the test are not satisfactory

Section 3 – Legal Liabilities

21 Hartuderm Anti Wrinkle Treatment

You will use a new sterile needle (which will be disposed of immediately into a sharps container once treatment is completed) for each client

22 Thai Foot Massage

You will not

1. under any circumstances carry out the treatment on persons that
 - (a) have infectious disorders of the feet
 - (b) have severe bruising to the feet
 - (c) are in the first trimester of pregnancy
 - (d) are under the influence of drugs and/or alcohol
 - (e) have a fever or contagious disease

2. unless approval has been obtained in writing from their General Practitioner carry out the Treatment on persons that
 - (a) have severe circulatory problems such as high or low blood pressure
 - (b) are in the second or third trimester of pregnancy
 - (c) have arthritis of the feet
 - (d) are diabetic
 - (e) have recently suffered haemorrhage or swellings
 - (f) have recently had an operation
 - (g) are receiving medical treatment or have a condition that might be affected by Treatment

23 Thermo Auricular Therapy (Ear Candles)

the ear candles used incorporate a safety filter

24 Sports Massage

must be carried out by a person who holds Level 3 of the National Qualifications Framework or equivalent qualification and a pre-treatment questionnaire must be completed by the client prior to treatment being given

25 Micro-Needling Treatments

- (a) no Treatment will be carried out on any person under age 18
- (b) you do not practice treatments other than micro-needling, collagen induction therapy, Dermaroller, Innopen or Dermapen
- (c) a local anaesthetic cream is used that is not based on nanosomes
- (d) rollers with needles longer than 1.5mm will not be used on the face or body
- (e) each medical roller will
 - I. only be used for one customer
 - II. be sterilised prior to each use
 - III. be discarded after 6 uses
- (f) sterilisation fluids used to sterilise medical rollers are replaced daily

26 Hair Extensions

Cover for the application of Hair Extensions will only be provided to fully qualified Hairdressers and Hair Stylists and cover will not be extended to cover the extensions themselves only the application of.

27 Sauna Treatments

- (a) all floors that are likely to become damp or wet have non-slip surfaces
- (b) instructions are given to all customers as to the method of safe use of the facilities
- (c) **You** supervise the use of equipment at all times and will remain in the **Salon** continuously while the equipment is in use

28 Sharps Disposal

You will ensure that all clinical waste is disposed of into a sharps container immediately after use and further disposed of by an appropriately qualified waste contractor or other approved method according to the currently recognised professional standard.

Section 3 – Legal Liabilities

29 Patch Testing

You will carry out relevant patch testing in accordance with training and manufacturer's instructions and

- i) before the provision of the clients first treatment
- ii) after a change in their medical history
- iii) when the insured has changed any preparations used in tinting treatments or changed the manufacturer of their tinting preparations
- iv) at intervals of not more than 12 months.

and you will carry out patch testing in respect of the following treatments :

- Laser treatments
- Intense Pulse Light (IPL)
- Tinting/Colouring (including semi-permanent mascara)
- Micropigmentation
- TCA Peels

And you will not provide treatment following any allergic reaction to a skin test, or undertake treatment on skin types 5 and 6 on the Fitzpatrick scale in respect of IPL and Laser treatments

30 Record Keeping

- a) You will adequately record each and every treatment given to each and every client.
- b) the record will include full details of the consultation process, the treatment, the result of the treatment and any aftercare instructions given where appropriate.
- c) You will keep the record for at least 7 years following the last occasion on which treatment was given. In the case of treatment to minors, You will keep records for at least 7 years after they reach the age 18.
- d) in the case of trial or demonstration sessions undertaken at shows, seminars, talks, conferences, courses and exhibitions and the like, instead of a) b) or c) above, the name and brief details of the person, date of session, condition and treatment provided will be recorded.
- e) in the case of sessions or classes undertaken in the form of yoga, pilates, fitness, exercise, meditation or mediumship instead of a), b), c) or d) above, the name and brief details of the person, date of session and any other relevant observations will be recorded.
- f) the record will include evidence of patch testing where applicable.

31 Aftercare

for all treatments where the client is required to perform aftercare, written instructions describing that care will be given to each and every client by You or any person acting on Your behalf, on each and every occasion that such treatment is given.

32 Compliance with Local Authority Registration Requirements and Government Legislation

You will maintain a valid registration with Your local authority where this is a requirement of your local authority and comply with all legislation relating to the Treatments You perform

33 Hair Straightening Treatments

You will not use any product containing more than 0.2% formaldehyde

Section 3 – Legal Liabilities

ADDITIONAL WARRANTIES

APPLICABLE WHEN ADDITIONAL TREATMENTS ARE SHOWN AS OPERATIVE IN THE SCHEDULE

33. Sunbed Equipment

It is warranted by you that

- (a) Treatment must be carried out at the Premises
- (b) You must comply with the Sunbeds (Regulation) Act 2010 or any updating legislation
- (c) there must be no more than a combined maximum of three sunbeds or tancabs within the Premises
- (d) the Business must not be a sunbed or tanning salon only
- (e) You will ensure that prior to each time clients use sun bed equipment
 - i. each client is given full instructions
 - ii. each client reads the tanning equipment notice and signs a record to that effect each and every time they use the sun bed equipment
- (f) no clients under the age of 18 are permitted to use the equipment

34. Sclerotherapy by Hypodermic Injection, Mesotherapy by use of injection or gun, Dermatude, Meso Vytal and Advanced Micro-needling

It is warranted by You that

- i. No Treatment will be carried out on any person under age 18
- ii. Sclerotherapy for the treatment of Thread Veins and Spider Naevi by hypodermic injection treatment will be performed in accordance with advice from the clients General Practitioner and You have completed an approved training course in Sclerotherapy delivered by an appropriate practitioner, and
- iii. in respect of Mesotherapy You must be fully trained and qualified to carry out the treatment and
- iv. You will use a new sterile needle which must be disposed of immediately into a sharps container once treatment is completed for each client

In respect of Advanced Micro-needling You **warrant that You**

- v. have been fully trained by one of the following approved trainers/training schools:
 - Dawn Cragg (London)
 - Finishing Touches (SPMU) Ltd
- vi. a local anaesthetic cream is used that is not based on nanosomes
- vii. needles longer than 1.5mm will not be used on the face and needles longer than 3mm will not be used on the body
- viii. each medical roller will only be used for one customer and be sterilised prior to each use and be discarded after 6 uses
- ix. sterilisation fluids used to sterilise medical rollers are replaced daily

35. Micropigmentation

Basic Micropigmentation treatments are defined as: Eyeliner, Eyebrow Lengthening, Eyebrow Creation & Filling, Lip Liner and Full Lip Colour, Microblading

Advanced Micropigmentation treatments are defined as: Areola Re-pigmentation, Scar Disfigurement, Stretch Mark Camouflage, Re-pigmentation of Vitiligo, Cleft Palate, Hair Replacement on the Hairline or Scalp.

(a) Basic Micropigmentation and Procedures

- (i) **You** have been fully trained by an authorised teacher who has issued the relevant certification to **You** to perform Eyeliner, Eyebrow Liner and Lip Liner
- (ii) **You** perform a sensitivity patch test on the client using the exact substance that is to be applied during the Micropigmentation treatment at least 24 hours before the proposed Micropigmentation treatment and will not proceed with the treatment if the results of the test are not satisfactory
- (iii) if there is an allergic reaction then **We** will not be liable for any **Treatment** carried out subsequently
- (iv) a consent form is completed and signed by the client prior to the **Treatment**
- (v) **You** will use a new sterile needle for each new **Treatment** which will be disposed of immediately afterwards into a sharps container
- (vi) **You** will not carry out treatment on any person under the age of 18

(b) Advanced Micropigmentation Procedures

- (i) **You** will perform a sensitivity patch test on the client using the exact substance that is to be applied during the Micropigmentation treatment at least 24 hours before the proposed Micropigmentation treatment and will not proceed with the treatment if the results of the test are not satisfactory
- (ii) if there is an allergic reaction then **We** will not be liable for any **Treatment** carried out subsequently
- (iii) a consent form is completed and signed by the client prior to the treatment
- (iv) **You** will use a new sterile needle for each new **Treatment** which will be disposed of immediately afterwards into a sharps container

Section 3 – Legal Liabilities

(v) **You** have been trained for Advanced Procedures by one of the following approved trainers/training schools:

- Dawn Cragg (London)
- Nouveau Contour Ltd
- Specialist Make-Up Services Ltd
- Natural Enhancements Ltd
- Finishing Touches (SPMU) Ltd

(vi) **You** will not carry out treatment on any person under the age of 18

We will only be liable for Basic Micropigmentation **Treatments** unless **You** are a trained operative in accordance with part (v) of the **Advanced Micropigmentation Procedures** warranty whereby **We** will indemnify **You** in respect of both Basic and Advanced Micropigmentation Treatments

36. Intense Pulsed Light (IPL) Intense Flash Light (IFL) Variable Pulsed Light (VPL) or Light Heat Energy (LHE)

It is warranted by **You** that in respect of

- (a) Intense Pulsed Light Hair Removal
 - (b) Variable Pulsed Light Hair Removal
 - (c) Light Heat Energy Hair Removal
 - (d) Intense Flash Light Hair Removal
 - (e) the treatment of Red Veins by Veinwave
 - (f) the treatment of Skin Tags, Warts, Milia, Moles and Spider Naevi by Intense Pulsed Light
- such Treatments are only carried out at the Premises and **You** retain the services of a qualified Laser Protection Adviser and **You** provide and adhere to appropriate treatment protocols

It is warranted by **You** that in respect of the treatment of warts or moles **You** will check that approval has been given by the clients own General Practitioner before commencing such treatment

You warrant that **You** will not undertake any **Treatment** on any person who has Fitzpatrick Scale Skin Types 5 or 6

You warrant that all operatives who provide **Treatment** have completed:

- a) Core of Knowledge training
- b) an Artificial Optical Radiation Safety course and;
- c) an Operational Training Course from the manufacturer or supplier of the equipment or an Operational Training Course provided by a professional training company designed for IPL Treatments

