

Exclusive Commercial Combined Policy Wording

Policy Information

(not forming part of this policy)

This policy has been prepared in accordance with your instructions.

Please read it carefully to ensure that it meets your requirements.

This policy consists of

1. the **Introduction** which explains the basis on which the cover is provided and which incorporates the Proposal made by the Insured.
2. the **Schedule** which shows who is the Insured the Business being covered and other policy particulars such as the Period of Insurance (also included with the Schedule are details of which Sections are operative)
3. the **General Policy Definitions Exceptions and Conditions** which incorporate definitions and terms that apply to the whole policy.
4. the **Sections** of the policy which give precise details of the cover being provided. Details as the property or events insured limits of liability and certain amounts for which the Insured may be responsible.
5. and **Endorsement(s) and Warranties** which might apply to the policy or individual Sections and which incorporate cover amendments extensions limitations and such like. **Immediate notice should be given to the Insurer of any changes which may affect the insurance provided by this policy.**

Alterations in the cover required after issue of the policy will be confirmed by separate Endorsement(s) which you should file with the policy. You should refer to these Endorsement(s) and the policy to ascertain precise details of cover currently in force.

Please note that Section 6 – Commercial Legal Expenses is a separate Insurance contract arranged by Qdos Broker and Underwriting Services Limited and underwritten by UK General Insurance Limited on behalf of Ageas Insurance Limited.

Your insurance broker will be able to provide any help or information that you might require.

Introduction

Each Section of this policy the Schedule and any Endorsement(s) together with this Introduction and the General Policy Definitions Exceptions and Conditions shall be read as one document.

Any word or expression given a specific meaning in

1. the Schedule any policy Endorsement(s) or this Introduction and the General Policy Definitions Exceptions and Conditions shall have the same meaning throughout the policy
2. an individual Section or any Section Endorsement(s) shall have only the same meaning throughout such Section Appendix or Endorsement(s).

In consideration of the payment of the premium the Insurer will indemnify the Insured within the Terms Exceptions and Conditions of this policy against the events set out in the Schedule and occurring in connection with the Business during the Period of Insurance or any subsequent period for which the Insurer agree to accept payment of premium. The Proposal / Statement of Fact made by the Insured is the basis of and forms part of this policy.

Your Right To Complain

Every effort is made to ensure you receive a high standard of service. If you are not satisfied with the service you have received, you should contact:-

Complaints Department
Catlin Insurance Company (UK) Ltd
3 Minster Court
London
EC3R 7DD

Tel No: 020 7626 0486
Fax No: 020 7623 9101

Complaints Department
InsureitUK Ltd
Three Charter Court
Wolverhampton
WV10 6TD

Tel No: 08706 260 260
Fax No: 01902 796 797

If your complaint is in respect of Section 6 – Commercial Legal Expenses you should follow the complaints procedure detailed on Page 43.

To help us to deal with your comments quickly, please quote your Policy/Claim Number and Policyholder/Insured Name. We will do our best to resolve any difficulty directly with you, but if we are unable to do this to your satisfaction you may be entitled to refer any dispute to the Financial Ombudsman Service who will review your case.

The address is:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Tel No: 0845 080 1800
e-mail: complaint.info@financialservices-ombudsman.org.uk

The complaints procedure for Section 6 – Commercial Legal Expenses is set out in that Section.

Index

Definitions (Excluding Section 6 - Commercial Legal Expenses)		Page 4
Section 1	Material Damage (All Risks)	Page 5
	Extensions - Money	5
	- Personal Accident (Assault)	6
	- Specified Item "All Risks"	6
	- Goods In Transit	7
	- Rent Payable	8
	- Loss of Licence	8
	Definitions	9
	General Conditions	9
	Warranties	12
	Exclusions	14
Section 2	Business Interruption	Page 16
	Clauses	17
	Extensions	17
	Definitions	18
	General Conditions	19
Section 3	Employers, Public & Products Liability	Page 20
	Extensions	20
	Definitions	23
	General Conditions	23
	Warranties	23
	Exclusions	24
Section 4	Directors & Officers	Page 26
	Definitions	26
	General Conditions	27
	Exclusions	27
Section 5	Employee Dishonesty	Page 28
	Definitions	28
	General Conditions	28
	Exclusion	28
General Conditions	All Sections (Excluding Commercial Legal Expenses)	Page 29
General Exclusions	All Sections (Excluding Commercial Legal Expenses)	Page 31
Section 6	Commercial Legal Expenses	Page 32
	Definitions	33
	Employment Disputes	35
	Health & Safety Prosecutions	35
	Tax Protection	36
	Criminal Prosecution Defence	36
	Statutory Licence Protection	37
	Jury Service Allowance	37
	Property Disputes	37
	Data Protection	37
	Personal Injury	37
	Debt Recovery	38
	Contract Cover	38
	Restrictive Covenants	38
	Motor Disputes	38
	Insolvency Fees	38
	Wrongful Arrest Defence	39
	Conditions / Exclusions	39
	Claims Conditions	40
	Complaints	43

Definitions Applicable to Sections 1 to 5

Insurer	means Catlin Insurance Company (UK) Limited
Insured	means the party referred to in Item 1 of the Schedule.
Insured Person(s)	means any director, partner, or employee of the Insured and, where the Insured is a sole Proprietor of the business, the Insured or principal
Period of Insurance	means the period set out in the Schedule.
Business	means the business set out in the Statement of Fact.
Policy Territory	means Great Britain, Northern Ireland, Isle of Man and the Channel Islands.
Premises	means the premises referred to in the Statement of Fact.
Damage	means physical loss or destruction of, or damage to, tangible property.
The Policy	means the Material Damage, the Business Interruption, the Employers' Liability, Public and Products Liability, and Management Protector sections contained herein.

See also Definitions applicable to individual sections of The Policy.

These definitions do not apply to section 6 - Commercial Legal Expenses.

SECTION 1

Material Damage (“All Risks”)

Insuring Agreement

In the event of Damage to the Property Insured (or any part thereof) by an Insured Event, the Insurer will by payment or at its option by reinstatement or repair indemnify the Insured for such Damage. The sums insured under this Section include costs and expenses, other than where the costs and expenses arise from pollution of or contamination to the Property Insured. Costs and expenses necessarily incurred by the Insured with the consent of the Insurer in:-

1. removing debris, from the site of such property Damaged and the area immediately adjacent to such site,
2. dismantling and/or demolishing,
3. shoring up or propping,
4. the clearing of drains and sewers,

will be paid as part of the sum insured

Money Extension

The Insurer will, subject to the terms, conditions and exclusions to this Extension, and of the Material Damage section and the General Conditions and General Exclusions to the Policy, indemnify the Insured against Damage to

1. Money
2. safes or strong rooms which usually contain Money caused by theft or attempt thereat

Provided always that the Insured shall keep a complete account of Money in transit and on the Premises.

Definitions in respect of this Extension:

For the Purposes of this extension

1. Money shall mean cash, bank & currency notes, postal orders, cheques, bankers drafts, bills of exchange, unused units in postage stamp franking machines, postage stamps, revenue stamps, National Savings certificates, National Insurance stamps, stamped or franked National Insurance Cards, Holiday-with-pay stamps, Premium Savings bonds, luncheon Vouchers, trading stamps, credit card sales vouchers, consumer redemption vouchers, National Health Prescriptions and gift tokens accepted by the Insured and VAT purchase invoices, all pertaining to the business and belonging to the Insured or for which you are responsible
2. Business Hours shall mean any time an Insured Person(s) with responsibility for Money are in the business portion of the Insured's premises for the purposes of the Insured's Business

Special Conditions in respect of this Extension:

It is a condition precedent to liability that

1. in respect of loss of Money from a locked safe or locked strong room that all keys (except those deposited with a bank) for safes and strongrooms containing and notes of combination locks letters and numbers must be held in the personal custody of an authorised key-holder or removed from the premises.

Warranties in respect of this Extension:

It is hereby warranted that

1. Money in transit outside the Premises is to be accompanied by the following number of able bodied adults during transit and until disbursement, except when in bank night safe:
 - i. up to £2,500 1 able bodied adult
 - ii. £2,501 and £6,000 2 able bodied adults
 - iii. £6,001 and £12,500 3 able bodied adults
 - iv. over £12,500 by a security company approved by the Insurer.

Exclusions in respect of this Extension:

This Extension does not cover

1. Money taken from an unattended vehicle;
2. loss to the Insured due to the use of counterfeit Money;
3. shortage due to error or omission or resulting from a safe or strong room being opened by a key left on the Premises whilst closed for business;
4. Loss from
 - a. Gaming and amusement machines
 - b. Vending machines
 - c. Any automated teller machine or cash dispensing machines
5. Consequential loss of any kind
6. Loss from fraud or dishonesty of the Insured or any Partner, Director or Employee.

Special Extension to the Money Extension

These Extensions are subject otherwise to the terms Exception and Conditions of the money extension and this policy.

1. Loss of or damage to
 - a. Cases bags belts or waistcoats whilst being used for the transit of Money
 - b. Stamp franking machines
 - c. Cash registers provided they are left open outside of Business Hoursthe property of the Insured or for which they are responsible caused directly by theft or attempted theft of Money.

2. **Bank Night Safe** – Money deposited in a recognised bank night safe until processed into the Insureds account up to the amount specified under item iv of the money extension of the schedule of limits.
3. **Keys** – cost of replacement keys or lock mechanisms of safes or strongrooms with the consent of the Insurer following theft of keys by force or violence up to a limit of £1,000 any one occurrence.
4. **Personal Effects** – loss of or damage to clothing or personal effects of any Insured Person caused by robbery or attempted robbery up to a limit of £500 per person.

Personal Accident (Assault) Extension

If any Insured Person suffers Bodily Harm which results, within two years, in death or Disablement and such Bodily Harm shall have been sustained solely and directly as a result of robbery or hold-up or any attempt thereat while such Insured Person is engaged in the Business the Insurer will subject to the terms, conditions and exclusions to this Extension, and of the Material Damage section and the General Conditions and General Exclusions to the Policy, pay the Benefit stated on the Schedule to the Insured

Definitions in respect of this Extension:

For the Purposes of this extension

1. Bodily Harm shall mean injury by outward violent and visible means which results in death or Disablement.
2. Disablement shall mean disablement which totally prevents an Insured Person from carrying out all parts of his usual occupation for the Insured. Disablement shall include Loss of Limb and Loss of Eye.
3. Loss of Eye shall mean total and irrecoverable loss of sight.
4. Loss of Limb shall mean permanent total loss of use of an entire hand, arm, foot or leg.

Special Conditions in respect of this Extension:

It is a condition precedent to liability that

1.
 - i. Benefit shall not be payable in respect of any one Insured Person under more than one of the Benefits a] to c] in connection with the same incident.
 - ii. On the happening of any incident giving rise to a claim under Benefits a] to d] this Extension shall thereafter cease to apply in respect of the Insured Person
 - iii. There shall have been permanent total disablement for 104 weeks before Benefit c] becomes payable.
 - iv. The rate of weekly benefit shall not exceed the rate of the Insured Person's pre-accident weekly earnings.
 - v. No sum payable under this Extension shall carry interest.
 - vi. No Benefit shall be payable due solely to inability to take part in sports or pastimes.
2. All certificates, information and evidence required by the Insurer shall be furnished free of expense to and in the form prescribed by the Insurer. The Insured Person shall as often as required submit to medical examination on behalf of and at the expense of the Insurer in connection with any claim.
3. The Insured or the Insured's personal representatives' receipt shall discharge the Insurer. The Insured Person or the Insured Person's personal representatives shall have no right to claim from or sue the Insurer. If the Insured comprises more than one party having interest in the Insured Person the Benefit shall represent the total amount payable in respect of that Insured Person for all interests covered by this Extension.

Exclusions in respect of this Extension:

This Extension does not cover

1. Bodily Harm or death or Disablement consequent upon or contributed to by:
 - i. the Insured Person having any physical or mental defect or infirmity which was known to the Insured or the Insured Person at the inception of this insurance or prior to the latest renewal thereof and which had not been declared to and accepted in writing by the Insurer.
 - ii. Bodily Harm sustained by any Insured Person before attaining the age of fifteen years or after the expiry of the Period of Insurance during which such person attains the age of seventy years.

Specified Items "All Risks" Extension

The Insurer will, subject to the terms, conditions and exclusions to this Extension, and of the Material Damage section, and General Conditions and General Exclusions to the Policy, indemnify the Insured in the event of Damage occurring world-wide to the Property Insured as specified in the Schedule.

Exclusions in respect of All Risks

This Extension does not cover:

1. Damage resulting from theft or attempted theft from any unattended vehicle owned or operated by the insured unless :
 - i. all doors , windows and other openings are left closed and securely locked and properly fastened
 - ii. entry or access to the vehicle has been effected by forcible and violent means
 - iii. from 9pm to 6am the vehicle is either garaged in a building which is securely closed locked or parked in a compound secured by locked gates, or in a guarded security park.

2. Damage contributed to, caused by or arising from riot, strike or civil commotion occurring outside Great Britain, the Channel Islands and the Isle of Man.

Goods In Transit Extension

The Insurer will, subject to the terms, conditions and exclusions to this Extension, and of the Material Damage section and the General Conditions and General Exclusions to the Policy, indemnify the Insured against the following within the Policy Territory :-

1. Damage to
 - i. Property Insured whilst in or on any road vehicle operated by the Insured or hauliers or by parcel post or by rail;
 - ii. tarpaulins sheets and ropes whilst being carried on any road vehicle operated by the Insured.
2. Expenses reasonably incurred in
 - i. the transfer of Property Insured to another vehicle and the delivery to the original destination within the Policy Territory or return to the place of despatch necessitated by fire, collision or overturning of any road vehicle operated by the Insured;
 - ii. the reloading on to any road vehicle operated by the Insured of any Property Insured which has fallen from such vehicle;
3. Costs reasonably incurred to minimise damage occurring whilst in Transit within the United Kingdom.

Definitions in respect of this Extension

For the purpose of this Extension

1. Transit shall mean being carried from the time the Property Insured is lifted to the time it is unloaded at its destination including
 - i. loading and unloading;
 - ii. carriage on recognised "roll-on, roll off" vehicle ferries, provided no unloading or reloading of the vehicle is involved;
 - iii. whilst temporarily housed on or off the vehicle (excluding storage at a rental or arrangement for storage and distribution) in the course of the said carriage but excluding any installation, erection or testing.
2. Property Insured shall mean property of
 - i. the Insured; or
 - ii. third parties over which the Insured is exercising a lien; or
 - iii. third parties in which the Insured has some beneficial interest.

Special Conditions in respect of this Extension

It is a condition precedent to liability that

1. The valuation of the Property Insured covered hereunder shall be the actual invoice cost, including prepaid freight, together with such costs and charges since shipment as may have accrued and become legally due thereon and all premium under this Extension shall be paid on this basis. If there is no invoice, the valuation of the Property Insured hereunder shall be the actual cash market value of the Property Insured at the point of destination on the date of the Damage.
2. In case of Damage affecting labels, capsules or wrappers the Insurer if liable therefore under the terms of this Extension 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 goods but in no event shall the Insurer be liable for more than the insured value of the damaged merchandise.
3. When the Property Insured under this Extension includes a machine consisting when complete for sale or use of several parts then in case of Damage covered by this insurance to any part of such machine the Insurer shall be liable only for the proportion of the said Damage which the insured value of the said part bears to the Insured value of the machine or at the Insurer's option for the cost and expenses, including labour and forwarding charges, of replacing or repairing the Damaged part but in no event shall the Insurer be liable for more than the insured value of the complete machine.
4. This insurance shall not insure directly or indirectly to the benefit of any carrier nor without the affirmative consent of the Insured to the benefit of any other bailee. The Insured may accept, without prejudice to this insurance, the ordinary value of bills of lading of carriers as provided in their tariffs; otherwise the Insured agrees not to enter into any special agreement with carriers or bailees releasing them from their common law or statutory liability. The Insurer shall not be liable for any Damage which, without its written consent, has been settled or compromised by the Insured.
5. Cancellation of this Section of the Policy shall not prejudice coverage hereunder in respect of Property Insured which is in transit on the effective date of cancellation.

Warranties in respect of this Extension:

It is hereby warranted that

1. The Insurers will not make any payment under this Extension for theft from a vehicle or trailer owned or operated by the Insured or in the care, custody or control of the Insured where the vehicle has been removed by the thief unless the Insured proves that the vehicle has been fitted with an immobiliser and/or an alarm in efficient working order and duly operated whenever the vehicle is not attended.
2. The Insurer will not make any payment under this Extension for theft from any vehicle or trailer owned or operated by the Insured or in the care, custody or control of the Insured not attended unless
 - i. all doors windows and other openings are left closed securely locked and properly fastened and
 - ii. entry or access to the vehicle has been effected by forcible and violent means.
3. The Insurer will not make any payment under this Extension for theft in respect of Property Insured left in or on any unattended vehicle or trailer owned or operated by the Insured or in the care, custody or control of the Insured from 9pm to 6am except where such vehicle is protected in accordance with the vehicle security requirements specified under this Extension and is either garaged in a building which is securely closed, locked or parked in a compound secured by locked gates, or in a guarded security park.

Exclusions in respect of this Extension

This Extension does not cover:

1. Damage:
 - i. caused by the Insured's improper packing and/or deliberate rough handling;
 - ii. caused by bending, denting, chipping, marring or scratching unless caused by fire, lightning, windstorm, flood, explosion, collision, derailment or overturning or stranding, burning or sinking of ferry or lighter;
 - iii. of or to export shipments which have been laden on board export conveyance or have come under the protection of marine insurance, whichever first occurs;
 - iv. of or to property carried by or despatched by the Insured for hire or reward;
 - v. due to insufficient labelling or incorrect addressing or failure to make proper and complete declarations required by carriers;
 - vi. to Property Insured in or on open vehicles owned or operated by the Insured caused by atmospheric or climatic conditions unless the Property Insured is protected by vehicle sheets;
 - vii. to Property Insured in any vehicle which is being used outside the normal course of the Business.
 - viii. of or to foodstuffs by tainting
2.
 - i. loss of profit, loss of use or loss of market however caused;
 - ii. unexplained shortages;
 - iii. theft of portable telephones, computer hardware equipment, or telecommunications equipment whilst not under observation by at least one person, with a reasonable prospect of preventing any unauthorised interference;
 - iv. theft or attempted theft from a soft topped, open or curtain sided vehicle unless the vehicle is stolen at the same time.

Rent Payable Extension

The Insurer will, subject to the terms, conditions and exclusions to this Extension, and the Material Damage section and the General Conditions and General Exclusions to the Policy, indemnify the Insured for Rent where the Premises or any part thereof are unfit for occupation in consequence of :

1. Damage to the Premises, or
2. Damage elsewhere on or about the Premises.

The amount payable shall be the Rent payable during the time the Premises or any part thereof are unfit for occupation.

Definitions in respect of this Extension

For the purpose of this Extension rent shall mean periodic payments made by the Insured for the lease of the Premises.

Loss of Licence Extension (Wholesale Only)

The Insurer will, subject to the terms, conditions and exclusions to this Extension, and of the Material Damage section, and General Conditions and General Exclusions to the Policy, indemnify the Insured against the following:

Depreciation in value of the Insured's interest in the Premises up to the sum insured of £100,000 , arising from the licence granted for the sale of excisable liquors at the Premises being:

1. forfeited under the provisions of legislation governing such licences, or
2. refused renewal by the appropriate licensing authority at the time of renewal during the Period of Insurance from a cause beyond the Insureds control.

In addition the Insurer will pay all costs incurred with its written consent in connection with any appeal against refusal to renew any licence

Special Conditions in respect of this Extension

It is a condition precedent to liability that

1. Notification must be given to the Insurer in writing immediately on becoming aware of any:
 - i. complaint against the Premises or the control of the Premises

- ii. objection to renewal or other circumstances which may endanger the licence or its renewal
 - iii. proceedings against or conviction of the licenceholder, manager, tenant or occupier of the Premises for any breach of the licensing laws, including any matter where the character or reputation of the person concerned is affected with respect to his or her honesty, moral standing or sobriety
 - iv. change in tenancy, management or use of the Premises
 - v. transfer or proposed transfer of the licence.
2. Notification must be given to the Insurer within 24 hours of any forfeiture or refusal of renewal of the licence, and , the Insured must provide additional information and assistance that may be required by the Insurer.

Exclusions in respect of this Extension

This Extension does not cover

1. if the forfeiture or refusal to renew the licence arises directly or indirectly from any town or country planning, compulsory purchase, improvement ,or development, or the surrender, reduction or redistribution of licenses
2. for any alteration in the law affecting the grant, surrender, forfeiture or refusal to renew any licence
3. if the insured are entitled to obtain compensation under the provisions of any Act of Parliament in respect of any refusal to renew the licence.
4. if prior to the inception of the Policy the Insured has ever had a licence revoked or refused, been prosecuted or was aware of any matter pending which might affect renewal of the licence, unless agreed in writing by the Insurer.

Definitions – Material Damage (“All Risks”)

1. **Property Insured** means the real and personal property described in the Schedule unless excluded
2. **All Other Contents** means:
 - i. documents, manuscripts, plans, designs and business books, but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing up and not for the value to the Insured of the information contained therein;
 - ii. patterns, models and moulds, for an amount not exceeding £250,000;
 - iii. computer system records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Insured of the information contained therein, for an amount not exceeding £5,000;
 - iv. computer systems records, deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed) are held to be insured for an amount not exceeding £2,500 whilst temporarily removed to any premises not in the Insured’s occupation and whilst in transit by road, rail or inland waterway all in the United Kingdom;
 - v. Prints, paintings, drawings, pieces of tapestry, sculptures ,or other works or art for an amount not exceeding £1,000 in respect of anyone article;
 - vi. Personal Possessions of managers’ principles’ directors’ partners’ voluntary workers’ and employees’. For this purpose “personal possessions” means personal articles worn used or carried about the person including instruments sports and other equipment and tools for use in connection with your business but excluding money securities and stamps, jewellery, articles of precious metal, furs and pedal cycles. For an amount not exceeding £1,000 per person
3. **Insured Event** means any accidental physical cause occurring during the Period of Insurance, at the Premises or as otherwise provided for by Endorsement.
4. **Money** means money, stamps, cash, bank and currency notes, cheques, bankers drafts, money orders, postal orders, travellers cheques, bills of exchange, the prepaid value stored by any franking machine. Money shall also include crossed bankers’ drafts, credit card sales vouchers, Premium Savings bonds, National Savings certificates, unused units in postage stamp franking machines, and VAT purchase invoices.

General Conditions – Material Damage (“All Risks”)

1. **Notice** – Notice shall be given by the Insured to the Insurer when any buildings forming part of the Property Insured become unoccupied.
2. **Day One (Non - Adjustable)** – For the sum insured stated in items 1.1 & 1.2 of the Schedule the liability of Insurer shall in no case exceed 115% of the Declared Value in respect of each item. The Insured having stated in writing the Declared Value incorporated in each item to which this condition applies the premium has been calculated accordingly.
 - i. “Declared Value” shall mean the Insured’s assessment of the Cost of Reinstatement of the Property Insured arrived at in accordance the Reinstatement condition at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides due allowance for:-
 - a) the additional cost of reinstatement to comply with Public Authorities’ requirements
 - b) Professional Fees
 - c) Debris Removal Costs
 - ii. At the inception of each Period of Insurance the Insured shall notify the Insurers of the Declared Value of the Property Insured by each of the said items. In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance.
 - iii. Special Provision d of the Reinstatement condition is amended to read:-
Each item insured under this condition is declared to be separately subject to the following Condition of Average namely:-

- If at the time of loss destruction or damage the Declared Value of the property covered by such item be less than the cost of Reinstatement at the inception of the Period of Insurance then the Insurer's liability for any loss destruction or damage hereby insured shall be limited to that proportion thereof which the Declared Value bears to such cost of reinstatement
3. **Professional Fees** – The Insurer will meet legal and other professional fees reasonably and necessarily incurred in connection with the reinstatement of the Property Insured for an amount not exceeding 12.5% of the relevant sum insured and not in addition to the sum insured, but not those costs incurred in connection with the making of any claim under this insurance.
 4. **Average** – The sums insured as stated in the Schedule are each separately subject to the following condition of average: If such sum shall at the commencement of any Damage be less than the total value of the Property Insured covered within such sum insured, the amount payable by the Insurer in respect of such Damage shall be proportionately reduced.
 5. **Reinstatement** – In the event of Damage to buildings or machinery, the amount payable under this policy shall be the cost of reinstatement of the buildings or machinery Damaged, subject to the Special Provisions set out below. Reinstatement shall not include improving upon the condition of any property when new.