37. Cryotherapy Induced Lipolysis, Cryopen, Ultrasonic Cavitation

You warrant that

- (a) all operatives who provide Cryotherapy Induced Lipolysis Treatments or Ultrasonic Cavitation have completed
 - (i) Level 3 of the National Qualifications Framework or equivalent for Beauty and Electrical treatments and
 - (ii) a minimum Level 2 Anatomy and Physiology Qualification and
 - (iii) a training course provided by the Academy of Advanced Beauty, or an alternative approved by Us, for the specific treatment being provided (Cryolipolysis only)
- (b) in relation to Cryopen treatments all operatives will have trained with Cryosthetics or a trainer that has been specifically approved by Us
- (c) Cryopen must only be used for the treatment of Skin Tags, Milia, Warts, Moles, Solar Lentigo and Cherry Angiomas

38. Laser Treatments For Hair Removal, Skin Rejuvenation and Inch Loss by Laser Lipo

It is warranted by **You** that Treatments will be provided in a Spa which retains the services of a qualified Laser Protection Advisor. All operatives who provide Laser Treatments will have completed and attained the following qualifications:

- i. Level 3 NVQ or equivalent in Beauty Treatments
- ii. Core of Knowledge for the use of Lasers
- iii. An Artificial Optical Radiation Safety Course and
- iv. An Operational Training Course from the Manufacturer or supplier of the Equipment or a professional training company designated for laser treatments

Section 3 – Legal Liabilities

39. Water Based Facilities

It is warranted by You that You will ensure that:

- a) the operator of the pool has undertaken a risk assessment in accordance with Health and Safety Executive Regulations and the pool will not be used unless all requirements have been met.
- b) all floors that are likely to become damp or wet have non-slip surfaces and the pool edge will be
 - i) kept free of unnecessary obstructions
 - ii) be of a non-slip surface
- c) notices showing
 - i) water depths
 - ii) Rules of Conductwill be prominently displayed

40. Thermal Spa Rooms

It is warranted by You that You will ensure that when the pool is open:

- a) all floors that are likely to become damp or wet have non-slip surfaces and the pool edge must be
 - i) kept free of unnecessary obstructions
 - ii) be of a non-slip surface
- b) notices showing
 - i) water depths
 - ii) Rules of Conduct and safe method of operationmust be prominently displayed
- c) such facilities are under regular supervision by a responsible trained person who is on the Premises continuously while such facilities are in use.

41. Fitness Activities and Fitness Rooms

It is warranted by You that You will ensure that the use of Fitness Rooms and Fitness Activities are subject to the following procedures

- a) all equipment is inspected at least once each week and any defects found are repaired immediately or the equipment withdrawn from use;
- b) all equipment is used in accordance with the manufacturer's instructions
- c) You will obtain a 'Health & Gym experience questionnaire' from all members and/or participants prior to their use of equipment;
- d) where the member and/or participant does not have sufficient experience or fitness level, an adequate induction course shall be provided by the You for the said member and/or participant

Section 4 – Terrorism

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

Definitions for Section 4 – Terrorism

Business Interruption

Business Interruption shall mean loss resulting from interruption of or interference with the Business carried on by You at the Premises in consequence of loss or destruction of or damage which is insured under Section 1 - Property Damage of this Policy to property used by You at the Premises for the purpose of the Business.

Damage

Damage shall mean direct physical loss or destruction of or damage to the Property Insured.

Great Britain

Great Britain means England and Wales and Scotland but not the territorial seas adjacent thereto (as defined by the Territorial Sea Act 1987).

Nuclear Installation

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; or
- 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

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

Nuclear Reactor

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.

Sabotage

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

Terrorism

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

Section 4 – Terrorism

Cover

In consideration of the payment of the Premium in respect of the Period of Insurance, the cover provided under the Sections shown under the Terrorism Section of the Schedule of this Policy is extended to include Damage to the Property Insured and Business Interruption where covered in Great Britain occasioned by or happening through or in consequence of Terrorism or Sabotage.

Provided that

- a) the Insurers liability in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance shall not exceed the Limits of Liability as otherwise specified under this Policy;
- b) the insurance by this Section is subject to the Exclusions stated below.

Exclusions

What is not covered (see also General Exclusions):

1) War and Allied Risks

This Section does not cover Damage or Business Interruption occasioned by riot civil commotion war invasion act of foreign enemy hostilities (whether war is declared or not) civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.

2) Electronic Risks

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

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

3) Nuclear Installation or Nuclear Reactor

This Section does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Damage or Business Interruption in respect of 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.

4) Nuclear Risks and Radiological Contamination

This Section does not cover any loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused

5) Chemical and Biological Emission

This Section does not cover loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind

6) Excluded Property

This Section does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Damage or Business Interruption in respect of:

- a) any property which is specifically excluded elsewhere in this Policy; or
- b) any property which is insured by or would but for the existence of this Policy be insured by any form of transit, aviation or marine policy.

Section 4 – Terrorism

7) Threat or hoax

This Section does not cover any losses whatsoever or any expenditure resulting or arising therefrom or any Business Interruption directly or indirectly caused by or contributed to by threat or hoax of Terrorism or Sabotage.

8) Business Interruption

No claim shall be payable for Business Interruption except in respect of property insured under Section 1 – Property Damage of this Policy which has suffered Damage and unless and until a claim has been paid, or liability admitted, in respect of that Damage and which gave rise to the Business Interruption at that location.

9) Strikes, Riot, Civil Commotion

This Section does not cover loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion

Clauses & Conditions that apply to Section 4 – Terrorism

4.1 In any action or other proceedings where the Insurer alleges that any Damage or Business Interruption is not covered by this Section the burden of proving that such Damage or Business Interruption is covered shall be upon You.

4.2 Occurrence shall mean any one loss and/or series of losses arising out of and directly occasioned by one act or series of acts of Terrorism or Sabotage for the same purpose or cause.
The duration and extent of any one Occurrence shall be limited to all losses sustained by the Insured at the Premises insured by this Section during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the Insured shall first sustain direct physical damage by an act of Terrorism or an act of Sabotage prior to expiration and within the said 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the start of cover under this Policy.

Section 5 – Business Legal Expenses

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 6 also apply to this Section. The General Conditions in Sub-Section 7A and General Exclusions in Section 8 also apply to this Section.

This Section of the Policy is insured by AmTrust Europe Limited and administered by Arc Legal Assistance.

There will be no cover under this Policy unless You have sought and followed the advice of the Legal Helpline as to the procedure to be adopted and have received specific authorisation from the Legal Helpline:

1. Before carrying out any disciplinary procedure or action
2. Before the dismissal of an Employee
3. Before implementing a redundancy programme and before making an Employee redundant
4. On formal or informal notification of a grievance by an Employee or of a complaint of sexual, racial, religious or disability discrimination or discrimination on the grounds of sexual orientation or age
5. Before making any adverse variation of the terms of conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee's remuneration)
6. On becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without notice

In the event of a valid claim under this insurance, We will appoint Our panel solicitors, or their agents, to handle Your case. You are not covered for any other Adviser's fees unless court Proceedings are issued, or a Conflict of Interest arises. Where it is necessary to start court Proceedings or a Conflict of Interest arises and You want to use a legal representative of Your own choice, Professional Costs and Expenses payable by Us are limited to no more than (a) Our Standard Professional Costs and Expenses; or (b) the amount recoverable under the Civil Procedure Fixed Recoverable Costs Regime, whichever is the lower amount.

This is a "Claims Made" insurance contract. It only covers claims notified to Us during the Period of Insurance and within 180 days, or 45 days for claims relating to Identity Fraud, of any circumstance which may give rise to any claim. Failure to do so would lead Us to decline a claim for indemnity under this insurance.

Prospects of Success

There must be more than a 50% chance of winning the case and achieving a positive outcome. A positive outcome includes, but is not limited to, recovering the amount of money at stake, enforcing a judgment or achieving an outcome which best serves Your interests. The assessment of Your claim and the prospects of its success will be carried out by an independent Adviser. If the Adviser determines that there is not more than a 50% chance of success then We may decline or discontinue support for Your case.

Proportional Costs

An estimate of the Professional Costs and Expenses to deal with Your claim must not be more than the amount of money in dispute. The estimate of the Professional Costs and Expenses will be provided with the assessment of Your case and will be carried out by the independent Adviser. If the estimate exceeds the amount in dispute then We may decline or discontinue support for Your case.

Duty of Fair Presentation

You are responsible for disclosing, in a clear, accessible and comprehensive way, all information which You should be aware would influence the Insurer's decision to provide insurance to You on the terms agreed

Suspension of Cover

If You breach a condition of this insurance contract which is essential to its performance, this insurance contract will be suspended from the time of the breach until the time the breach can be remedied. The Insurer will have no liability to You for any loss which occurs, or which is attributable to something happening, during the period when this insurance contract is suspended.

Section 5 – Business Legal Expenses

Definitions for Section 5 - Business Legal Expenses

Aggregate Limit

The maximum We will pay for all claims arising under this insurance in one Period of Insurance. The Aggregate Limit is £500,000.

Attendance Expenses

Means the actual loss of earnings of any Employee, or other officer of Yours for the period they are absent from work to attend at any court or tribunal hearing either:-

- a. As a witness on Your behalf and at the request of the Professional Adviser in respect of a matter involving a valid claim under this insurance
- b. As a party to the Proceedings and at the request of the Professional Adviser in respect of a matter involving a valid claim under this insurance
- c. While attending Jury Service

For each half or full day of such attendance and shall be calculated on the basis that:

- i. The period of absence from work shall be calculated to the nearest half day, taking an eight hour day to be a whole day for this purpose and the maximum period for which a claim can be made in respect of any one day
- ii. The maximum payable in respect of one eight hour period shall be £100 per person

Awards of Compensation

Basic and compensatory awards of compensation which You must pay as a result of judgment in a dispute under legislation following a claim under sub-section of cover 'Employment Disputes and Compensation Awards a';

Or

An out-of-court settlement of a claim under sub-section of cover 'Employment Disputes and Compensation Awards a' to which We have given Our prior written consent.