Special Provisions

- i. The reinstatement or repair shall be undertaken without unreasonable delay.
 - ii. When any buildings or machinery are damaged in part only the liability of the Insurer shall not exceed the sum representing the cost which the Insurer could have been called upon to apply for reinstatement if the said buildings and machinery had been wholly destroyed.
 - iii. No payment beyond the amount which would have been payable pursuant to this clause if this condition had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
 - iv. Each item insured under this condition is declared to be separately subject to the following Condition of Average, namely:-
If at the time of reinstatement the sum representing eight-five per cent of the costs which would have been incurred in reinstatement if the whole of the property by such item had been destroyed exceeds the relevant sum insured thereon at the time of any loss or at the commencement of any Damage to such Property Insured then the Insured shall be considered as being their own insurer for the difference between the relevant sum insured and the sum representing the cost of reinstatement of the whole of the Damaged Property Insured and shall bear a rateable proportion of the loss accordingly.
 - v. No payment which would otherwise be covered by this insurance shall be made if any claim or loss is recoverable under any other insurance unless in excess of the limit of that insurance. Where by reason of the above Special Provisions no payment is to be made beyond the amount which would have been payable pursuant to this clause if this condition had not been incorporated therein the rights and liabilities of the Insurer and the Insured in respect of the Damage shall be subject to the terms and conditions of this clause, including any Condition of Average therein, as if this condition had not been incorporated therein.
6. **Public Authorities** – The Policy covers in respect of buildings and machinery such additional cost of reinstatement of the Damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority, provided that:-
 - i. the amount recoverable under this extension shall not include:-
 - a) the costs incurred in complying with any of the aforesaid Regulations or Bye-Laws under which notice has been served upon the Insured prior to the happening of Damage,
 - b) the amount of any rate, tax, duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
 - ii. the work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within twelve months after the Damage or within such further time as the Insurer may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Insurer not being thereby increased.
 - iii. the total amount recoverable under this clause shall not exceed the relevant sum insured thereby.
 7. **Disclosure of Interest** – The nature and extent of any interest of a party supplying property to the Insured under a hiring, leasing, or similar agreement shall be disclosed in the event of Damage.
 8. **Non-Invalidation** – This insurance shall not be invalidated by reason of anything being done or omitted to be done in respect of any portion of the Premises not occupied by the Insured, whether constituting an increase in risk or not, provided that the Insured immediately they become aware thereof shall inform the Insurer and pay such reasonable additional premium as the Insurer may require.
 9. **Tenants' Improvements** – The insurance by each item covering contents, other than those applying to stock and materials in trade is understood to include tenants' alterations and improvements to landlord's property for which the Insured is responsible.
 10. **Fire Extinguishing Expenses** – This Policy will provide cover for the cost of replenishment and restitution of fire extinguishing appliances and fire detection equipment in whole or in part used in the process of minimising Damage incurred hereby.
 11. **Automatic Reinstatement of Loss** – The sums insured hereby (excluding those in respect of stock) shall be automatically reinstated following Damage by an Insured Event upon the Insured paying an appropriate additional premium provided that the Insurer may exercise its option under General Condition 1 (Cancellation Clause).

12. **Keys & Locks** – The Insurers will pay all costs reasonably incurred by the Insured in the repair or replacement of mechanical door locks following theft of keys from the Premises, provided that the liability of the Insurer shall not exceed £1,500 for any one Insured Event.
13. **Metered Water** – This Policy covers the costs for which the Insured is responsible in respect of loss of metered water provided that the Insured maintains a record of readings from the water authority meter at intervals of not more than 7 days. The amount payable in respect of any one Premises is limited to such excess water charges demanded by the water authority and resulting from the accidental escape of water from pipes apparatus or tanks in consequence of an Insured Event and in no case exceeding £ 10,000
14. **Workmen** – Workmen may be contracted for the purpose of minor extensions or alterations, installations, maintenance and the like without affecting this policy.
15. **Temporary Removal – Cleaning** – Subject to the following provisions, the Property Insured by this Section (other than Stock and materials in trade or merchandise if insured hereby) is covered whilst temporarily removed for cleaning, renovation or repair elsewhere on the same or to any other premises and in transit thereto and therefrom by road, rail or inland waterway in Great Britain and Northern Ireland. The amount recoverable under this extension in respect of each item of the Schedule shall not exceed the amount which would have been recoverable had the loss occurred in that part of the Premises from which the property is temporarily removed, nor, in respect of any loss occurring elsewhere than at the said Premises, 10 per cent of the sum insured or £10,000 whichever is the least, by the item after deducting therefrom the value of any Building (exclusive of fixtures and fittings) and Stock and Materials in Trade insured thereby; This extension does not apply to property if and so far as it is otherwise insured nor, as regards losses occurring elsewhere than at the Premises from which the property is temporarily removed, to:-
 - i. Motor vehicles and motor chassis licensed for normal road use
 - ii. Property held by the Insured in trust, other than machinery and plant.
16. **Accidental Damage to Glass** – In the event of accidental Damage to fixed glass at the Premises for which the Insured is responsible the Insurers will indemnify the Insured up to a maximum limit of £5,000 in any one period of insurance in respect of the cost of:
 - i. replacement of such glass with glass of a similar quality or as otherwise recommended by the current British Standard Code of Practice
 - ii. temporary boarding up necessarily incurred through breakage of the glass
 - iii. Damage to frames and framework of any description, the cost of silvering, embossing, lettering, bending or ornamenting glass, the cost of removing or replacing any Stock or Contents which may have to be removed to replace the glass up to a limit of £500. The Insurer will not make any payment for Accidental Damage:
 - a) to cracked or scratched glass
 - b) Damage resulting from repairs or alterations to the Premises or whilst the Premises are vacant or unoccupied.
17. **Theft Damage to Buildings** – In respect of any building at the Premises not included in the Property Insured by this section the insurance by this section extends to include Damage sustained to any such building occupied by the Insured during the course of theft or any attempt thereat for which the Insured is liable for an amount not exceeding £25,000.
18. **Seasonal Increase** – The sums insured under any stock item shown in the schedule are increased by 30% for the months of November, December and January in each year.
19. **Underground Services** – The insurance by any item on the buildings extends to cover expenses necessarily and reasonably incurred in clearing, cleaning and/or repairing drains, gutters sewers, pipes, cables and telecommunication cables (which are the responsibility of the Insured) in consequence of any event hereby insured against the premises.
20. **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 policy does not insure any amount pertaining to the value of such Electronic Data to the assured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.
21. **Capital Additions** – The insurance by any item extends to included additions and extensions to the property insured (but not appreciation value) made after the commencement of each annual period of insurance for an amount not excluding ten per cent of the sum insured or £500,000 whichever is the less on similar property addition under the relative item. It being understood that the value of any such addition will be declared as soon as practical the Insured will pay the appropriate additional premium from inception of the additional cover
22. **Trace and Access** – In the event of Damage resulting from escape of water or oil (following accidental damage to tanks apparatus or pipes) under an Insured Event the insurance extends to include costs necessarily and reasonably incurred in locating the source of the damage in order to effect repairs and the costs of making good. Limit £10,000 in respect of any one claim
23. **Fire Brigade Damage** – In the event of Damage caused by Fire Brigade equipment or personnel in the course of combating fire the insurance extends to include the costs necessarily incurred in reinstating or repairing landscape gardens and grounds. Limit £10,000 in respect of any one claim
24. **Contract Price** – In respect only of goods sold but not delivered for which the Insured is responsible, and with regard to which under the conditions of sale the sale contract is cancelled by reason of an Insured Event, either wholly or to the extent of the Damage, the liability of the Insurer shall be based on the contract price and for the

purpose of average the value of goods to which this clause would in the event of Damage be applicable shall be ascertained on the same basis.

Warranties – Material Damage (“All Risks”)

1. **Protections-Automatic Sprinkler and Fire Alarm Installations** – In respect of any automatic sprinkler or fire alarm installations at the Premises, the Insured warrants that it shall:
 - i. take all reasonable steps to
 - a) prevent frost damage and other damage to the installations
 - b) maintain the installations (including the automatic external alarm signal) in efficient condition
 - c) maintain ready access to the water supply control facilities.
 - ii. in the event that changes repairs or alterations to the installations are proposed notify the Insurer in writing and obtain its prior agreement in writing.
 - iii. allow the Insurer access to the Premises at all reasonable times for the purpose of inspecting the installations.
 - iv. carry out any routine tests required by the Insurer and remedy promptly any defect revealed by a test. In the event that alterations or repairs become necessary to the automatic sprinkler installation the Insurer may at its option suspend any cover which is granted against damage by the accidental escape of water from the installation until the alterations or repairs have been carried out and approved by the Insurer. Notice of any such action will be given by the Insurer in writing. The Insurer will not make any payment under this Policy if the Insured fails to comply with this clause.
2. **Protections-Fire Extinguishing Appliances** – The Insured hereby undertakes in consideration of the discount and/or reduced rate granted for the fire extinguishing appliances to inspect the appliances every week and remedy promptly any defect disclosed by any such inspection or otherwise.
Subject to the observance of the above undertaking this Section shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown to or beyond the control of the Insured.
3. **Protections-Intruder Alarms** – (For the purposes of this condition intruder alarm systems shall be deemed to include all lines and equipment used to transmit the signals to and from the Premises). The Insured warrants that in respect of any intruder alarm system installed at the Premises
 - i. maintain a maintenance contract during the Period of Insurance with the installing contractor, a NACOSS, NSI or SSAIB Recognised Firm, or such other contractor as is agreed in writing by the Insurer.
 - ii. not leave the Premises unattended unless:
 - a) the intruder alarm system is tested and set in its entirety and where the equipment permits any central station to which the intruder alarm system is connected has acknowledged the setting signal and
 - b) as far as the Insured or their representative is aware the intruder alarm is in full and efficient working order.
 - iii. obtain the agreement of the Insurer in writing before replacement extension or other alteration to the Intruder Alarm System.
 - iv. ensure the Insurer is notified immediately and in writing if:
 - a) the Insured receive written notification from a Police Authority that they may be withdrawing response to alarm calls or
 - b) the Insured is required to abate a nuisance under the Code of Practice on Noise from Audible Intruder Alarms 1983 or by the Force policy issued by the Chief Constable.
 - v. all keys (including those relating to any part of the intruder alarm system) are:
 - a) removed from the Premises or
 - b) placed within a locked safe or strongroom the keys to which are themselves removed from the Premises.
4. The Insurer will not make any payment under this Policy in respect of Damage by theft or Malicious Damage if the Insured fails to comply with this clause.

Minimum Security – The Insured warrants that all:-

Doors - (Depending on which of the following door types are present, the following requirements apply);

External doors or internal doors to secure areas;

- a. **Aluminium or plastic framed glazed doors** – a cylinder operated mortise deadlock. For double doors, the first closing section must have integral or surface mounted bolts which shoot into the frame at the top and the floor at the bottom of the door. The final closing section must have a cylinder operated mortise deadlock.
- b. **Armoured plate glass doors** – door manufacturer's integral locks.
- c. **Timber doors** – provided the door thickness is a minimum of 44mm mortise deadlock to BS 3621 and a boxed steel striking plate at least 175mm long should be fitted. If the door thickness is less than 44mm secure with a deadlocking rimlock to BS 3621. The Insured must put either of these into the deadlock position when the Premises are closed for business or unattended.
- d. **Double doors** – secure the final closing section with a lock as explained in c above and secure the first closing section with bolts at least 175mm long and having a minimum throw of 20mm, which shoot into the frame at the top and the floor at the bottom of the door. Or, fit one section with bolts at the top and bottom (as explained above) and both parts of the door with a padlock and locking bar. If the locking bar is on the outside of the door, it must be used with a padlock conforming to BS EN 12320 Security Grade 5. If the locking bar is internal, it must be used with a padlock conforming to BS EN 12320 Security Grade 4.

- The padlock bar must be of similar strength to the padlock and designed to be used specifically with the padlock, in both cases the padlock bar must be secured to the door with coach bolts.
- e. **Fire exit doors** – the relevant enforcing authority must approve any locks on these doors. The Insurer must approve any locks or other method of security the Insured agrees following a discussion with the enforcing authority, where they differ from a - d or f – i (Doors).
 - f. **Folding doors** – secure alternate folding sections with bolts at top and bottom, as described in d above. Dependent upon its construction, the last section must be secured with a lock or with a coach bolted locking bar and padlock as explained in d above.
 - g. **Sliding doors** – coach-bolted locking bar and padlock secured as described in d above, or a deadlock with a hook bolt which conforms to BS 3621.
 - h. **Wicket Gates** – dependent upon its construction (see above) amortise deadlock or deadlocking cylinder rim-latch to BS 3621 or locking bar and padlock as in d above.
 - i. **Roller Shutters** – for electrically operated roller shutters, The Insurer requires the fitting of a key operated isolation switch to the electricity supply to the controls. If this is not fitted then one of the measures for manually operated roller shutters shown below must be installed.

The Insurer requires one of the following for manually operated roller shutters:

- key operated “pinson” or “bullet” locks
- secure the chain of the door to the wall bracket by an open shackle padlock
- A bolt fitted to the shutter door internally with the bolt engaging into the door runner and padlocked into position using a padlock conforming to BS EN12320 Security Grade 4 .

Windows - All opening windows in external walls at ground floor and basement levels and any windows, fanlights and skylights in accessible positions i.e. from a flat roof or fire escape on upper levels to have key operated window locks. Louvred windows to be replaced with either fixed glass, or a normal opening window which can be secured with a window lock used with a key.

Keys - All keys must be removed from locks and kept in a secure place or removed from the Premises. Keys to Safes must be removed from the Premises, or if the Insured lives on the Premises, they must be removed to a secure place in the residential part of the Premises.

Computer equipment - Unless agreed otherwise in writing Catlin will require the Insured to fit encasement or entrapment equipment to computers with an individual value of £5,000 and above.

The Insured must ensure that these measures are in place, in operation and in full working order whenever the premises are closed for business or left unattended.

5. **Additional Physical Security Warranty –**

Window - All opening windows in external walls at ground floor and basement levels and any windows, fanlights and skylights in accessible positions i.e. from a flat roof or fire escape on upper levels to have:

Either - Security bar frames made from solid steel bars (not tubes). The bars must be at least 19mm in diameter and not more than 125mm apart between centres. The bars must pass through (or be welded to) tie bars of flat steel every 600mm. The tie bars must be at least 6mm thick and 40mm wide. The tie bars must be secured to the wall or roof surrounding the window fanlight or skylight at a Minimum of 4 points by expansion bolts (such as ‘Rawlbolts’) of at least M8 size which penetrate the masonry or brickwork by at least 60mm and set back at least 50mm from the internal or external face of the wall. If the bars are fixed externally the heads of the bolts must be welded to the tie bars to prevent them being undone.

Or - Fixed or collapsible security grilles approved to LPS 1175 Specification for testing and classifying the burglary resistance of building components, strong points and security enclosures.

The Insured must contact Insurers if the bar frames or grilles are not constructed or installed as specified above.

and in addition:

Additional protection for timber doors (except shop fronts)

The Insured must fit sheet metal protection to the following specification to all outside single and double doors (except shop front doors):

Sheet steel, not less than 16 gauge (1.6mm thick), must be fitted to the outside of the door. If the door opens upwards the steel sheet must overlap the gap between the lock side of the door and the door frame.

The sheet steel must be secured to the door with ‘clutch head’ or ‘non return’ screws of a minimum length of 25mm and not more than 100mm apart.

Alternatively, fix the steel sheet to the door with coach bolts not more than 100mm apart. The heads of the Bolts must be on the outside of the door.

If the door opens outwards, two hinge bolts to the hinged side of the door approximately 375mm from the top and bottom must be fitted.

In view of the increased weight, it may be necessary to fit an additional hinge to the centre of the door.

Shop front doors and windows - Unless agreed otherwise in writing Insurers will require the Insured to fit grilles or shutters.

6. **Deep Fat Frying Ranges Warranty –** The Insured warrants that the deep fat frying installations:-

- i. are fitted with:
 - a) thermostat arranged to prevent the temperature of cooking oils or fats rising above 205 degrees celsius (401 F).
 - b) an automatic cut-out arranged to cut off the heat source in the event of failure of the thermostat.
- ii. cooking fume extraction canopies and ductwork be cleaned at least quarterly by independent contractors.
- iii. including flues and exhaust ducting shall be securely fixed and free from contact with combustible materials.
- iv. grease filters be utilised therein and cleaned or changed at least weekly.

- v. the pan be fitted with metal lids which can be shut down in the event of fire or closing to be automatic and the system be linked to the ventilation system so that this also is shut down in the event of fire.
 - vi. foam, dry powdered and/or carbon dioxide extinguishers and fire blankets be kept available close to the installation.
7. **Flat Roof Warranty** – The Insured warrants that:
- i. any flat felted roof, or part thereof of the premises shall be inspected at least once every two years by a professionally qualified builder or property surveyor and any defect identified by that inspection be repaired immediately.
 - ii. any guttering is checked for blockages or defects by a competent person at inception or renewal and at six monthly intervals thereafter, any remedial action required to be implemented immediately.
 - iii. a record of all inspections shall be made and retained by the insured.
 - iv. an increased excess of £500 shall apply in respect water ingress to flat roofs.
8. **Electrical Inspection Warranty** – It is warranted that the Insured shall have the electrical system of the premises inspected every five years by a certified IEE / NIC / EIC electrical contractor. And any defects identified by that inspection be rectified immediately. A copy of the report and repair invoices must be retained for our review, and must be forwarded to the Insurer upon request.
9. **Composite Panels Warranty** – Unless noted and agreed by the Insurer, the Insured warrants that there are no composite/sandwich panels at the Premises.
- i. Provided it has been accepted by the Insurer as a composite/sandwich panels risk, the Insured warrants that the following shall apply in respect of any building containing composite panels:
 - ii. Suitable fire extinguisher appliances to be supplied in all cooking areas.
 - iii. Ducting, conduit wiring and hot flues be adequately protected within fire resistant sleeves where passing through composite panels.
 - iv. At least weekly inspections to be undertaken by the Insured to check for damage to composite panels or joint panels. Any defects found to be rectified without delay or replaced by a panel with a non-combustible core within 7 days.
 - v. No repairs to be made to composite panels that involve welding, grinding, cutting or other obvious ignition sources.
 - vi. All heat sources to be kept at least 2 metres from any composite panelling or such panelling to be of a non-combustible core.
 - vii. No external storage of combustible stock, packaging, pallets, waste or waste skips or bins within 10 metres of buildings.
 - viii. In respect of any work involving the application of heat at the Premises:
 - a) This must only be carried out by a qualified contractor, and the Insured is to ensure the contractor has adequate Public Liability Insurance in force and shall confirm same through sight of certificate of insurance.
Subrogation rights against such contractor shall not be waived by the Insured.
 - b) Paragraphs i, ii, and iii of the Burning and Welding Conditions (Employers, Public & Products Liability Warranties) will apply.
 - c) If work is to be carried out in the vicinity of composite/sandwich panels then such panels must be protected by non-combustible blankets, drapes or screens.
10. **Portable Space Heaters Warranty** – The Insured warrants that any portable space heater:
- i. will not be sited in passageways and other places where they are liable to be overturned or subject to mechanical damage
 - ii. will not be sited in areas where flammable atmospheres are present
 - iii. will not be sited on combustible floors or surfaces
 - iv. will be kept clear of combustible materials and be provided with a guard to maintain a clear space of at least 1 metre.
11. **Waste Warranty** – The Insured warrants that:
- i. all oily and/or greasy waste and used cleaning cloths which remain in the buildings overnight be kept in metal receptacles with metal lids and removed from the building at least once a week.
 - ii. all combustible trade waste and refuse be swept up daily and kept in bags or bins and removed from the building at least once a week.
12. **Flammables/Toxic/Hazardous Substances Warranty** – The Insured warrants that all flammables, toxic and hazardous substances be stored in metal-lidded containers when not in use. The Insured must also ensure that these substances are used solely by trained and or supervised staff according to manufacturer's instructions and conform to Health & Safety rules and regulations.

Exclusions – Material Damage (“All Risks”)

The Insurer shall not be liable, under this Section, to make any payment in respect of:

1. Consequential loss of any kind or description.
2. Damage:-
 - a. to fences and gates and loose or moveable property stored in the open by theft or any weather condition (other than lightning) or dust, and to stock in the open other than as a result of fire, lightning, aircraft, and explosion.
 - b. to vehicles licensed for road use (including accessories), caravans, trailers, railway locomotives and/or rolling stock, watercraft or aircraft other than mechanically propelled plant whilst at the Premises.

- c. to any part of the Property Insured which is being worked upon directly resulting therefrom or caused by any testing, repairing, adjusting, servicing or maintenance operation. This exclusion shall not apply to resulting loss or damage to other Property Insured.
 - d. to livestock, growing crops or trees.
 - e. to jewellery, precious stones, precious metals, bullion, furs, curiosities, antiques, rare books or works of art.
 - f. to land, excavations, piers and jetties, bridges, culverts, roads or pavement.
 - g. to property or structures in the course of construction or erection and materials or supplies in connection with all such property in course of construction or erection.
 - h. to any portion of electrical apparatus or electrical installation directly caused by a leakage of electricity or excessive pressure therein or by its own short-circuiting or over-running, other than destruction or damage by fire resulting from such causes.
 - i. caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Insured, not otherwise excluded, caused by
 - a) pollution or contamination which itself results from a peril hereby insured against
 - b) any peril hereby insured against which itself results from pollution or contamination.
 - j. to property in transit (save as specifically covered by any extension to this section).
 - k. to money, cheques, stamps, bonds, credit cards, securities of any description (save as specifically covered by any extension to this section).
3. Damage caused by:-
- a. infidelity or dishonesty of the Insured or any Insured Person or any of his agents or other persons to whom Property Insured hereunder may be entrusted (except loss of Money discovered within 7 days) nor Damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence, nor any unexplained loss, mysterious disappearance or loss or shortage disclosed on taking inventory.
 - b. misfiling or misplacing of information.
 - c. explosion occasioned by the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus (not being a boiler or economiser on the Premises) in which internal pressure is due to steam only and belonging to or under the control of the Insured, unless Damage by an event not otherwise excluded in this Section ensues and then the Insurer shall be liable only for such ensuing Damage.
 - d.
 - a) collapse or cracking of buildings or other structure
 - b) delay, loss of market, gradual deterioration, inherent vice, latent defect, insects of any kind, vermin, marring and scratching, ordinary wear and tear, dampness or dryness of atmosphere, extremes or changes of temperature or humidity, smog, shrinkage, evaporation, loss of weight, rust, wet or dry rot, corrosion, change in colour or texture or flavour or finish
 but this shall not exclude Damage if resulting from an event which is not otherwise excluded.
 - e. magnetic or electrical injury or disturbance to data processing media or erasure or disturbance of electronic records or distortion or corruption of information on computer systems or other records, programmes or software.
 - f. solidification of the contents of molten material holding units, molten material transmission lines and/or appurtenances.
 - g. enforcement of any ordinance or law regulating the construction, repair or demolition of the Property Insured except as provided for in the Public Authorities condition attached hereto.
 - h. water or other fluids causing damage to stock if such stock is not on racks, shelves, pallets and/or stillages at least four inches above floor level.
 - i. cracking, fracturing, collapse or overheating of boilers, economisers, vessels, tubes and pipes, nipple leakage and/or failure of welds or boilers.
 - j. bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes (unless the water be turned off at the mains) and malicious damage when the Premises are not in normal occupation for a period of more than 30 days.
 - k.
 - a) faulty or defective design, materials, workmanship or errors or omission in processing or operation.
 - b) mechanical or machinery breakdown or electronic or electrical breakdown or derangement.
 - c) interruption of the power or other utility service supplied to the Premises if such interruption occurs away from the Premises. Unless Damage by an event not otherwise excluded by this Exclusion 3 k ensues and then the Insurer shall be liable only for such ensuing Damage.
 - l. changes in the water table level and caused solely by such changes.
 - m. subsidence, landslide or heave.
 - n. normal settlement or bedding down of new structures, cracking, shrinkage or expansion of pavements, foundations, walls, floors or ceilings.
 - o. theft other than theft involving entry to or exit from the Premises by forcible and violent means or attempt thereat, except:
 - a) to property as covered under any Money, Specified All Risks, or Goods in Transit extensions herein;
 - b) in consequence of assault and / or violence or any threat thereof.
4. Damage caused by storm, tempest, flood, burst pipes or malicious acts whenever the Premises is not in normal occupation for a period of more than 30 days.
5. Property more specifically insured.

SECTION 2

Business Interruption (“All Risks”)

Insuring Agreement

In the event of the Business carried on by the Insured at the Premises being interrupted or interfered with the Insurer will pay to the Insured in respect of each Item specified in the Schedule the amount of loss resulting from such interruption or interference up to the limits stated in the Schedule provided that there shall be in force insurance under Section 1 of this Policy and that payment shall have been made (or would have been made apart from the application of any excess or deductible) under Section 1 of this Policy or liability admitted therefore under such insurance.

Loss of Gross Profit

Notwithstanding anything herein contained to the contrary, the liability of the Insurer shall in no case exceed in respect of Item 2.1 - Gross Profit - 133.33% of the estimated Gross Profit stated herein

The Insurance under Item no 2.1 is limited to loss of gross profit due to a) reduction in turnover b) increase in cost of working, and the amount payable as indemnity thereunder shall be:-

- i. in respect of reduction in turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage under Section 1 fall short of the Standard Turnover
- ii. in respect of increase in cost of working: the additional expenditure (subject to the provisions of the Uninsured Standing Charges clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for the expenditure would have taken place during the Indemnity Period in consequence of the Damage under Section 1, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided,

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

Increased Cost of Working

The Insurance under this section is limited to increased cost of working and the amount payable as indemnity thereunder shall be the additional expenditure necessarily and reasonably incurred by the Insured during the Indemnity Period in order to minimise any interruption of or interference with the Business in consequence of the Damage upto the Sum Insured stated in the Statement of Fact.

In the event of loss the Insurer shall be liable for not more than one third of the Sum Insured hereunder in respect of such additional expenditure arising in the first quarter of the Maximum Indemnity Period following the date of the Damage nor more than an equal proportion of the balance of the Sum Insured per month in respect of the additional expenditure in the remainder of the Maximum Indemnity Period.