Business Premises

The business premises declared to and accepted by Us.

Conditional Fee Agreement

An agreement between **You** and the **Adviser** or between **Us** and the **Adviser** which sets out the terms under which the **Adviser** will charge **You** or **Us** for their own fees.

Data Protection Legislation

The relevant Data Protection Legislation in force in the United Kingdom at the time of the Insured Event, that being:

- (i) before 25 May 2018, the Data Protection Act 1998; and
- (ii) from 25 May 2018 onwards, the Data Protection Act 2018 and the General Data Protection Regulation, or as otherwise applied in the event that the UK withdraws from the EU.

Disclosure Breach

Disclosing false information or failing to disclose relevant information in the process of entering into this insurance contract.

Dismissal

Has the meaning given by s.95 of the Employment (Rights) Act 1996, as amended. Any Dismissals must be handled in accordance with the advice provided by the Legal Helpline.

Director

Your Director(s) including executive officers.

Employee/Your Employee(s)

Any person under a contract of service with You in connection with the business insured under this policy.

Section 5 – Business Legal Expenses

Excess

The sum payable by You as a contribution towards the costs incurred arising from any claim made under this insurance as stated below:

Contract: £250

Tax – Aspect Enquiries only: £200

All other sections: Nil

Geographical Limits

United Kingdom, The Channel Islands or The Isle of Man.

HMRC

H.M. Revenue and Customs in the United Kingdom.

Identity Fraud

A person or group of persons knowingly using a means of identification belonging to You without Your knowledge or permission with intent to commit or assist another to commit an illegal act.

Insured Event

The incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under the terms of this insurance.

In employment disputes the Insured Event will be the effective date of termination of employment.

In a claim arising from Identity Fraud the Insured Event is a single act or the start of a series of single acts against You by one person or group of people.

In accountancy matters the Insured Event arises on the date that You or Your Professional Adviser are contacted either verbally or in writing, by the relevant department of HMRC advising You of either dissatisfaction with Your returns, or amounts paid, or notice of intention to investigate.

In criminal cases the Insured Event will be the date that You commenced or are alleged to have commenced to violate the criminal law in question.

For the purposes of the Limit, only one Insured Event will be regarded as having arisen from all causes or by actions, incidents or events which are related by cause or time.

Insurers

AmTrust Europe Limited.

Legal Helpline

The service provided by Our panel solicitors on Our behalf which enables You to obtain advice on any matter which may give rise to a claim under this insurance.

Limit

The maximum sum payable by Us under a section of cover after calculating all Professional Costs and Expenses incurred in Proceedings in respect of an Insured Event, subject to the Aggregate Limit.

The Limits for each section of cover are as stated below:

Jury Service: £1,000

Tax Disputes – Aspect Enquiries only: £5,000

All other sections: £100,000.

Period of Insurance

The period of cover declared to and accepted by Us.

Section 5 – Business Legal Expenses

Proceedings

Civil, criminal, tribunal or arbitration proceedings or appeals arising from them brought in the Geographical Limits.

Professional Adviser

Our panel solicitors, or their agents, an accountant or other appropriately qualified person, firm or company appointed by the Insurers to act for You, or, and subject to the Insurers agreement, where Proceedings have been issued, another legal adviser nominated by You.

Professional Costs and Expenses

Reasonable un-recovered fees and disbursements properly and necessarily incurred by the Professional Adviser with Our prior written authority and any costs incurred by a third party, on the standard basis of any Proceedings, for which You may be made liable by order of a court or by agreement.

Standard Professional Costs and Expenses

The level of Professional Costs and Expenses that would normally be incurred by Us in using a Professional Adviser of Our choice.

We/Us/Our/Ourselves

Arc Legal Assistance Limited acting on behalf of **Insurers**.

You/Your

Jury Service	The person(s) declared to and accepted by Us or the Employees or Directors of a company or companies declared to and accepted by Us.
Corporate Identity Fraud	The person(s), company or companies (including its Directors and their spouses/civil partners) declared to and accepted by Us.
All other sections	The person(s), company or companies declared to and accepted by Us.

Cover under Section 5

This Section provides indemnity in respect of Professional Costs and Expenses up to the Limit where:

- a. The Insured Event is notified to Us during the Period of Insurance and within 180 days of occurrence
- b. The Insured Event and any Proceedings take place within the Geographical Limits

Employment Disputes and Compensation Awards

What is insured:-

Professional Costs and Expenses incurred by You

- a) In defence of Proceedings brought in an employment tribunal, arising from a dispute with an Employee or ex-Employee relating to:
 - i. The contract of employment with You
 - ii. Actual or alleged breaches of their statutory rights under employment legislation
- b. Awards of Compensation made against You arising from claims under section a) above
- c. In defence of civil Proceedings under The Health and Safety at Work etc Act 1974

Section 5 – Business Legal Expenses

What is not insured:- Claims

- Which are incurred by deliberately avoiding liability for a redundancy payment or for monies or benefits due under a contract of employment
- Under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or under sections 64 to 80 of The Equality Act 2010 and any amending legislation
- For protective awards as defined in S189(3) Trade Union and Labour Relations (Consolidation) Act 1992 and any amending legislation or settlements in respect of such awards
- For redundancy payments
- Arising from the Dismissal of any Employee or change to an Employees terms of employment unless the Dismissal or change to an Employees terms of employment is handled in accordance with the advice provided and procedures laid down by the Legal Helpline as described in the conditions to this insurance
- Arising where the Insured Event was less than 90 days after the start of the first Period of Insurance, or less than 180 days after the start of the first Period of Insurance, if the Employee was at that time subject to disciplinary Proceedings or any verbal or written warning
- For any Awards of Compensation made against You relating to trade union activities including membership or non-membership; or relating to pregnancy, maternity or paternity rights
- For any Awards of Compensation made because of Your failure to provide written reasons for Dismissal
- For any compensatory award specified in a reinstatement or re-engagement order or made because of Your failure to provide written reasons for a Dismissal
- For any award to the extent that it relates to contractual rights accruing to the Employee or ex-Employee prior to the actual or alleged breach of the actual or alleged contract of employment

Bodily Injury

What is insured

Professional Costs and Expenses and Attendance Expenses incurred by Your Employee(s) in the pursuit of Proceedings for damages, specific performance or injunction arising from or out of their death or bodily injury. This cover extends to include members of Your family who suffer bodily injury following an event that also causes bodily injury to You.

If the Proceedings are going to be decided by a court in England or Wales and the damages You are claiming are above the small claims track limit, the Adviser must enter into a Conditional Fee Agreement which waives their own fees if You fail to recover the damages that You are claiming in the Proceedings in full or in part. If the damages You are claiming are below the small claims track limit Advisers' Costs will not be covered but You can access the Legal Helpline for advice on how to take Your case further.

What is not insured:- Claims

- Made against You by an Employee
- For an accident/incident giving rise to bodily injury or death which occurred prior to the start of the first Period of Insurance
- For any sickness or disease or any naturally occurring condition or degenerative process
- For a condition which manifested itself prior to the start of the first Period of Insurance
- For the defence of any claim for bodily injury
- For medical negligence

Section 5 – Business Legal Expenses

Prosecution Defence for Employers and Employees

What is insured:-

Professional Costs and Expenses incurred by:

- a) You arising from any act or omission - or alleged act or omission - which leads to Your prosecution in a court of criminal jurisdiction
- b) You arising from appeals by You against the service of improvement and prohibition notices under The Health and Safety at Work etc Act 1974
- c) Your Employee (including Directors and officers), concerning any matter arising out of his or her duties as Your Employee arising from any act or omission, or alleged act or omission, which leads to the prosecution of Your Employee in a court of criminal jurisdiction

What is not insured:-

Claims

- Arising from deliberate discrimination by You, or an Employee (including Directors) amounting to an act of unlawful discrimination
- For criminal prosecutions brought under Health and Safety legislation
- For damages, compensation, interest, fines, costs or other penalties that You are ordered to pay by a court of criminal jurisdiction
- Arising from a motor prosecution
- Arising from Your prosecution alleging:
 - a. Intentional obstruction of a person in the execution of a warrant issued under the Data Protection Act 1998 by You or by an Employee
 - b. Arising from Your, or an Employees failure to give a person executing such a warrant the assistance they reasonably require for its execution
- Arising from prosecutions of Employees for matters which do not relate to their duties as Your Employees

Contract

What is insured

Professional Costs and Expenses arising from any dispute between You and a customer or supplier about a contract for the supply of goods or services entered into after the start of the first Period of Insurance and where the total amount in dispute, or the amount due to be paid at the time of the dispute, is at least £250.

What is not insured:-

Claims

- For any Insured Event which occurs within 90 days of the start of the first Period of Insurance
- For the recovery of a debt from a customer where the customer does not dispute that the money is owed to You
- For any dispute You may have as a landlord or a tenant in connection with a lease or licence or tenancy agreement
- For professional negligence
- For the defence of any matter which should be covered under a professional indemnity insurance
- Arising from the sale, lease, service, repair or test of a motor vehicle
- Arising from a dispute over a financial services product, including payments which may be due under an insurance policy

Section 5 – Business Legal Expenses

- Arising from a dispute with an Employee or former Employee arising from a contract of employment
- Arising from any licence or franchise agreements

Property Protection

What is insured

Professional Costs and Expenses incurred in pursuit of Proceedings against a third party, other than an Employee or former Employee, following an act or omission relating to material property owned by You which results in, or is likely to result in, physical damage to that property and/or financial loss by You.

What is not insured:-

Claims

- Arising from a contract made between You and a third party other than a contract for the repair, renovation, reinstatement or decoration of real property
- Arising from a lease or tenancy agreement applying to Your Business Premises and disputes relating to the occupation of land or property owned by You, by a party or parties whose licence to occupy such property has been determined or revoked or which was never granted by or on Your behalf
- Involving:
 - a. Goods in transit
 - b. Goods hired or lent to third parties
 - c. Goods at premises other than those occupied by You, unless they are at the premises for the purpose of installation or use in work carried out by You
- Involving a motor vehicle belonging to You or in Your possession, except whilst on Your Business Premises
- Arising from an appeal against refusal of planning permission

Tenancy Disputes

What is insured

Professional Costs and Expenses and Attendance Expenses incurred by You in the pursuit or defence of Proceedings between You and Your landlord under the terms of the lease or tenancy agreement applying to Your Business Premises.

What is not insured:-

Claims

- Arising from or relating to the amount, payment or non-payment of rent
- Arising from or relating to the renewal of the lease or tenancy agreement

Tax Disputes

What is insured

Professional Costs and Expenses incurred by You and arising directly from:

- a. HMRC Enquiries and Disputes
 - A full or aspect enquiry by HMRC into Your corporation tax return following the issue of formal notification by HMRC
 - Any challenge in writing by HMRC of the accuracy or completeness of returns submitted in accordance with the PAYE regulations following a compliance check or routine inspection undertaken by HMRC into the operation of PAYE.

Section 5 – Business Legal Expenses

- An enquiry conducted into the employment status of Your Employees under the PAYE and/or NIC Regulations or Part 2, Chapter 8 of Income Tax (Earnings and Pensions) Act 2003 (IR35).
- b. VAT Disputes
- A dispute following a compliance check or routine inspection undertaken by HMRC of Your VAT record-keeping.
 - An enquiry held under Section 60 or 61 of the VAT Act 1994 or any matters handled by the National Investigations Service of HMRC providing that at the culmination of such investigation it is proved that You were not found guilty of dishonesty, fraud or fraudulent intent.

What is not insured:- Claims

- a. Involving criminal proceedings or alleged fraudulent evasion of tax, and any case dealt with by Special Civil Investigations Office, Boards Investigation Unit of any other special office of HMRC
- b. Arising from or relating to attendance at a compliance and/or control review or routine inspection undertaken by HMRC (PAYE/NIC and/or VAT)
- c. Where deliberate miss-statements have been made in respect of accounts, returns or any other submissions made to the relevant authorities
- d. Where You have failed to give Your business status to the relevant authorities within a statutory period
- e. Which originate from any enquiry, investigation or dispute which existed before the first Period of Insurance
- f. Involving tax or National Insurance contributions avoidance schemes
- g. Which occurs during the first 60 days of the first Period of Insurance
- h. Where You have failed to maintain or submit accurate, truthful and up to date records, or where returns have not been submitted within statutory time limits or requirements
- i. Arising from a dispute as to whether an Employee's remuneration should fall under either PAYE or sub-contract rules
- j. In respect of any dispute arising under the National Minimum Wage Act 1998 or the Tax Credits Act 2002.
- k. In any claim where the policyholder has adopted a tax avoidance scheme.
- l. In respect of the preparation or rectification of self-assessment tax returns, accounts, P11Ds, P35s, VAT returns or any other statutory returns or for any professional fees incurred for the routine presentation of Your affairs, including the reconciliation of annual accounts with VAT returns.

Professional Costs and Expenses

- a. Incurred in dealing with technical or routine matters not connected with or arising out of an expression of dissatisfaction with Your affairs
- b. Incurred in dealing with any deficiencies in books, records, accounts or returns including the costs of repairing a return
- c. Arising after You receive a notice telling You that the enquiry has been completed
- d. Arising from or relating to a Tax Tribunal

Conditions applicable to Tax Disputes

- a. You must have maintained and must continue to maintain accurate, truthful and up to date records and make returns in accordance with statute and account conventions acceptable to HMRC and other agencies and have made all returns and payments except those which are disputed and provided information to these bodies where applicable

Section 5 – Business Legal Expenses

- b. You must contact the Legal Helpline as soon as possible after the Insured Event and comply with the advice given
- c. You or Your Professional Adviser should notify Us by contacting the Legal Helpline as soon as possible if You receive any invitation by HMRC to make an offer in settlement
- d. In respect of HMRC enquiries Your Professional Adviser must provide a copy of the HMRC notice of enquiry and a copy of the return giving rise to the enquiry

Corporate Identity Fraud

What is insured

Professional Costs and Expenses arising from Identity Fraud:-

- a) To defend Your legal rights and/or take steps to remove County Court Judgments against You that have been obtained by an organisation from which You are alleged to have purchased, hired or leased goods or services. Cover is only available if You deny having entered in to the contract and allege that You have been the victim of Identity Fraud
- b) To deal with all organisations that have been fraudulently applied to for credit, goods or services in Your name or which are seeking monies or have sought monies from You as a result of Identity Fraud
- c) In order to liaise with credit referencing agencies and all other relevant organisations on Your behalf to advise that You have been the victim of Identity Fraud

What is not insured:-

Claims

- a) Where You have not been the victim of Identity Fraud
- b) Where You did not take action to prevent Yourself from further instances of Identity Fraud following an Insured Event
- c) For Professional Costs and Expenses arising from loss of cash from a bank, building society, credit union or other similar financial institution where that institution has refused to cover the loss
- d) Where the Identity Fraud has been carried out by an Employee or a Director or by somebody living with an Employee or a Director

You must agree to be added to the CIFAS Protection Register if We recommend it.

Jury Service

What is insured

Your Attendance Expenses for Jury Service.

Social Media Defamation

What is insured

Following defamatory comments made about You through a social media website, Standard Professional Costs and Expenses to write one letter to the provider of the Social Media website requesting that the comments are removed. Where the authors' identity of the defamatory comments is known, You are also covered for Standard Professional Costs and Expenses to write one letter to the author requesting that the comments are removed from the social media website.

What is not insured:-

Claims where You are not aged 18 years or over.

Business Legal Helpline

The helpline service may be used to discuss any problem occurring under this policy within the United Kingdom, the Channel Islands and the Isle of Man. Simply telephone 0344 770 1040 quoting "Axiom – Commercial Legal Expenses Insurance" and ask to speak to a legal adviser. This service is here to help You. Do not hesitate to make full use of it. In particular if something You are proposing to do may result in a claim, You must use the helpline first.

Section 5 – Business Legal Expenses

Employment Manual

Our service provides access to an Employment Manual that offers comprehensive, up-to-date guidance on rapidly changing employment law. To view it, please visit Our website at www.arcllegal.co.uk/informationcentre. From the Information Centre page click on the Employment Manual link. You will need to input the username: **10613** and password: **AXIOMUNDERWRITING**. All sections of this web-based document can be printed off for Your own use.

General Exclusions applying to all of Section 5

We will not be liable for:-

Claims where You are engaged in the following trades:

- Aircraft / aerospace
- Gaming gambling and night clubs
- Fairgrounds and amusement arcades
- Waste / refuse disposal
- Solicitors
- Professional sporting clubs
- Builders and allied trades
- Care/nursing homes
- Educational establishments
- Recruitment agencies

War and similar risks

Any consequence of:

- a. War, invasion, terrorism, piracy, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, military or usurped power
- b. Confiscation, destruction, requisition, nationalisation or seizure by order of the Government or public authority

Radioactivity

Any expense, directly or indirectly arising from:

- a. Ionising radiation 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 nuclear assembly or nuclear component

Professional Costs and Expenses incurred

- a. Where the Insured Event had commenced or occurred:
 - Before this policy started; or
 - On, or after the renewal of this policy and which You knew, or should reasonably have known, could result in a claim
- b. For the pursuit, continued pursuit or defence of any claim if the Insurers consider it unlikely a reasonable settlement will be obtained or where the likely settlement amount is disproportionate compared with the time and expense incurred
- c. Where at, or prior to, the start of the first Period of Insurance, You should have realised that a claim might occur
- d. Prior to written confirmation from Us that the claim has been accepted or Professional Costs and Expenses beyond those for which We have given Our prior approval in accordance with the terms and conditions of the cover
- e. Where You fail to instruct or give proper instructions to Us or to the Professional Adviser

Section 5 – Business Legal Expenses

- f. Where You are responsible for anything which prejudices success in the prosecution, defence or settlement of the Proceedings
- g. Where You fail to provide evidence or information reasonably required by Us to establish whether support can be provided under this cover
- h. Where You are responsible for anything which prejudices Our position in respect of the Proceedings
- i. In respect of the amount in excess of Our Standard Professional Costs and Expenses where You have elected to use a Professional Adviser of Your own choice
- j. Where the Insured Event occurs outside of the Geographical Limits
- k. In defending or pursuing new areas of law or test cases

Claims

- a. Where You fail to comply with the conditions of this insurance
- b. Arising from any deliberate criminal act or omission by You
- c. Involving prosecutions which allege dishonesty or intentional violence
- d. Notified to Us outside of the Period of Insurance
- e. Notified to Us more than 180 days, or 45 days for claims relating to Identity Fraud, after the Insured Event
- f. For an application for a judicial review
- g. Made by or against You against or by Us
- h. Directly or indirectly caused by, contributed to or arising from:
 - i. Subsidence or mining or quarrying activities
 - ii. Patents, copyrights, trademarks, merchandise marks, service marks, registered designs, intellectual or artistic property, secrecy or confidentiality agreements (other than claims under employment cover) and passing off
 - iii. Computer software except operating systems and packaged software that have not been tailored by the supplier to the customer's own requirements
 - iv. Actual, planned or proposed works by or under the order of any government or public or local authority
 - v. Planning law including town and country planning legislation
 - vi. The construction of or structural alteration to buildings or parts of buildings
 - vii. Libel or slander or malicious falsehood
- g. Where You act without Our consent or contrary to or in a manner different from Our advice or that of Your Professional Adviser
- h. Made under this cover which do not arise from or relate to Your normal business as shown in the schedule
- i. Relating to prosecutions arising out of deliberate discrimination amounting to an act of unlawful discrimination
- j. Which are false or fraudulent

Section 5 – Business Legal Expenses

What is not insured

Professional Costs and Expenses

- a. Incurred in avoidable correspondence
- b. Which are recoverable from a court, tribunal or elsewhere
- c. Incurred in respect of any claim where, but for the existence of this policy You would be entitled to indemnity under any other policy or certificate or, but for a breach or alleged breach, by You of the terms of the other policy or certificate

Damages, interest, fines or other penalties which You are ordered to pay unless provided for in this cover.