Loss of Rent Receivable

The Insurance under Item No 2.2 is limited to (a) loss of Rent Receivable and (b) increase in cost of working and the amount payable as indemnity thereunder shall be:-

- i. in respect of loss of Rent Receivable: the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage under Section 1 fall short of the Standard Rent Receivable
- ii. 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 of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage under Section 1, but not exceeding the amount of the reduction in the Rent Receivable thereby avoided, less any sum saved during the Indemnity Period in respect of such of the expenses and charges of the Business payable out of the Recent Receivable as may cease or be reduced in consequence of the Damage under Section 1 provided that if the sum insured by this item 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.

Loss of Book Debts

If the Insured's books of account or other business books or records at the Premises be subject to Damage under Section 1 and the Insured in consequence thereof be unable to trace or establish the Outstanding Debit Balances in whole or in part then the Insurer will pay to the Insured the amount of loss resulting from such Damage under Section 1 in accordance with the provision herein contained. The insurance by Item 2.6 of the Schedule in respect of Business Interruption is limited to:

1. outstanding debit balances as set out in the Insured's books of account reduced by the amounts received or traced in respect thereof and bad debts, and further adjusted for
 - i. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the Insured's books of account at the time of the Damage under Section 1) during the period between the date to which the said last amount declared relates and the date of the Damage under Section 1;
 - ii. any abnormal condition of trade or special circumstances affecting the Business either before or at the time of the Damage under Section 1;
2. the additional expenditure necessarily and reasonably incurred in consequence of the Damage under Section 1 in tracing or establishing debit balances after the Damage under Section 1; provided that if the sum insured by this item be less than the debit balances the amount payable shall be proportionately reduced.

Clauses – Business Interruption (“All Risks”)

1. **Alternative Premises Clause** – If during the Indemnity Period the Business can or shall be conducted elsewhere than at the Premises or if goods can or shall be sold or services can or shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on their behalf the money paid or payable in respect of such other premises or sales or services shall be brought into account in arriving at the Turnover or Gross Profit or Rent Receivable during the Indemnity Period.
2. **Uninsured Standing Charges Clause** – If any standing charges of the Business are not insured by this Section (having been deducted in arriving at the Gross Profit) then in computing the amount recoverable hereunder as 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 standing charges.
3. **Premium Adjustment Clause**
 - i. Provisional Premium – the first and annual premiums in respect of Gross Profit are provisional and are based on the Estimated Gross Profit.
 - ii. Declaration – The Insured shall provide to the Insurer not later than six months after the expiry of each Period of Insurance a declaration certified by the Insured’s auditors of the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance.
 - iii. Adjustment – If any Damage shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by the Insurer for the purpose of premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Damage. If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) -
 - a) is less than the Estimated Gross Profit for the relative Period of Insurance the Insurer will allow a pro rata return of the premium paid on the Estimated Gross Profit but not exceed 50% of such premium;
 - b) is greater than the Estimated Gross Profit for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Profit.

Extensions – Business Interruption (“All Risks”)

Subject to the terms, conditions and exclusions to this Extension and of the Business Interruption section and the General Conditions and General Exclusions to the Policy, and provided that, after the application of all other terms of this Section 2, the total liability under this extension in respect of any one occurrence shall not exceed the sum insured stated in item 2.5 of the schedule, cover is extended under Section 2 as follows:

Loss resulting from interruption of or interference with the Business in consequence of Damage in the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises:

- i. **Failure of Public Utilities** – Accidental total or partial failure of water, gas, electricity, telecommunications or data transmission services at the terminal end of the service feed to the Premises of the Insured in consequence of Damage. Provided that the Insurer will not be liable
 - i. where such failure is for a period of less than six hours.
 - ii. as a result of any fault in any part of the installation of the Insured at the Premises
 - iii. for any loss as a result of Damage not within the Territorial Limits
 - iv. for any loss as a result of Damage to or of any satellite or non-land based system
 - v. for any loss sustained after 1 month from the commencement of the failure.
 - vi. The total liability under this extension in respect of any one occurrence shall not exceed the sum insured stated in item 2.5.i of the schedule
- ii. **Unspecified Customers** – Property at the Premises of any of the Insured’s customers situated in Great Britain or Northern Ireland. The total liability under this extension in respect of any one occurrence shall not exceed £100,000
- iii. **Unspecified Suppliers** – Property at the Premises of any of the Insured’s suppliers manufacturers or processors of components, goods or materials but excluding the Premises of any supply undertaking from which the Insured obtains electricity gas or water or telecommunications services all in Great Britain or Northern Ireland. The total liability under this extension in respect of any one occurrence shall not exceed £100,000
- iv. **Prevention of Access** – Property in the vicinity of the Premises, Damage to which shall prevent or hinder the use of the Premises or access thereto, whether the Premises or property of the Insured therein shall be damaged or not, but excluding Damage to property of any supply undertaking from which the Insured obtains electricity, gas or water or telecommunications services which prevents or hinders the supply of such services, to the Premises. The total liability under this extension in respect of any one occurrence shall not exceed the sum insured stated in item 2.5.iv of the schedule
- v. **Notifiable Disease Cover** – Notwithstanding the general requirement that payment is made under Section 1 of this Policy (or would have been made apart from the application of any excess or deductible) this Extension (only) provides cover in respect of loss arising from:
 - i.
 - a) any occurrence of a Notifiable Disease (as defined below) at the Premises or attributable to food or drink supplied from the Premises,
 - b) any discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease,
 - c) any occurrence of a Notifiable Disease,
 - ii. 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,
 - iii. any accident causing defects in the drains or other sanitary arrangements at the Premise which causes restrictions on the use of the Premises on the order or advice of the competent local authority,
 - iv. any occurrence of murder or suicide at the Premises.

Special Provisions

- i. Notifiable Disease shall mean illness sustained by any person resulting from:
 - a) food or drink poisoning, or
 - b) 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.
- ii. For the purpose of this Extension Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the Notifiable Disease Damage, beginning –
 - a) in the case of i. and iv. above, with the occurrence or discovery of the incident
 - b) in the case of ii. and iii. above, with the date from which the restrictions on the Premises are applied and ending not later than the Maximum Indemnity Period thereafter.
- iii. The Insurer shall not be liable under this extension for any costs incurred in the cleaning, repair, replacement, recall or checking of property.
- iv. Notwithstanding Special Provision (iii), the insurance by this extension shall include the costs and expenses necessarily incurred with the consent of the Insurer in
 - a) cleaning and decontamination of property used by the Insured for the purpose of the Business (other than stock in trade),
 - b) removal and disposal of contaminated stock in trade,
 at or from the Premises, the use of which has been restricted on the order or advice of the competent local authority solely in consequence of the Notifiable Disease as defined above, provided that the Insurer's liability in respect of i and ii together shall not exceed £5,000 in any one Period of Insurance after the application of all other terms and conditions of the Extension. The total liability under this extension in respect of any one occurrence shall not exceed the sum insured stated in item v of the schedule
- vi. **Transit** – Property of the Insured whilst in transit in Great Britain or Northern Ireland. The total liability under this extension in respect of any one occurrence shall not exceed the sum insured stated in item 2.5.vi of the schedule
- vii. **Patterns, Jigs etc...** - Patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs, the property of the Insured or held by them in trust for which they are responsible, whilst at the premises of any machinery makers, engineers, founders or other metal workers (excluding any premises wholly or partly occupied by the Insured) or whilst in transit, all in Great Britain or Northern Ireland. The total liability under this extension in respect of any one occurrence shall not exceed the sum insured stated in item 2.5.vii of the schedule
- viii. **Exhibition Expenses** - The Insurance by this section extends to include the irrecoverable expenses of the Insured in respect of any trade exhibition in the geographical limits following Damage by the insured events occurring
 - i. at the exhibition venue
 - ii. to your property for use in connection with the exhibition whilst at your premises or whilst in transit by road rail or inland waterway
 Subject to the following provisions
 - i. in the event of the exhibition not being held (or the Insured being unable to exhibit at all) in consequence of the damage the amount payable shall be limited to the irrecoverable expenses that the Insured has paid or is liable to pay in respect of the exhibition
 - ii. if the exhibition does not run (or the Insured is unable to exhibit) for the intended period in consequence of the Damage the amount payable shall be the loss computed in accordance with provision (i) above adjusted for the period that you could not exhibit.
 Our liability shall in no case exceed £10,000 any one period of insurance

Definitions – Business Interruption

1. **Indemnity Period** means the period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the Damage.
2. **Maximum Indemnity Period** means the period specified in the Schedule.
3. **Gross Profit** means the amount by which the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of the uninsured working expenses.
4. **Turnover** means the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises.
5. **Rate of Gross Profit** means the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage.
6. **Annual Turnover** means the Turnover during the twelve months immediately before the date of the Damage.
7. **Standard Turnover** means the Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.
8. **Rent Receivable** means the amount of the rent and other income received or receivable from the letting of the Premises and for services rendered thereat.
9. **Standard Rent Receivable** means the Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.

10. **Annual Rent Receivable** means the Rent Receivable during the twelve months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.
11. **Outstanding Debit Balances** means the amounts owed and unpaid to the Insured by their customers for goods sold and delivered and for services rendered in the course of the Business at the Premises. Outstanding Debit balances shall include Value Added Tax.

Notes

1. The amounts of the opening and closing stock and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.
2. To the extent that the Insured is accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.
3. For the purposes of the definitions any adjustment implemented in current cost accounting shall be disregarded.
4. The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in the books and accounts of the Insured.

General Conditions – Business Interruption (“All Risks”)

1. **Automatic Reinstatement of Sum Insured** – In consideration of the sum insured not being reduced by the amount of any loss the Insured shall pay the appropriate additional premium as requested by the Insurer on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.
2. **Accountants** – Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer for the purpose of investigation or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates. The Insurer will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by the Insurer under this Section and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.
3. **Accumulated Stocks** – In adjusting any loss, account shall be taken and an equitable allowance shall be made if any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.
4. **Temporary Removal (Documents)** – Loss as insured by this Section resulting from interruption of or interference with the Business in consequence of Damage to plans, deeds, briefs, manuscripts, books, documents and office records whilst temporarily removed within the United Kingdom shall be deemed to be loss resulting from Damage to property used by the Insured at the Premises, subject to a maximum of £2,500 any one loss and any one Period of Insurance.

SECTION 3 Employers ,Public & Products Liability

Employers Liability

1. The Insurer will indemnify the Insured against
 - i. all sums which the Insured shall become legally liable to pay as damages and claimants' costs and expenses in respect of Bodily Injury sustained by any Employee arising out of and in the course of their employment by the Insured in the Business and caused during the Period of Insurance within the Policy Territory. Provided that any action for damages is brought against the Insured in a court of law in Great Britain Northern Ireland the Channel Islands the Isle of Man or elsewhere within the European Union.
 - ii.
 - a) the payment of solicitors fees for the representation at any coroner's inquest or inquiry or proceedings in any court arising out of Bodily Injury which may be the subject of indemnity under this Section
 - b) all other costs and expenses in relation to any matter which may form the subject of a claim under this Section incurred with the Insurer's prior written consent.
2. The liability of the Insurer for all amounts payable under this Section of the Policy (including all Extensions and Endorsements to this Section) shall not exceed the limit of indemnity stated in the Schedule this limit being inclusive of all costs and expenses whether they be claimants' legal costs and expenses which the Insured becomes legally liable to pay or costs and expenses incurred by the Insured with the Insurer's prior written consent.
3. The Insured shall repay to the Insurer all sums that the Insurer would not have had to pay but for 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 or within the Continental Shelf around those countries

Public and Products Liability

1. The Insurer will indemnify the Insured in respect of
 - i. all sums which the Insured shall become legally liable to pay as damages in respect of
 - a) accidental Personal Injury to any person
 - b) accidental Damage
 - c) accidental nuisance accidental trespass or accidental interference with any easement right of air light water or way

which occurs during the Period of Insurance within the Policy Territory and arises from and in the course of the Business Provided that the action for damages is brought against the Insured in a court of law within Great Britain Northern Ireland the Channel Islands the Isle of Man or elsewhere within the European Union legal liability for claimants' costs and expenses in connection with i. above
 - ii.
 - iii.
 - a) the payment of solicitors fees for the representation at any coroner's inquest or inquiry or proceedings in any court arising out of a breach or alleged breach of statutory duty resulting in any occurrence specified in 1. above which may be the subject of indemnity under this Section
 - b) all other costs and expenses in relation to any matter which may form the subject of a claim under this Section incurred with the Insurer's prior written consent
2. The liability of the Insurer for all damages payable under this Section 3 Public and Products Liability (including all Extensions and Endorsements) relating to all and any claimants in respect of an Event shall not exceed the limit of indemnity stated in the Schedule.

Extensions - Employers Liability

Each of the following Extensions is subject to its own provisos and to the Exclusions - Employers Liability, the General Conditions in Respect of Employers Liability and Public and Products Liability, and the General Conditions and General Exclusions to the Policy.

1. **Unsatisfied Court Judgements** – The Insurer at the request of the Insured will pay to the Employee or the personal representatives of the Employee the amount of any damages and awarded costs to the extent that they remain unsatisfied in whole or in part six months after the date of a Judgement being obtained within any court in Great Britain Northern Ireland the Channel Islands or the Isle of Man
 - i. by any Employee or the personal representatives of any Employee in respect of Bodily Injury sustained by the Employee arising out of and in the course of their employment by the Insured in the Business and caused during the Period of Insurance, and
 - ii. against any company or individual operating from premises within Great Britain Northern Ireland the Channel Islands or the Isle of Man Provided always that
 - a) there is no appeal outstanding against such Judgement
 - b) if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the benefits of such Judgement to the Insurer. The liability of the Insurer for all amounts payable under this Extension relating to any claimant or number of claimants in respect of an Event shall not exceed the limit of indemnity stated in the Schedule
2. **Compensation for Court Attendance** – In the event of any of the undermentioned persons attending court as a witness at the request of the Insurer in connection with a claim in respect of which the Insured is entitled to indemnity under Section 3 the Insurer will provide compensation to the Insured at the following rates per day for each day on which attendance is required
 - i. any Insured Person, save for an Employee £250
 - ii. any Employee £100.

3. **Health and Safety at Work - Legal Defence Costs** – The Insurer will indemnify the Insured and if the Insured so requests any Insured Person in respect of legal costs and other expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach or alleged breach of the current relevant Health and Safety Regulations in the absence of Bodily Injury Provided always that:
- i. the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business
 - ii. the proceedings relate to the health safety and welfare of any Employee
 - iii. the indemnity will not apply
 - a) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission
 - b) to any fines or penalties of any kind
 - c) where indemnity is provided by any other insurance
 - d) to proceedings which arise out of any activity or risk excluded by this Section
 - e) to any Deductible stated in the Schedule

The liability of the Insurer for all amounts payable under this Extension relating to all or any claimant(s) in respect of an Event shall not exceed the limit of indemnity stated in the Schedule.

4. **Work Overseas** – The indemnity provided by this Section shall extend to apply in respect of liability for Bodily Injury caused to an Employee whilst temporarily engaged in work outside the Territorial Limits. Provided that
- a) such Employee is ordinarily resident within the Territorial Limits
 - b) the Insurer shall not provide indemnity in respect of any amount payable under Workmen's Compensation Social Security or Health Insurance legislation
 - c) the Insurer shall not provide indemnity in respect of any temporary visit to the United States of America or any overseas territory or affiliated state of the United States of America.

Extensions – Public and Products Liability

Each of the following Extensions is subject to the provisos and Exclusions - Public and Products Liability, the General Conditions in Respect of Employers Liability and Public and Products Liability, and the General Conditions and General Exclusions to the Policy.

1. **Compensation for Court Attendance** – In the event of any of the undermentioned persons attending court as a witness at the request of the Insurer in connection with a claim in respect of which the Insured is entitled to indemnity under Section 3 Public and Products Liability the Insurer will provide compensation to the Insured at the following rates per day for each day on which attendance is required
 - i. any director or partner of the Insured £250
 - ii. any Employee £100.
2. **Health and Safety at Work - Legal Defence Costs** – The Insurer will indemnify the Insured and if the Insured so requests Insured Person in respect of legal costs and other expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach or alleged breach of the relevant Health and Safety legislation or any similar legislation in the absence of Personal Injury or Damage Provided always that:
 - i. the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business
 - ii. the proceedings relate to the health safety and welfare of any person other than an Employee
 - iii. the indemnity will not apply
 - a) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission
 - b) to any fines or penalties of any kind
 - c) where indemnity is provided by any other insurance
 - d) to proceedings which arise out of any activity or risk excluded by this Section 3 Public and Products Liability
 - e) to any Excess stated in the Schedule.

The liability of the Insurer for all amounts payable under this Extension relating to all or any claimants in respect of an Event shall form part of the limit of Indemnity stated in the Schedule.

3. **Consumer Protection Act - Legal Defence Costs** – The Insurer will indemnify the Insured and if the Insured so requests any director or partner of the Insured or Employee in respect of legal costs and other expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach or alleged breach of Part II of the Consumer Protection Act 1987 or any similar legislation and the costs of any proceedings awarded against the Insured Provided always that
- i. the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business
 - ii. the indemnity will not apply
 - a) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission

- b) to any fines or penalties of any kind
- c) where indemnity is provided by any other insurance
- d) to proceedings which arise out of any activity or risk excluded by this Section
- e) to any Deductible stated in the Schedule.

The liability of the Insurer for all amounts payable under this Extension relating to all or any claimants in respect of an Event shall form part of the limit of indemnity stated in the Schedule.

4. **Data Protection Act** – The Insurer will indemnify the Insured in respect of damages and claimants' costs and expenses arising from any claim or claims under the relevant Data Protection legislation first made against the Insured in writing during the Period of Insurance.
Provided always that
- i. the Insured is registered in accordance with the Act
 - ii. the indemnity will not apply
 - a) to liability caused by or arising from any incident or circumstances known to the Insured at inception or renewal of this Section and which could seriously and reasonably be expected to give rise to a claim
 - b) to any claim(s) made by or on behalf of any Insured Person in connection with employment in the Business
 - c) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission
 - d) iv) to any fines or penalties of any kind
 - e) v) where indemnity is provided by any other insurance
 - f) to proceedings which arise out of any activity or risk excluded by this Section
 - g) to any Deductible stated in the Schedule.
- The liability of the Insurer for all amounts payable under this Extension relating to all or any claimants in respect of an Event shall form part of the limit of indemnity stated in the Schedule.
5. **Contingent Motor Liability** – Notwithstanding Exclusion 3(i) to Section 3 Public and Products Liability the Insurer will indemnify the Insured and no other party or parties against legal liability arising out of the use by any director or Employee of any private motor vehicle including any trailer or apparatus attached thereto not the property of nor provided by the Insured and being used in the course of the Business. Provided always that indemnity will not apply to liability
- i. in respect of which the Insured is entitled to indemnity under any other insurance
 - ii. in connection with any private motor vehicle while being used outside Great Britain Northern Ireland the Channel Islands or the Isle of Man
 - iii. in respect of Damage to any such private motor vehicle or its contents.
6. **Defective Premises Act** – The indemnity provided by this Section 3 Public and Products Liability shall include liability attaching to the Insured by virtue of relevant defective premises legislation or similar legislation Provided always that the Insurer shall not indemnify against liability in respect of the cost of remedying any defect or alleged defect of premises disposed of by the Insured.
7. **Overseas Personal Liability** – The Insurer will indemnify the Insured and if the Insured so requests any
- i. Insured Person
 - ii. spouse partner or dependant of the Insured Person who are accompanying such persons against legal liability in respect of Personal Injury or Property Damage incurred in a personal capacity by such individuals whilst temporarily outside their normal country of residence in connection with the Business Provided always that indemnity will not apply to liability
 - a) arising out of the ownership or occupation of land or buildings
 - b) where indemnity is provided by any other insurance
 - c) arising out of the ownership possession or use by or on behalf of such individuals of any mechanically propelled vehicle including any trailer or apparatus attached thereto and any vessel or craft made or intended to be airborne or waterborne.
8. **Indemnity to other persons** – The Insurer shall indemnify subject to the terms of the Policy in so far as they can apply any officer director or partner of the Insured at your request in respect of private work undertaken by an employee for such officer director partner or with the Insured's prior consent
9. **Cross Liabilities** – If the Insured comprises more than one party the Company will provide indemnity to each in the same manner and to the same extent as if a separate policy had been issued to each provided that the total liability of the Company for liability sustained by any or all of the Insured shall not exceed the amount for which the Company would have been liable had such liability been sustained by any one of the Insured.
10. **Work Overseas** – The indemnity provided by this Section shall extend to apply in respect of liability for Bodily Injury or Damage to Property outside of the Territorial Limits where
- a) any person is temporarily engaged on the Business of the Insured, and
 - b) any person is on a temporary visit on the Business of the Insured.
- Provided that
- a) such person is ordinarily resident within the Territorial Limits.
 - b) the Insurer shall not provide indemnity in respect of any temporary visit to the United States of America or any overseas territory or affiliated state of the United States of America.

Definitions – Employers, Public & Products Liability

1. Bodily Injury shall mean injury sickness or disease or death resulting from such injury sickness or disease and shall include mental injury mental anguish and shock.
2. Business shall mean the business of the Insured as described in the Statement of Fact and shall also include
 - i. ownership repair and maintenance of the Premises of the Insured
 - ii. the provision and management of canteen social sports and welfare organisations for the benefit of Employees fire first aid medical security and ambulance services
 - iii. private work carried out with the consent of the Insured for any director partner or senior official of the Insured by an Employee.
3. Employee shall mean
 - i. any person under a contract of service or apprenticeship with the Insured
 - ii. any labour master or labour only sub-contractor or person supplied by them
 - iii. any self-employed person
 - iv. any person hired or borrowed by the Insured from another employer under an agreement by which the person is deemed to be employed by the Insured
 - v. any person under a work experience or similar scheme while engaged and working under the direction and control of the Insured in connection with and in the course of the Business.
 - vi. Any voluntary worker.
4. Event shall mean the happening of an injury or loss or damage. Any one claim or series of claims against the Insured resulting from one originating cause (including but not limited to continuous or repeated injurious exposure to substantially the same general conditions) shall be regarded as a single Event for the purposes of this Policy.
5. Financial Loss shall mean a pecuniary or economic loss or expense.
6. Insured shall mean
 - i. the Insured stated in the Schedule
 - ii. at the request of the Insured and in respect of legal liability for which the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured:
 - a) any Insured Person
 - b) any officer committee member or voluntary helper of the Insured's canteen social sports and welfare organisations first aid medical security fire and ambulance services (but excluding medical practitioners while working in a professional capacity).
 - c) any principal in respect of legal liability arising out of work performed for or on behalf of such principal by the Insured and then only in respect of legal liability for which and only to the extent that the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured
7. Legal Proceedings shall mean litigation arbitration mediation adjudication or any other process of dispute resolution.
8. Notice of adjudication shall mean any notice issued by a party to a contract to which the Housing Grant Construction and Regeneration Act 1996 applies stating an intention to refer a dispute under the contract to adjudication.
9. Personal Injury shall include but not by way of limitation Bodily Injury false arrest invasion of the right of privacy detention false imprisonment false eviction discrimination libel slander or defamation of character.
10. Products shall mean any goods or products. manufactured constructed repaired serviced treated sold supplied or distributed by the Insured after they have ceased to be in the possession or under the control of the Insured including any container thereof or instructions provided therewith.
11. Offshore Work shall mean embarkation onto a conveyance until disembarkation from such conveyance onto land for the purpose of travel to or from transit between work on any offshore structure platform installation or accommodation vessel.

General Conditions – Employers, Public and Products Liability

The Insurer will not make any payment under this insurance if the Insured fails to comply with the following Special Conditions or fails to observe the terms of this Policy insofar as they relate to anything to be done or complied with.

1. **Reasonable Care** – The Policyholder shall take and/or cause to be taken all reasonable care
 - i. in the selection and supervision of Employees
 - ii. to make good or remedy any defect or danger which becomes apparent and take such additional precautions as the circumstances may require
 - iii. to prevent injury or loss or damage.
2. **Maintenance of Assets** – The Insured shall maintain premises machinery plant equipment vehicles and other business assets in good repair and shall comply with all applicable statutes obligations regulations and requirements imposed by any authority.