The costs of an appeal unless We have given Our prior written consent to such costs being incurred.

The fees of an expert witness without Our approval being obtained for the appointment of the expert witness and to the amount of his fees.

Prior to the issue of court Proceedings, the legal costs and disbursements of a firm of solicitors instructed by You other than those of Our panel solicitors or their agents.

Conditions applicable to Section 5

Cancellation

This cover is provided automatically as part of Your main insurance contract and cannot be cancelled in isolation. For details on how to cancel Your main insurance contract please contact Your broker.

Appointing a Professional Adviser

- a. At any time before Proceedings are issued We will:
 - i. Take over the claim and deal with it in Your name.
 - ii. Appoint solicitors to act for You as Professional Adviser.
- b. If Proceedings need to be issued:
 - i. You may inform Us of Your choice of a Professional Adviser. We may accept such choice if the Professional Adviser confirms in writing that they will co-operate with You to enable You to keep to the terms of this insurance. Where We agree to Your own choice of Professional Adviser this insurance will not cover any amount in excess of Our Standard Professional Costs and Expenses
 - ii. If We and You cannot agree with Your choice of Professional Adviser, You may suggest another. If We still cannot agree upon a suitable Professional Adviser, We shall ask the Law Society to choose a solicitor to act. Both We and You must accept their decision
- c. If Your Professional Adviser refuses to continue acting for You for reasonable cause or You discontinue Your instructions then Our liability will stop at once unless We agree to the appointment of another Professional Adviser.

Conducting Proceedings

You will instruct the nominated Professional Adviser to:

- a. Provide Us immediately with an opinion of the prospects of success, an estimate of the total costs likely to be incurred, and details of the charging rate
- b. To keep Us fully and promptly advised of the progress of the case, of any change in their view of prospects of success and/or their estimate of costs during the Proceedings. If they do not comply, all liability under this cover will cease

Section 5 – Business Legal Expenses

We will meet the Professional Adviser's costs and expenses of dealing with the Proceedings which have been agreed in advance by Us - both amount and purpose - and as long as prospects of success remain reasonable.

Our right to information

We will have direct access to the Professional Adviser at all times and You will co-operate fully with Us and keep Us informed of all material developments.

We will be entitled to obtain any information, copy document, account or correspondence relating to the Proceedings, whether or not it is privileged and You will give any instructions to the Professional Adviser which might be required immediately.

We will be notified as soon as reasonably possible by You or the Professional Adviser of any offer or payment into court made with a view to settlement.

If any offer or payment into court is not accepted by You but We reasonably consider the outcome of the Proceedings to be equally or less favourable to You than the offer of payment, We will have no liability in respect of any further Professional Costs and Expenses unless We have given Our agreement for Proceedings to continue.

If You are not satisfied with Our decision, the dispute must be resolved under the terms of the Disputes condition, below.

Co-operation

You will co-operate with Us at all times and reply promptly to any correspondence connected with the claim.

Investigation of the claim

We may Ourselves, or through Our servants, agents, solicitors or accountants, make Our own investigations into the claim and may, subject to Your approval which will not be withheld unreasonably, attempt to reach a settlement of the Proceedings.

Information to be given to the Professional Adviser

You will give all information requested by the Professional Adviser to him promptly and meet with him whenever requested.

Assessment of bills

If We request it, You will instruct the Professional Adviser to submit his bill of costs for assessment by the court or by the appropriate professional body.

Withdrawal and discontinuance

If You withdraw from or discontinue the Proceedings without Our prior agreement, the responsibility for payment of any Professional Costs and Expenses and third party costs will become Yours.

We will be entitled to reimbursement by You for any costs paid or incurred during the course of the Proceedings, including any Professional Costs and Expenses which We are obliged to pay because of You withdrawing or discontinuing.

Recovery of costs from third parties

You will, whenever reasonably possible, attempt to recover costs from a third party and will instruct the Professional Adviser accordingly.

Agreement

We will not be bound by any agreement to which We are not a party.

Disputes

If a complaint cannot be dealt with by the Financial Ombudsman Service (see 'How to Make a Claim'), any dispute between You and Us may, where we both agree, be referred to an arbitrator who will be either a solicitor or a barrister. If the parties cannot agree on their choice of arbitrator the Law Society may be asked

Section 5 – Business Legal Expenses

to make a nomination. The arbitration will be binding and carried out under the Arbitration Act. The costs of the arbitration will be at the discretion of the arbitrator.

Prospects of Success

If at any time We consider Your prospects of success in the Proceedings are not good, or that Your interests can be achieved by other means, We will provide You with a written explanation of Our decision.

We will then be under no further liability to indemnify You in respect of the case.

In forming Our decision We may take into account: -

- a. The amount of money at stake
- b. The fact that a reasonable insured, without legal costs insurance would not wish to pursue this matter
- c. The prospects of being able to enforce a judgment

If You disagree with this decision, You can ask Us to obtain an opinion from an independent solicitor or barrister. If You and We are unable to agree on a suitable solicitor or barrister, the president of the Law Society will be asked to provide a nomination.

If the independent opinion disagrees with Our view, We will pay the cost of obtaining it but if it supports Our view You will pay the cost.

Other Insurances

If any claim covered under this Section is also covered by another legal expenses policy or primary insurance policy, or would have been covered if this Section did not exist, We will only pay in excess of any other cover.

Applicable Law

United Kingdom law allows for the Insurers and You to choose the law applicable to this insurance contract. We propose that the contract is governed by English law. If there is any dispute as to which law applies it shall be English law.

Language

The language for contractual terms and obligations will be English.

Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this contract has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract.

Value Added Tax

If **You** are registered for VAT, the **Insurer** will not be liable to indemnify **You** for the VAT element of any legal expenses invoices.

How to make a claim – Employment cover

You will give Us immediate notice in writing of any Proceedings or suit made or brought against You or believed by You to be considered and any summons or other process served or threatened to be served and any event which may give rise to Proceedings against You.

If You do not tell Us within 180 days and within the Period of Insurance about this event, any claim resulting from that event will not be covered.

Without prejudice to the generality of this condition:

- a. Immediately any of the following actions are contemplated, You must contact the Legal Helpline and follow the advice given:
 1. Before carrying out any disciplinary procedure or action
 2. Before the dismissal of an Employee
 3. Before implementing a redundancy programme and before making an Employee redundant

Section 5 – Business Legal Expenses

4. On formal or informal notification of a grievance by an Employee or of a complaint of sexual, racial, religious or disability discrimination or discrimination on the grounds of sexual orientation or age
5. Before making any adverse variation of the terms of conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee's remuneration)
6. On becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without notice

Failure to seek and follow the advice of the helpline in any of the above situations will mean that any claim arising as a result of the action will not be covered.

- b. If You receive a form ET1 (claim form) from an employment tribunal and wish to obtain indemnity under this cover You should notify the Legal Helpline. This must be done immediately because of the statutory 28 days' time limit for returning a response form (ET3) or responding on-line. The response form should be left blank for completion by Your Professional Adviser. Upon request, You must complete a claim form by visiting www.arclegal.co.uk/informationcentre and forward it to Us immediately. Alternatively, We will send You a claim form.
- c. If a former Employee requests a written statement of reasons for Dismissal, You must contact the Legal Helpline, not later than 7 days from the request and prior to the statement being given.
- d. If You intend to make a significant alteration to an Employee's terms of employment You must telephone the Legal Helpline first and follow their advice.

How to make a claim (other than Employment cover)

Potential claims must be notified to Us by telephoning the Legal Helpline and before instructing a Professional Adviser. You must make Your claim as soon as You are, or should reasonably have been, aware of any event which has resulted in, or could result in an Insured Event. (If You do not tell Us about this event within 180 days, or 45 days for claims relating to Identity Fraud, and within the Period of Insurance, any claim resulting from that event will not be covered). You must follow the advice of the Legal Helpline. Professional Costs and Expenses incurred prior to Our accepting Your claim will not be covered under this insurance You can complete and submit Your claim form online by visiting www.arclegal.co.uk/informationcentre. Alternatively, We will send You a claim form which must be completed, giving a complete and truthful report of the facts of the claim, indicating any potential witnesses and any documentary evidence and return it to Us at the earliest opportunity.

Section 5 – Business Legal Expenses

Customer service information applicable to Section 5

Data Protection

Your details, Your insurance cover and claims will be held by Us and or the Insurers for underwriting, processing, claims handling and fraud prevention subject to the provisions of Data Protection Legislation.

Customer Service

Our aim is to get it right, first time, every time. If We make a mistake, We will try to put it right promptly. If You are unhappy with the service that has been provided, You should contact Us at the address below. We will always confirm to You, within five working days, that We have received Your complaint. Within four weeks You will receive either a final response or an explanation of why the complaint is not yet resolved plus an indication of when a final response will be provided. Within eight weeks You will receive a final response or, if this is not possible, a reason for the delay plus an indication of when a final response will be provided. After eight weeks, if You are not satisfied with the delay You may refer Your complaint to the Financial Ombudsman Service. You can also refer to the Financial Ombudsman Service if You cannot settle Your complaint with Us or before We have investigated the complaint if both parties agree. Further information about the service and eligibility is available at <http://www.financial-ombudsman.org.uk>.

Our contact details are:

Arc Legal Assistance Ltd
PO Box 8921
Colchester
CO4 5YD
Tel 01206 615000
Email customerservice@arclegal.co.uk

The Financial Ombudsman Service contact details are:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Tel 08000 234 567
Email complaint.info@financial-ombudsman.org.uk

Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if We or the Insurer are unable to meet their obligations, Your entitlement to compensation will depend on the circumstances of the claim. Further information about compensation scheme arrangements and eligibility is available at <http://www.fscs.org.uk/>

Authorisation

Arc Legal Assistance Ltd is authorised and regulated by the Financial Conduct Authority. Arc Legal's Firm Reference Number is 305958. This can be checked on the Financial Services Register by visiting the website www.fca.org.uk/register or by contacting the Financial Conduct Authority on 0800 111 6768.