Warranties – Employers, Public and Products Liability

1. **Burning and Welding Warranty** – It is warranted that on each and every occasion when any of the undermentioned items of equipment are in use by the Insured away from the Premises the following precautions shall be complied with:
 - i. Blowlamps or Blow Torches, Hot Air Guns or Hot Air Strippers –
 - a) The area in which they are to be used is cleared of loose combustible material;
 - b) Lighted blowlamps and / or blow torches are continuously attended;
 - c) Blowlamps and Blow Torches are filled only in the open, and not lit until immediately before use;
 - d) A suitable multi-purpose dry powder fire extinguisher be kept available for immediate use

- e) A thorough examination is made in and about the working area immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.
- ii. Welding or Flame Cutting Equipment –
 - a) The area in which the equipment is to be used is cleared of loose combustible material;
 - b) Other combustible material including floors in the area in which the equipment is to be used is covered with overlapping sheets of incombustible material;
 - c) Before applying heat to metal work built into or projecting through walls, partitions, ceilings or floors examination is to be made to ensure that the other side of the metal work is not in hazardous proximity to combustible material which may be ignited by direct or conducted heat;
 - d) The occupier shall be informed of the proposed safety precautions and asked for specified authority to proceed;
 - e) A suitable multi-purpose dry powder fire extinguisher be kept available for immediate use;
 - f) A responsible Employee of the Insured or of the occupier be made aware of the location of any fire fighting equipment and be appointed to act solely as fire watcher whilst welding or flame cutting is carried out;
 - g) A thorough examination is made in and about the working area including behind walls, partitions, ceilings or floors immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.
- iii. Vessels for Heating of Bituminous Compounds or Lead –
 - a) Such vessels are continuously attended whilst heating is taking place;
 - b) Such vessels are used only in the open whilst heating is taking place, and if carried out on a roof, the vessel must be placed on a non-combustible heat insulating base.
- iv. Excess – The insurer will not pay for the first £500 of any claim.
- 2. **Bona Fide Sub Contractors** – It is warranted that when the insured enters into any form of contract with a Bona-fide Subcontractor, the insured shall:
 - i. Obtain written evidence that the Bona-fide Subcontractor has a current Public Liability insurance policy in force which is equal to or greater than the insured's Public Liability Indemnity Limit as detailed within this insurance. This should include:
 - a) Details of the Insurer providing public liability cover.
 - b) The policy number relating to public liability cover provided by the insurer.
 - c) The Inception and Expiry date of the insurance policy.
 - d) Details of the Public Liability Indemnity Limit provided by this insurance.
 - ii. That the insured retains such written evidence for a period of no less than 5 years

Exclusions – Employers Liability

The following exclusions shall apply in respect of Employers Liability only

The Insurer will not indemnify the Insured in respect of legal liability (or costs and expenses):

1. **Road Traffic Act** – for which with effect from 1 July 1994 compulsory motor insurance or security is required under relevant Road Traffic legislation or any other similar compulsory legislation.
2. **Offshore Work** – In respect of Bodily Injury sustained by any Employee whilst engaged in Offshore Work.

Exclusions – Public and Products Liability

The following exclusions shall apply in respect of Public and Products Liability only

The Insurer will not indemnify the Insured in respect of legal Liability (or costs and expenses):

1. **Employers Liability** – In respect of Personal Injury sustained by an Employee which arises out of and in the course of his employment by the Insured in the Business.
2. **Workmen's Compensation** – In respect of workmen's compensation attaching to the Insured or his insurer under any workmen's compensation unemployment compensation or disability benefits law or under any similar law.
3. **Automobile Liability Marine Liability Aviation Liability** – In respect of the ownership possession or use by or on behalf of the Insured of
 - i. any mechanically propelled vehicle including any trailer or apparatus attached thereto in circumstances where the Insured is responsible for insurance or equivalent security under any legislation governing the use of such vehicle or where indemnity is provided by any other insurance
 - ii. any vessel or craft made or intended to be airborne or waterborne other than
 - a) watercraft not owned by but used by the Insured for Business entertainment unless the Insured is responsible for insurance
 - b) hand propelled or sailing watercraft not exceeding 8 metres in length used in territorial waters.
4. **Advice Design Specification and Professional Duty** – In respect of advise design or specification provided by or on behalf of the Insured for a fee.
5. **Care Custody and Control** – from Damage to property belonging to the Insured or in the care custody or control of the Insured or any Employee other than
 - i. personal effects including vehicles and their contents belonging to managers' principles' directors' partners' voluntary workers' and employees' or visitors of the Insured
 - ii. premises including fixtures and fittings leased or rented to the Insured unless liability is assumed under agreement and would not have attached in the absence of such agreement
 - iii. premises and their contents not belonging to or leased or rented to the Insured at which the Insured is undertaking work in connection with the Business.

6. **Property Being Worked Upon** - for Damage to that part of any property upon which the Insured is or has been working if the loss or damage arises from such work.
7. **Damage to Products** – in respect of Damage to or the costs or expenses of recalling repairing replacing altering removing or making any refund in respect of any Product Supplied.
8. **Aviation Products** –In respect of any Products which with the knowledge of the Insured are incorporated into any craft made or intended to be airborne.
9. **Pollution** – In respect of
 - i. pollution directly or indirectly caused by or contributed to by or arising from the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any watercourse or body of water
 - ii. the cost of removing nullifying or cleaning up smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants discharged dispersed released or escaped into or upon land the atmosphere or any watercourse or body of water
 - iii. fines penalties punitive exemplary or multiple damages relating to the circumstances detailed in (i) above.

However this Exclusion does not apply to:

 - a) the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any watercourse or body of water
 - b) the cost of removing nullifying or cleaning up smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants discharged dispersed released or escaped into or upon land the atmosphere or any watercourse or body of water.

where the Insured can prove both of the following.

 - a. that the discharge dispersal release or escape is sudden unintended and unexpected and immediately follows and is caused by the puncturing splitting or other breach of or sudden escape from the container holder or other confining structure
 - b. that the discharge dispersal release or escape begins within the Period of Insurance.

The foregoing shall not extend this Section 3 Public and Products Liability to cover any liability which would not have been covered under the said Section had this Exclusion not been included and for the avoidance of doubt it is expressly stated that it is not the intention of the foregoing or of any other provision of this Section to cover and this section excludes all liability directly or indirectly arising out of legionella, pneumophilia or any similar or other bacterial respiratory illness howsoever where so ever and when so ever arising or contracted Expenses for the prevention of any contamination or pollution as herein described shall also form part of this Exclusion and shall not be recoverable hereunder.
10. **Contractual Liability** – In respect of liability which is assumed by the Insured under a contract or agreement and
 - i. arises under any penalty clause or in respect of fines or liquidated damages, or
 - ii. arises out of the sole negligence of third parties, or
 - iii. relates to a legal liability for which compulsory insurance is required by law from a third party unless such liability would have attached to the Insured in the absence of the contract or agreement.
11. **Libel and Slander** – In respect of a libel or slander
 - i. made prior to the effective date of this insurance
 - ii. made by or at the direction of the Insured with the knowledge of the defamatory character thereof
 - iii. related to advertising broadcasting or telecasting activities including Internet activity other than electronic mail conducted by or on behalf of the Insured, for any Third Party.
12. **Financial Loss** – for Financial Loss unless such loss is a direct result of Personal Injury or Damage for which indemnity is provided by this Section 3 Public and Products Liability.
13. **North America** – arising in connection with:
 - i. occurrences in the United States of America or Canada
 - ii. occurrences in respect of which legal action or litigation is brought in a court of law within Great Britain Northern Ireland the Channel Islands the Isle of Man or elsewhere within the European Union or where action or litigation is brought in a court of law outside those countries to enforce a judgement therein whether by way of reciprocal agreement or otherwise.
14. **Asbestos** – 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 of distribution of existence of or exposure to asbestos products asbestos fibres or asbestos dust or property or materials containing any of the foregoing including without limitation all liability to pay claimants' or the Insured's legal costs and expenses or any other costs and expenses howsoever incurred in the investigation defence and/or settlement of any claim against an Insured or in respect of any other inquest inquiry enforcement action or proceedings in which the Insured may be involved in relation to any of the foregoing
15. **Height Restriction** – for all work undertaken by the insured at heights in excess of 10 metres from the immediate floor or ground below
16. **High Risk Premises** – In respect of any claim arising out of or in connection with any work undertaken on or in the following
 - i. power stations, nuclear installations or establishments
 - ii. refineries, bulk storage or production premises in the oil, gas or chemical industries
 - iii. offshore structures or work underground or underwater
 - iv. computers or computer rooms
 - v. aircraft, hovercraft, aerospace systems or watercraft (other than work on watercraft in docks, harbours, boatyards or inland waterways not involving the use of heat)
 - vi. railways, railway stations or airports

SECTION 4

Directors & Officers Liability

Insuring Agreement

Subject to all of the terms, conditions and exclusions to this Section, and the General Conditions and General Exclusions to the Policy:

Directors & Officers Liability

The Insurer will pay the Loss of each Insured Director resulting from any Claim first made against them and notified to the Insurer during the Period of Insurance, by reason of any Wrongful Act occurring on or after the Continuity Date, in their capacity as a director or officer of the Insured. This Insurance cover 1 shall not apply to any loss arising out of an Employment Practice Violation. The Insurer shall advance (subject to the limit of liability and retention) to each Insured Director Defence Costs incurred before the final disposition of the Claim. Such payments shall be repaid to the Insurer by the Insured Directors severally, according to their respective interests and responsibilities, in the event and to the extent that the Claim is ultimately determined not to be covered or is resolved on terms or in a manner which excludes it from cover under The Policy.

Definitions – Director & Officers Liability

1. Claim means any demand made by a third party upon an Insured Director for damages. All Claims arising out of the same set of facts or circumstances shall be deemed to be one Claim made in the Period of Insurance in which the Claim is first made or deemed to be made against the Insured Director.
2. Continuity date means the date from which the Insured has maintained uninterrupted Directors & Officers Liability cover with the Insurer unless it can be evidenced that the Insured previously held legal expenses cover with another insurer immediately prior to inception of this Policy.
3. Defence costs means any reasonable fees, costs and out of pocket expenses incurred by any Insured Director, with the prior written consent of the Insurer, in the investigation, defence, settlement or appeal of any Claim.
4. Employment practice violation means any actual or alleged:
 - i. unfair or wrongful dismissal, discharge or termination, either actual or constructive, of an employment relationship or agreement in a manner which is against the law, misleading representation or advertising relating to employment;
 - ii. failure to employ or promote, unfair deprivation of a career opportunity, unfair discipline, failure to grant tenure or negligent employee evaluation;
 - iii. sexual harassment in the workplace or workplace harassment of any kind (including the alleged creation or permission of a harassing workplace environment);
 - iv. employment-related denial of natural justice, invasion of privacy, defamation, wrongful infliction of emotional distress, or discrimination on any legally prohibited basis.
5. Insured Director means any natural person who is a past, present or future director, secretary or executive officer of the Insured. However, it does not include any externally appointed officers such as receivers, managers, liquidators, administrators, mortgagees in possession and the like. For the avoidance of doubt, Insured Director shall not include external auditors appointed in accordance with Section 384 of the Companies Act 1985 (UK) or any similar legislation in any other jurisdiction.
6. Knowledge, First Discovered or Discovery means that the knowledge or discovery of a Loss occurs when the Insured becomes aware of facts which would cause a reasonable person to believe that a Loss covered by The Policy has been or may be incurred, even though the exact amount or details of the Loss may not then be known. Knowledge possessed or discovery made by any director or officer thereof shall constitute knowledge possessed or discovery made by the Insured.
7. Loss for the purpose of Insurance covers 1 means:
 - i. damages or judgments, but not punitive, aggravated or exemplary damages;
 - ii. legal costs and expenses awarded against any Insured Director in respect of any Claim;
 - iii. Defence costs;
 - iv. settlements negotiated with the Insurer's prior written consent;But shall not include any non compensatory damages, taxes, any amount for which the Insured is not legally liable, or matters which are uninsurable under the law to which The Policy shall be construed. Loss, damages, judgments, settlements and defence costs incurred in more than one Claim against an Insured Director but resulting from a Single Wrongful act shall constitute a single Loss.
8. Single act or Single wrongful act means an act or any related or continuous or repeated acts, whether committed by an individual or group of individuals, and whether directed to or affecting one or more person or legal entity.
9. Transaction means any of the following events:
 - a) the Insured consolidates with or merges with any other person, entity or group of persons, and/or entities acting in concert; or
 - b) the Insured becomes a subsidiary of another entity by virtue of any applicable law.
10. Wrongful act means any actual or alleged act, error, omission, mis-statement, misleading statement, misleading conduct, neglect or breach of duty (excluding an Employment practice violation) made, committed, by any Insured Director.

All related or continuous or repeated Wrongful acts shall be deemed to be one Wrongful act for the purpose of the cover provided by The Policy

General Conditions – Directors & Officers Liability:

1. **Defence and Settlement** – In respect of Directors & Officers Liability the Insurer does not assume any duty to defend any Claim brought against an Insured Director that is covered by The Policy. The Insured Director shall defend and contest any Claim made against them, however the Insurer is entitled to effectively associate with the Insured Director and the Insured in defence of any Claim that appears likely to involve them including but not limited to effectively associating in the negotiation of any settlement. In relation to any Claim for which cover is sought under Directors & Officers Liability the Insured Director shall not incur any Defence costs without the prior written consent of the Insurer. Only those settlements, stipulated judgments and Defence costs which have been consented to by the Insurer shall be recoverable as Loss under the terms of The Policy.
The Insured Director and the Insured shall give the Insurer full co-operation and all information as it may reasonably require as a condition precedent to the Insurer's liability for Loss under The Policy.
2. **Limit of Liability and retentions** – The Insurer's liability for all Loss sustained by any or all of the Insured Directors or Insured shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insured Directors or Insured. Regardless of the number of years this policy shall continue in force and the number of premiums which shall be payable or paid the limit of liability as specified in the Schedule shall not be cumulative from year to year or Period of Insurance to Period of Insurance. Defence costs are part of and not in addition to these limits of liability.
The Insurer shall only pay for the amount of any loss, fees, costs or expenses which is in excess of the Retention specified in the Schedule as being applicable to the relevant Insurance cover. A single Retention amount shall apply to any Loss or claim arising from an act, series of related acts, Single act, or Claims alleging a Single Wrongful act.
3. **Change in Control of Insured** – If, during the Period of Insurance a Transaction takes place, then the cover provided under Directors & Officers Liability is amended to apply only to Wrongful acts occurring prior to the effective date of the Transaction. The Insured shall give the Insurer written notice of the Transaction as soon as practicable, but not later than 30 days after the effective date of the Transaction.