AmTrust Europe Limited, whose registered office is at Market Square House, St James's Street, Nottingham, NG1 6FG, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 202189. These details can be checked on the Financial Services Register by visiting: www.fca.org.uk or by contacting the Financial Conduct Authority on 0800 111 6768.

Section 6 – General Definitions

These Definitions apply to all Sections of the Policy unless stated otherwise. Other Definitions are contained within the Sections of the Policy where they apply.

We/ Insurer/ Our/ Us

Arch Insurance Company (Europe) Limited, its staff and designated Agents

Business

The Business stated in the Schedule, including in respect of Section 3:

- a) the provision and management of canteen sports social or welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services;
- b) private work undertaken with Your prior consent by Employees for any of Your directors or senior officials;
- c) the ownership maintenance and repair of Your Premises.

Consequential Loss

Any further loss of any kind that may arise due to, or as a result of, loss or destruction of or any damage to any property whatsoever.

Employee

- a) any person under a contract of service or apprenticeship with You;
 - b) any person who is hired to or borrowed by You;
 - c) any person engaged in connection with a work experience or training scheme;
 - d) any labour master or person supplied by him;
 - e) any person engaged by labour only sub-contractors;
 - f) any self employed person working on a labour only basis under Your control or supervision; or
 - g) any voluntary helper;
- while working for You in connection with the Business.

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible.

Hacking

Hacking means unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.

Insured/ Policyholder/ You/ Your

The person(s) or company named in the Schedule.

Period of Insurance

The period shown in the Schedule and any subsequent period for which We accept Your premium for renewal of this Policy.

Policy

The Policy and Schedule and any endorsements attached or issued.

Premises

The Premises as stated in the Schedule.

Projected Turnover

Your estimate of the money to be paid or payable to You in the next twelve months for goods sold and delivered and for services rendered in the course of the Business.

Proposal

The signed Proposal or Statement of Fact and any additional information supplied to the Insurer by You or on Your behalf.

Sabotage

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

Terrorism

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

Section 7 – Policy Conditions

Sub-Section 7A – General Conditions

These General Conditions apply to all Sections of the Policy unless stated otherwise. The Special Conditions and Clauses in Sub-Section 7B only apply if they are shown as operative on the Schedule. Other Conditions are contained within the Sections of the Policy where they apply.

7.1 Alteration in Risk

This Policy shall be avoided if after the commencement of this insurance there is any alteration in risk:

- a) by removal;
- b) by change of occupation or use of the Property Insured;
- c) whereby the risk of loss or damage or accident or liability is increased;
- d) whereby the Business is wound up or carried on by a liquidator or receiver or permanently discontinued; or
- e) whereby Your interest ceases except by will or operation of law;

unless such alteration is notified to and accepted by the Insurer in writing.

7.2 Arbitration

If any difference shall arise as to the amounts to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions. An award made by the arbitrator shall be a condition precedent to any right of legal action against the Insurer.

7.3 Average

Where a Sum Insured is subject to Average if at the time of the Damage the Sum Insured is less than the actual value of the property You will be considered as Your own insurer for the difference and bear a proportionate share of the loss.

Example: If at the time of a loss the Sum Insured is only half of the amount required to fully cover all the Property, then We will only pay up to half of the claim, less any excess applicable.

Sums insured must be enough to fully cover all the Property, throughout the life of the policy including after each renewal. Otherwise a claim payment may be reduced by the application of Average.

Please consider taking professional advice to help you set adequate sums insured, eg from a surveyor in respect of buildings insurance. If You use specialist equipment, suppliers may help You determine replacement costs.

7.4 Cancellation

The Insurer shall not be bound to accept any renewal of this Policy and may at any time give You thirty days notice to cancel this Policy sent in writing to Your last known address, where the Insurer has valid reasons for doing so. Valid reasons may include but are not limited to non-payment of premium in full or in part, Your non-operation with the terms of the Policy, where We reasonably suspect fraud, where You or someone acting on your behalf uses threatening, abusive or intimidating language or behavior to Us or to someone whom we appoint to provide a service in connection with the Policy. Termination shall be without prejudice to any rights or claims of the Insurer or You prior to the expiry of such notice. The Insurer shall in that event return to You a proportionate part of the premium for the unexpired time of the Policy, (subject to application of any minimum premium). The Insurer reserves the right to terminate this Policy immediately in the event of non-payment of the premium or default under any instalment scheme or linked credit transaction. No refund will be made to You of any instalment paid.

You can cancel this insurance at any time by writing to Your broker and returning Your certificate of Employers' Liability insurance (if one has been issued to You). Any return premium due to You will depend on how long this insurance has been in force and whether You have made a claim or incidents have occurred that might give rise to a claim. The Insurer reserves the right on refunding any premium paid if You have made a claim under this Policy.

Section 7 – Policy Conditions

If you cancel the Policy within 12 months of the date cover first started then the following refund limits will apply:

Cancellation from start-date of Policy	Maximum refund percentage
Within 1 month	80%
Within 2 months	70%
Within 3 months	60%
Within 4 months	50%
Within 5 months	40%
Within 6 months	30%
Within 7 months	20%
Within 8 months	10%
More than 8 months	0%

The above limits will be subject to

- a) Us retaining a minimum premium of £25 plus Insurance Premium Tax and
- b) No claims having been made, notified or otherwise pending.

7.5 Claims - The Insurers Rights

The Insurer:

- a) on the happening of any loss, destruction or damage in respect of which a claim is made, may, without incurring any liability or diminishing any of the Insurers rights under this Policy, enter, take or keep possession of, the Premises where such loss destruction or damage has occurred and take possession of, or require to be delivered to the Insurer, any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.
No claim under Section 1A shall be payable unless the terms of this condition have been complied with.
No property may be abandoned to the Insurer whether taken possession of by the Insurer or not.
- b) shall have full discretion in the conduct of any proceedings and in the settlement of any claim.

7.6 Computer Records

It is a condition precedent to liability that the Insured shall maintain a minimum of two generations of back-up computer records and software taken at intervals no less frequently than seven days, one copy as a minimum being held off site.

7.7 Conditions Precedent to Liability

Every condition stated as a condition precedent that applies to this Policy (whether a Policy, Section or Special Condition) shall apply from the time the condition attaches and continue to be in force during the whole currency of this Policy. Failure to comply with any such condition shall be a bar to any claim.

7.8 Confirmation of Values at Risk

You must provide the Insurer at the inception of the Policy and annually thereafter with full details of the Declared Values as well as the wage roll and Turnover of the Business.

7.9 Contracts (Rights of Third Parties) Act

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Right of Third Parties) Act 1999 by any person who is not a party to this contract.

7.10 Fraud

If any claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefit under this Policy or if any loss destruction or damage is occasioned by Your wilful act or with Your connivance all benefit under this Policy shall be forfeited.

7.11 Identification

This Policy and the Schedule (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear.

7.12 Insurable Interest

The insurable interest in the insurance by this Policy shall not be transferred without the written consent of the Insurers.

Section 7 – Policy Conditions

7.13 Interpretation

In this Policy;

- a) reference to any statute or statutory provision and orders or regulation thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- b) reference to any statutory or other body shall include the successor to that body;
- c) words importing the singular include the plural and vice versa and references to persons includes bodies corporate or unincorporated. Words importing any gender shall include all genders;
- d) if any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable the remainder shall remain in full force and effect;
- e) the headings are for reference only and shall not be considered when determining the meaning of this Policy.

7.14 Minimum Standards of Security

The Insurer requires Your Premises to have the Minimum Standard of Security as detailed below:

Exit Doors

- a) Sliding and/or folding doors, where the door meets the stile, are to be secured with a locking bar and close shackle padlock. If a multi-leaf door then each leaf should be secured internally by bolts top and bottom.
- b) Roller shutters which are manually operated are to be secured with bullet locks or alternatively a locking bar and close shackle padlock, with a staple set into concrete and the locking bar secured to the shutter. Roller shutters which are automatically operated internally are to have operating chains secured with a hardened shackle padlock to the door frame or any other part of the building structure. Roller shutters which are electrically operated externally are to be fitted with automatic cut-off devices in the event that keys are not used.
- c) Wicket gate doors are to be secured by either a mortise deadlock which has five or more levers and/or conforms to BS 3621 with a matching box striking plate fitted, or by a locking bar and close shackle padlock.
- d) Single leaf, solid or panelled doors are to be secured by either a mortise deadlock which has five or more levers and/or conforms to BS 3621 with a matching box striking plate fitted, or by a locking bar and close shackle padlock.
- e) Double leaf, solid or panelled doors are to be secured by flush or barrel bolts top and bottom on the first closing leaf and:
 - i) a mortise deadlock which has five or more levers and/or conforms to BS 3621 and a matching box striking plate; or
 - ii) a locking bar and close shackle padlock on the second closing leaf.
- f) Aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortise deadlocks.

Internal Doors

Internal doors giving access to any part of the Building not occupied by You or for Your Business are to be fitted on Your side of the door with either:

- a) a mortise deadlock which has five or more levers and conforms to BS 3621 with a matching box striking plate and You are to be the sole key holder;
- b) two key operated security bolts, one fitted approximately 30 cm from the top of the door and the other 30 cm from the bottom; or
- c) a locking bar and close shackle padlock.

Windows, Fanlights, Rooflights and Skylights

All opening external basement, ground floor and other accessible windows, fanlights, rooflights and skylights are to be fitted with key operated window locks or a padlock and locking bar or padlock, hasp and staple.

Note: An accessible window is one which can easily be reached such as a window adjacent to a flat roof or fire escape, balcony, canopy or downpipe.

This requirement does not apply to windows protected by solid steel bars, weld mesh or expanded metal grilles securely fixed to brickwork surrounding the window or demountable weld mesh or expanded metal grilles secured by means of a hardened shackle padlock.

Fire Exits

Any door or window officially designated as a fire exit by a fire authority is excluded from the above requirements. These are to be secured internally by panic bolts or fire exit bolts (capable of opening at all times). Any additional devices must be approved by the local Fire Prevention Officer.

Important Note:

No cover will be in operation for theft or attempted theft involving entry into or exit from the Premises and malicious damage and fire caused by arson unless:

Section 7 – Policy Conditions

- a) *Your Premises are protected to the Minimum Standards of Security detailed above;*
- b) *security devices stipulated are in full and effective operation whenever Your Premises are left unattended; or*
- c) *Your Premises have been surveyed by one of Our Risk Control Surveyors and the Insurers have accepted alternative levels of security.*

7.15 Observance of Terms

It is a condition precedent to any liability on the part of the Insurer under this Policy that the terms hereof so far as they relate to anything to be done or complied with shall be duly and faithfully observed except in so far as it is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to compulsory insurance of legal liability to Employees.

7.16 Other Insurances and Average

Applicable to Section 1A – Buildings, Contents & Stock and Section 1B – All-Risks (Specified Items)

If at the time of any Damage there is any other insurance effected by You or on Your behalf covering any of the Property damaged the liability of the Insurer under this Policy shall be limited to its rateable proportion of such Damage.

If any other insurance shall be subject to any Average (under-insurance) condition this Section if not already subject to any condition of Average shall be subject to Average in like manner.

If any other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Section either in whole or in part or from contributing rateably the liability of the Insurer hereunder shall be limited to that proportion of the Damage as the Sum Insured by this Section bears to the value of the Property.

Application to Section 1D – Goods in Transit

If at the time of a claim there is any other insurance arranged by You or on Your behalf covering anything insured under this Section the Insurer shall be liable only for a proportionate share.

If the other insurance is more specific in relation to the Property then this Section will only apply after the other insurance has been exhausted.

Applicable to Section 2A – Gross Profit, Rent & Book Debts

If at the time of any Incident resulting in a loss under this Section there is any other insurance effected by You or on Your behalf covering such loss or any part of it the liability of the Insurer under this Policy shall be limited to its rateable proportion of such loss.

Applicable to Section 3 – Employers' Liability, Public Liability and Products Liability

The Insurer will not indemnify You in respect of liability which is insured by or would but for the existence of the Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy had this insurance not been effected.

7.17 Reasonable Precautions

You shall:

- a) take all reasonable precautions to prevent occurrences which may give rise to loss destruction or damage;
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority;
- c) take immediate steps to make good or remedy any defect or danger which becomes apparent or take such additional precautions as circumstances may require; and
- d) take reasonable care in selecting Employees and maintain security precautions when the Property insured under Section 1D is in Your custody or control.

7.18 Subjectivity

- a) If the Policy is issued with subjectivity it will clearly state in the Schedule if the cover provided by the Policy is subject to You:
 - i) providing the Insurer with any additional information requested by the required date;
 - ii) completing any actions agreed between You and the Insurer by the required dates; or
 - iii) allowing the Insurer to complete any actions agreed between You and the Insurer.
- b) If required by the Insurer You must allow access to the Premises and the Business to carry out surveys within 60 days of the inception or renewal date, unless agreed otherwise in writing.

If cover under this Policy is subject to You completing risk improvements and complying with the risk improvements for the currency of the Policy then the risk improvements identified must be completed within the individual timescales specified and complied with for the currency of the Policy.

Following the above actions the Insurers reserve the right to:

- a) modify the premium;
- b) change the terms and conditions of the Policy;
- c) require You to make alterations to the Premises insured by required dates;
- d) cancel the Policy in accordance with General Condition 6.4;
- e) leave the Policy terms, conditions and premium unaltered.

Section 7 – Policy Conditions

You will be advised of the Insurers decision and any required actions and dates. The effective date of any changes will apply unless and until the Insurers agree otherwise in writing.

If You disagree with the Insurers decision You must make Your comments in writing and the Insurers will attempt to negotiate a resolution with You. If this is unsuccessful You have the right to cancel the Policy and, subject to no claims, a proportionate part of the premium will be refunded to You.

7.19 Subrogation

Any claimant under this Policy shall, at the request and at the expense of the Insurer, take and permit to be taken all necessary steps for enforcing rights against any other party in Your name before or after any payment is made by the Insurer. The Insurer shall be entitled to take over and conduct in Your name the defence or settlement of any claim or to prosecute in Your name, at its own expense and for its own benefit, any claim for indemnity or damages or otherwise.

7.20 Turnover

You must notify the Insurer in writing as soon as You become aware that the Projected Turnover of the Business has increased by more than 50% since the Projected Turnover was last confirmed to the Insurer.

Section 7 – Policy Conditions

Sub Section 7B – Special Conditions and Clauses

These Special Conditions and Clauses only apply if they are shown as operative on the Schedule. The General Conditions in Sub-Section 7A apply to all Sections of the Policy unless stated otherwise. Other Conditions are contained within the Sections of the Policy where they apply.

7.1 Alarm Clause

It is a condition precedent to liability under Sections 1A, 1B and 1C in respect of loss or damage following entry or attempted entry to or exit from the Premises by forcible and violent means that:

- a) the Premises are protected by an Intruder Alarm System designed installed and maintained to British Standard BS 4737 including Code of Practice DD243 or EN 50131 by an intruder alarm installation and maintenance company who are both:
 - i) a member of an Alarm Inspectorate which is accredited by UKAS to EN 45011 or EN 45012; and
 - ii) accredited and operate a Quality Management System in accordance with EN ISO 9000.
- b) the Intruder Alarm System shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance, as per the requirements of BS 4737 or EN 50131, with the installing company or such other company as agreed with the Insurer.

Where remote alarm signalling is required the signal transmission must be transmitted to an Alarm Receiving Centre fully compliant with BS 5979:2000 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000.

- c) no alteration to or substitution of:
 - i) any part of the Intruder Alarm System;
 - ii) the maintenance contract;
 - iii) the structure of the Premises or changes to the layout of the Premises which would affect the effectiveness of the Intruder Alarm System; or
 - iv) the procedures agreed with the Insurer for Police or any other response to any activation of the Intruder Alarm System;be made without the written agreement of the Insurer.
- d) the Alarmed Premises shall not be left unattended without the agreement of the Insurer:
 - i) unless the Intruder Alarm System is set in its entirety with the means of communication used to transmit signals in full operation;
 - ii) if the Police have withdrawn their response to alarm activations.
- e) You shall maintain secrecy of codes for the operation of the Intruder Alarm System and detail of such codes and all keys to the Intruder Alarm System shall be removed from the Premises when the Premises are left unattended.
- f) You shall appoint at least two Key Holders and lodge written details (which must be kept up to date) with the alarm company and either the Police or the Alarm Receiving Centre.
- g) in the event of notification of any activation of the Intruder Alarm System or interruption of means of communication during any period the Intruder Alarm System is set a Key Holder shall attend the Premises as soon as reasonably possible.
- h) in the event of You receiving any notification:
 - i) the Police attendance in response to alarm signals/calls from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed;
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance;
 - iii) that the Intruder Alarm System cannot be returned to or maintained in full working order;You shall advise the Insurer as soon as possible and comply with any subsequent requirements stipulated by the Insurer.

Definitions for 7.1 Alarm Clause:

Intruder Alarm System

The component parts including the means of communication used to transmit signals to and from the Premises.

Alarmed Premises

The Premises or those portions of the Premises protected by the Intruder Alarm System.

Key Holder

You or any person or key holding company authorised by You who is available at all times to accept notification of faults or alarm signals to the Intruder Alarm System and attend and allow access to the Premises.

Premises

The Buildings occupied by You or under Your control (unless stated otherwise in the Schedule).

Section 7 – Policy Conditions

7.2 Composite Panels

- a) It is a condition precedent to liability of the Insurers in respect of any building containing composite panels with combustible cores that:
- i) the existence and extent of the composite panels has been fully disclosed to the Insurer prior to inception of the Policy;
 - ii) all wiring passing through composite panels is, and will continue to be, encased in metal conduits and sealed with rubber grommets;
 - iii) when services, which pierce any composite panels, are removed, the openings will immediately be capped by metal plates;
 - iv) any ductwork or services that pass through composite panels and which may get hot are, and will continue to be, sleeved in non-combustible insulation sufficient to prevent any transfer of heat to the composite panels through which they pass;
 - v) no repairs will be made to composite panels that involve welding, grinding, cutting or other obvious ignition sources; and
 - vi) heat sources will be kept a minimum distance of 2 metres away from all composite panels.
- b) It is a condition precedent to the liability of the Insurers in respect of any building containing composite panels that:
- i) fire extinguishers and fire blankets, suitable both in number and type, are supplied for all cooking areas;
 - ii) at least weekly inspections are undertaken by You to check for Damage to composite panels or panel joints;
 - iii) any defects which are found during the course of the inspections referred to at ii) are rectified or the defective panel(s) replaced by a panel(s) with a non-combustible core without delay and in any event within 7 days; and
 - iv) there is no external storage of combustible waste, stock, packaging, pallets, or skips or bins containing such items within 10 metres of any building containing composite panels.
- c) Where work involving the application of heat is to be carried out in any building containing composite panels with combustible cores, the following condition applies:
- It is a condition precedent to the liability of the Insurers under the Policy that;
- i) any work involving the application of heat is only carried out by a suitably experienced contractor;
 - ii) the contractor carrying out the work has public liability insurance in force at least to the same level as the Sums Insured shown on the Schedule to this Policy and that You confirm the same through sight of the certificate of insurance;
 - iii) You do not waive any subrogation rights against the contractor at any time;
 - iv) the area in which the work is to be carried out must be cleared of any loose debris and all movable combustible materials removed to a distance of not less than 6 metres from the area of the proposed work prior to its commencement;
 - v) if work is to be carried out overhead, the area beneath that work must be cleared of any loose debris and all movable combustible materials removed to a distance of not less than 6 metres from the area of the proposed work prior to its commencement;
 - vi) any combustible materials within a 6 metre radius of the area of the proposed work which cannot be moved, including any composite panels, are to be fully covered and protected by fire-proof blankets and/or screens. [For the avoidance of doubt, the condition at a) (vi) will still apply such that under no circumstances must hot works be carried out within 2 metres of any composite panels];
 - vii) the ground or floor or other horizontal surface (including any gutters) directly beneath the area of the proposed work is to be liberally covered with sand to a distance of not less than 50cm all around the area of the proposed work;
 - viii) a suitable number of fire extinguishers with a total capacity of not less than 20 litres must be kept available for immediate use and located no more than 2 metres from the area of work;
 - ix) a dedicated person, with no other responsibilities, must be in attendance to keep a constant fire watch and to damp down the area of the proposed works whilst the hot work is being carried out and for at least 15 minutes following any interruption to and/or cessation of the hot work;
 - x) blow lamps and blow torches shall be lit for as short a time as possible before use and extinguished immediately after use;
 - xi) lighted blow lamps and torches must not be left unattended;
 - xii) any work involving the application of heat will cease at least 1 hour before the Premises close for Business for the day;
 - xiii) a thorough examination of the area in which the work was carried out, including an examination of the other side of any roof or partition to the side on which the hot works were being carried out, shall be made 30 minutes and 60 minutes after hot works have ceased or been interrupted for 30 minutes or more, and immediately prior to the Premises closing for Business on any day during which hot works have been carried out; and
 - xiv) You obtain written confirmation from the contractor prior to the start of work that the precautions stated on Your Hot Work Permit will be adhered to.

Section 7 – Policy Conditions

7.3 Electrical Circuit Maintenance Warranty

It is warranted that a current and valid electrical certificate is issued for the Premises and that the electrical installation will be inspected and tested once every five years by a contractor approved by the National Inspection Council for Electrical Installation Contracting (NICEIC) and that defects found will be remedied forthwith in accordance with regulations of the Institution of Engineering and Technology (IET).

7.4 Waste Removal (Combustible Waste, Weekly Removal)

It is warranted that all combustible trade waste and refuse will be swept up daily and kept in bags or bins and removed from the buildings at least once a week.

Section 8 – General Exclusions

These Exclusions apply to all Sections of the Policy unless stated otherwise.

Other Exclusions are contained within the Sections of the Policy where they apply.

8.1 *Applicable to all Sections other than Section 3A – Employers' Liability*

a) **War & Similar Risks**

The insurance by this Policy does not cover:

Damage or Business Interruption or legal liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation, or nationalisation, or requisition, or destruction of or damage to property by or under the order of any government or public or local authority.

b) **Nuclear Risks & Radioactive Contamination Risks**

This insurance does not cover;

- a) loss destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any Consequential Loss; or
- b) any legal liability of whatsoever nature;

directly or indirectly caused by or contributed to by or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- e) any chemical, biological, bio-chemical, or electromagnetic weapon.

c) **Date Recognition**

The insurance by this Policy does not apply to:

Any claim directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000:

- a) correctly to recognise any date as its true calendar date;
- b) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date; or
- c) to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into the computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date;

but this shall not exclude subsequent Damage in respect of Section 1A (Buildings, Contents & Stock) subsequent loss or damage in respect of Section 1B (All Risks-Specified Items) and subsequent Business Interruption in respect of Section 2A (Gross Profit, Rent & Book Debts) not otherwise excluded which itself results from fire, lightning, explosion, theft, aircraft or other aerial devices or articles dropped from aircraft or other aerial devices, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal, provided such Peril is insured by the Section.

Section 8 – General Exclusions

8.2 *Applicable to all Sections other than Section 3A – Employers’ Liability and Section 4 – Terrorism*

Terrorism

- a) This insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of Terrorism or Sabotage regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- b) This insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any threat or hoax of Terrorism or Sabotage regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- c) This insurance also excludes loss, damage, cost or expense of whatsoever nature in Northern Ireland directly or indirectly resulting from or in connection with civil commotion.
- d) This insurance also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to a) or b) above.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon You.

In the event that any portion of this exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect.

8.3 *Applicable to all Sections other than Section 3 – Employers’ Liability, Public Liability and Products Liability*

Contamination and Pollution Clause

- a) The insurance by this Policy does not cover any loss or damage due to contamination, pollution, soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease or due to any limitation or prevention of the use of objects because of hazards to health.
- b) This exclusion does not apply if such loss or damage arises out of one or more of the following Perils:
Fire, Lightning, Explosion, Impact of Aircraft
Vehicle Impact, Sonic Boom
Accidental Escape of Water from any tank apparatus or pipe
Riot, Civil Commotion, Malicious Damage
Storm, Hail
Flood, Inundation
Earthquake
Landslide, Subsidence
Pressure of Snow, Avalanche
Volcanic Eruption
- c) If a Peril not excluded from this Policy arises directly from pollution and/or contamination any loss or damage arising directly from that Peril shall be covered.
- d) All other terms and conditions of this Policy shall be unaltered and especially the exclusions shall not be superseded by this clause.

8.4 *Applicable to all Sections other than Section 4 - Terrorism*

Electronic Data

1) Electronic Data Exclusion

- a) The insurance by this Policy does not cover loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus or Hacking) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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 programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to “trojan horses”, “worms” and “time or logic bombs”.

Section 8 – General Exclusions

- b) However, in the event that a Peril listed below results from any matters described in paragraph a) above, this insurance, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy Period of Insurance to the Property Insured by this Policy directly caused by such listed Peril.

Listed Perils:

Fire
Explosion

2) Electronic Data Processing Media Valuation

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic 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 such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this insurance does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

8.5 *Applicable to all Sections- Sanction Limitation and Exclusion Clause*

We shall not provide any benefit under this Policy to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any prohibition or restriction imposed under United Nations resolutions or the trade or economic sanction, law or regulations of the European Union, United Kingdom or United States of America.

Section 9 – Claims Procedure

To make a claim under this Policy please telephone the appropriate number listed on the Important Helplines Section of this Policy.

Other than for Business Legal Expenses, Your claims will be dealt with by:

Davies Managed Systems Limited of 3rd and 4th Floors, Telecom House, Trinity Street, Hanley, Stoke-On-Trent, Staffordshire, ST1 5NA.

9.1 Your Obligations

On learning of any circumstances likely to give rise to a claim or on receiving verbal or written notice of any claim You must:

- a) tell the Insurer as soon as reasonably possible and give the Insurer all the assistance they may reasonably require;
- b) tell the Police as soon as reasonably possible if the Damage is due to any actual or suspected criminal act;
- c) send to the Insurer immediately any intimation of a claim from a third party, writ, summons or other legal proceedings issued against You;
- d) supply, at Your own expense, full details of the claim in writing within the following periods:
 - i) 7 days for Damage by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, theft or political disturbances or vandals or malicious people;
 - ii) 30 days after the expiry of the Indemnity Period under Section 2A Gross Profit, Rent & Book Debts; and
 - iii) 30 days after any other Damage, interruption or Bodily Injury;
- e) provide all the help and assistance and co-operation required by the Insurer in connection with any claim to include supplying, as soon as reasonably practicable, any supporting evidence and information that they require;
- f) take action following circumstances likely to give rise to a claim to:
 - i) minimise the Damage;
 - ii) prevent further Injury or Damage; and
 - iii) avoid interruption with the Business.

9.2 Negotiations

You must not admit, deny, negotiate or settle any claim without the Insurer's written consent.

The Insurer will not pay any claim if their position is prejudiced for any reason as a result of Your failure to comply with 9.1 or 9.2 above.

9.3 The Insurers rights

- a) The Insurer has the right to take over the defence or settlement of a claim against You by another person.
- b) The Insurer has the right to the salvage of any Property Insured.
- c) The Insurer has the right to enter the building where the Damage has happened, and to take and keep any of the Property Insured, and to deal with salvage in a reasonable manner.

9.4 Fraud

If any:

- a) claim made under this Policy by You or anyone acting on Your behalf is fraudulent or intentionally exaggerated in any way;
- b) false declaration or statement is made;
- c) fraudulent device is used to support the claim;
- d) loss, Injury, destruction or Damage is caused by Your wilful act or with Your connivance;

then:

- i) all benefit under this Policy shall be forfeited;
- ii) the Insurer shall have no obligation to indemnify in respect of any other claim made under this Policy whether such claim is made before or after the fraudulent claim;
- iii) the Insurer shall have the right to recover any monies paid to You under this Policy during the Period of Insurance whether or not such payment was made before or after the fraudulent claim.

Section 10 – Enquiries and Complaints Procedure

Enquiries

If you have any questions about Your Policy or the cover provided, please contact the broker who arranged the cover for You.

Complaints Procedure Applicable to Sections 1-4

If you have a complaint about the sale of your policy, please contact your broker, InEvexco Limited.

If you have a complaint about the policy wording or a claim (unless relating to Business Legal Expenses) please contact

The Complaints Officer
Arch Insurance Company (Europe) Ltd
6th Floor
Plantation Place South
60 Great Tower Street
London
EC3R 5AZ

Telephone 0207 621 4500.

For complaints about the Business Legal Expenses wording or a claim (Section 5), please refer to the Business Legal Expenses Section.

If unable to resolve the complaint to Your satisfaction then You may also have the right to refer Your complaint to:

The Financial Ombudsman Service

Exchange Tower
Harbour Exchange Square
London
E14 9GE
Phone 08000 234 567
Email: complaint.info@financial-ombudsman.org.uk

Further information is available from them and on www.financial-ombudsman.org.uk

Your rights as a customer to take legal action are not affected by the existence or use of the complaints procedure mentioned above. However the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.

Financial Conduct Authority (FCA)

The Financial Services register can be checked by visiting their website on www.fca.org.uk/register or by calling 0800 111 6768

Financial Services Compensation Scheme (FSCS)

Arch Insurance Company (Europe) Limited are covered by the FSCS. This means that You may be entitled to compensation from the scheme in the unlikely event you're your Insurer cannot meet its obligations. Further details can be obtained from FSCS, 10th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7QU Tel: 0207 741 4100 Fax: 0207 741 4101 or www.fscs.org.uk

Complaints Procedure - Business Legal Expenses (Section 5)

Please refer to 'Customer Service' in Section 5