Exclusions – Director & Officers Liability

Insurance cover Directors & Officers Liability does not provide cover for any Loss;

- 1) arising out of, based upon, attributable to, or in any way involving, directly or indirectly;
 - a) the actual, alleged, imminent or threatened discharge, dispersal, seepage, release or escape of pollutants, or
 - b) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise pollutants, nuclear material or nuclear waste.
- 2) arising out of bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any property, including the loss of use of it.
- 3) arising out of any criminal, dishonest, fraudulent, wilful, intentional or malicious acts or omissions, or any knowing or wilful violation of any statute or regulation, or the gaining in fact of any profit or advantage to which the Insured or Insured Director was not legally entitled; however, this exclusion shall only apply if such conduct has been established by final adjudication to have, in fact, occurred. It is agreed that Defence costs will be provided until such final adjudication but may then be recovered from each Insured Director as a debt by the Insurer if this Exclusion is to apply.
- 4) arising out of or in any way connected to any:
 - a) litigation, material circumstances or other facts disclosed as contingent liabilities in the Report & Accounts of the Insured unless previously agreed in writing by the Insurer
 - b) any alleged facts or circumstances of which notice was given or ought reasonably to have been given under any policy in force prior to the Continuity date; or
 - c) pending or prior litigation or derived from the same or essentially the same facts as might be alleged in such pending or prior litigation, as at the Continuity date; or
 - d) Transaction of which the Insured had Knowledge, or had reason to expect, as at the date of inception of The Policy unless previously agreed in writing by the Insurer

For purposes of this exclusion, the term litigation shall include, but not be limited to, any civil or criminal proceeding as well as any administrative or regulatory proceeding or official investigation or arbitration or adjudication.

- 5) in connection with any Claim made against an Insured Director which is brought by or on behalf of the Insured, or any other Insured Director; provided however, that this Exclusion shall not apply to:
 - a) defence costs;
 - b) any Claim brought or maintained by a liquidator, receiver, administrative receiver derivatively on behalf of the Insured without the solicitation or participation of any Insured Director.
- 6) arising out of any legal action or litigation brought in a court within the USA or Canada or out of any legal action or litigation brought in a court outside of the USA or Canada to enforce a judgment handed down in a court within the USA or Canada whether by way of reciprocal agreement or otherwise.
- 7) in connection with any Claim made against an Insured Director directly or indirectly arising out of, or in connection with any public or private offering, issue or sale of shares, debentures, promissory notes or any other form of negotiable or non-negotiable security for the raising of capital by equity, debt or any other means.
- 8) in connection with any Claim made against an Insured Director brought by, at the instigation of, or on behalf of any past or present shareholder or stockholder who had or has direct or indirect ownership of or control over 15% or more of the voting shares or rights of the Insured.

- 9) in connection with any Claim made against an Insured Director arising out of any Claim or any developments thereof for or in respect of or in any way arising out of a breach of duty owed, or malpractice, in a professional or medical capacity.
- 10) in a capacity as trustee or fiduciary under law (statutory or non- statutory including common) or administrator of any pension, profit sharing or employee benefits programme.

SECTION 5

Employee Dishonesty

Employee Dishonesty

The Insurer shall indemnify the Insured for its direct financial Loss which occurs during the Period of Insurance as a direct result of an act or series of related acts of fraud or dishonesty committed during the Period of Insurance by any identified employee, who is paid wholly or mainly by salary or wages, (acting alone or in collusion with others) with the principal intent to cause the Insured to sustain a loss and to obtain financial benefit for such employee (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) which is First Discovered by the Insured during the Period of Insurance.

Definitions – Employee Dishonesty

1. Loss for the purpose of this Insurance means direct financial Loss (other than salary or other remuneration) of money, securities or tangible property owned by the Insured, or in the care, custody or control of the Insured and for which the Insured is liable, in connection with any act or series of related acts of fraud or dishonesty. Loss shall not include costs, fees or other expenses incurred in establishing the existence or amount of any Loss.

General Conditions – Employee Dishonesty

1. **Cancellation as to any Employee** – Insurance cover 2 shall be deemed cancelled in respect of any employee (a) immediately upon discovery by the Insured, or by any director or officer thereof not in collusion with such employee, of any dishonest or fraudulent act on the part of such employee, and further dishonest or fraudulent acts committed by such employee are excluded.
2. **Recoveries** – Under Insurance cover 2 recoveries, less the actual cost of recovery, made after loss will be distributed as follows; first, the Insured shall be reimbursed for Loss exceeding the limit of liability or settlement (whichever is less) and the retention amount (if applicable); second, the Insurer shall be reimbursed for the settlement made; third, the Insured shall be reimbursed for Loss equal to the retention amount.
3. **Management Controls** – It is a condition precedent to the liability of the Insurer under Insurance cover 2 that the Insured shall at all times comply with the following statements, evidence of which must be available at the time of claim:
 - i. The statutory accounts are independently audited.
 - ii. Stock is independently and physically checked, (at least once every six months), by an employee not responsible for daily stock handling or ordering.
 - iii. Cheque requisition/payment instructions and payment authorisation are segregated functions undertaken by separate people.
 - iv. The ordering, certification of receipt, and verification of supporting documentation before cheque or payment instructions are authorised for goods or services are performed by different employees acting independently.
 - v. Cash in hand and petty cash shall be checked independently of employees responsible at least monthly.
 - vi. Monthly reconciliation is performed on all bank accounts and debtors accounts, independently of employees in a position to receive payment of an account.
 - vii. Written references are obtained and checked for all new employees (except school-leavers) covering at least the preceding 2 years of continuous employment, where the employee is to be responsible for money, securities, stock or accounts.
4. **Change in Control of Insured** – If, during the Period of Insurance a Transaction takes place, then the cover provided under Employee Dishonesty is amended to apply only acts committed which give rise to a loss occurring prior to the effective date of the Transaction. The Insured shall give the Insurer written notice of the Transaction as soon as practicable, but not later than 30 days after the effective date of the Transaction.

Exclusions – Employee Dishonesty

Insurance cover Employee Dishonesty does not provide cover for any Loss:

1. that results from the complete or partial non-payment or default under any credit arrangement, loan, lease or rental agreement, invoice, or payments made or withdrawals from any customers account involving items which are not finally paid for any reason.
2. caused by any employee from and after the time that the Insured or any director or officer thereof shall have Knowledge or information that such employee has committed any dishonest or fraudulent act whether such act be committed before or after the date of employment by the Insured.
3. the proof of which is dependent solely upon a profit and loss computation or comparison of inventory records with an actual physical count.
4. which arises out of the voluntary giving or surrendering of property in exchange or purchase, unless such Loss is caused by an employee, or by forgery, counterfeiting or fraud by any other person whether or not in collusion with an employee.
5. for indirect or consequential loss of any nature.

6. for any costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of Loss.
7. for any costs of defending any legal proceeding brought against the Insured.
8. caused by any broker, factor, commission, consignee, contractor or any other agent or representative of the same general character.
9. due to loss of and/or damage to proprietary information, trade secrets, confidential processing methods, or other confidential information of any kind.
10. Loss the Insured First Discovered prior to, or subsequent to, the Period of Insurance.
11. arising from any act or any series of related acts committed outside the Policy Territory.
12. in connection with any Loss committed by any employee who at the time of committing the fraudulent or dishonest act owns or controls more than 5% of the issued share capital of the Insured.

General Conditions

All Above Sections

The following are conditions applicable to all Sections of the Policy:

1. **Cancellation** – The Insurer may cancel the insurance by giving thirty (30) days notice by recorded delivery to the Insured's last known address provided that in the event of no claim having been made in the current Period of Insurance the Insurer shall return to the Insured a proportionate part of any additional premium paid for the unexpired Period of Insurance.
2. **Statutory Requirements Maintenance and Reasonable Precautions** – The Insured at his own expense shall
 - i. take all reasonable precautions to prevent or diminish loss destruction or Damage or any occurrence or cease any activity which may give rise to liability under this Policy and to maintain all Premises in a good state of repair.
 - ii. exercise care in the selection and supervision of employees
 - iii. as soon as possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require
 - iv. comply with all statutory requirements and other safety regulations imposed by any authority
 - v. keep books with a complete record of purchase and sales
 - vi. bring into full and effective operation all locks bolts alarms and protective devices fitted to the Premises at the inception of this insurance or as subsequently agreed with the Insurer whenever the Premises are closed for business or left unattended Furthermore such protections shall be kept in full and effective working order and shall not be altered or varied without the prior written consent of the Insurer
3. **Notification and Steps to be taken** – On the discovery of a claim against him or any event which may give rise to a claim by the Insured under any section of the Policy.
 - i. the Insured must as relevant
 - a) notify the Insurer as soon as possible;
 - b) inform the Police immediately if Damage is caused or appears to be caused by thieves, malicious persons or by malicious act;
 - c) send to the Insurer a written claim not later than 30 days (7 days in the case of Damage caused by riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons if insured by this policy) after the Damage has occurred providing at his own expense all the detailed particulars and evidence regarding the cause and the amount of the Damage as the Insurer may reasonably require;
 - d) forward to the Insurer immediately all letters claims writs, summons process, notice of adjudication or other documents served on the insured or their representative and notify the insured of any impending prosecution, inquest, inquiry or proceedings in any court. No admission of liability of promise or payment shall be made without the Insurer's written consent.
 - e) promptly take at his own expense all reasonable steps to prevent other Personal Injury or Damage arising out of the same conditions (such expense shall not be recoverable under this policy)
 - ii. The Insurer will be entitled to
 - a) enter any building where Damage has occurred and take and keep possession of the property;
 - b) deal with the salvage in any reasonable manner provided that under no circumstances can the Insured abandon any property to the Insurer This Policy shall be proof that the Insured has given to the Insurer the license and authority which it may need to exercise its rights under this condition.
4. **Fraudulent Claims** – If any claim under this Policy be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any Damage or legal liability be occasioned by the wilful act or with the connivance of the Insured all benefit under the Policy shall be forfeited.
5. **Contribution** – If at the time any claim under the Policy arises there be any other insurance effected by or on behalf of the Insured covering such Damage or liability or any part of it the liability of the Insurer hereunder shall be limited to its rateable proportion of such Damage or liability.
6. **Subrogation** – The Insured shall at the request and at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon their making payment in respect of or making good any Damage or liability under this Policy whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Insurer.

7. **Arbitration** – If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions in that behalf for the time being in force. Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Insurer.
8. **Alterations** – Sections 1, 2 and 3 of The Policy will be avoided by the Insurer if
 - i. the Business is wound up or carried on by a Liquidator or Receiver or permanently discontinued or
 - ii. the Insured's interest ceases otherwise than by death or
 - iii. any alteration is made either in the Business or in the Premises or property therein the occupation of any Insured Person or any other circumstances whereby the risk is increased at any time after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the Insurer.
9. **Settlement** – The Insurer may
 - i. pay any part or all of the deductible amount to effect settlement of any claim or series of claims against the Insured and in such circumstances the Insured shall promptly reimburse the Insurer for the amount of the deductible paid by the Insurer
 - ii. at its discretion pay to the Insured in connection with any claim or series of claims against the Insured the appropriate limit of indemnity (after deducting any sum or sums already paid) or any lesser amount for which such claim or claims can be settled and shall then relinquish the conduct and control and be under no further liability in connection with such claim or claims except for any additional recoverable expenses incurred prior to the date of such payment In the event of a claim or series of claims resulting in the liability of the Insured to pay a sum in excess of the limit of indemnity for damages the Insurer's liability for costs and expenses where these are payable in addition to the limit of indemnity shall not exceed an amount being in the same proportion as the limit of indemnity bears to the total payment made by or on behalf of the Insured in settlement
10. **Adjustment** – If the premium for this Policy is calculated on estimates provided by the Insured within a reasonable time after expiry of each Period of Insurance the Insured shall supply to the Insurer such information as is required to adjust the deposit premium and the difference shall be payable by or to the Insured subject to any designated minimum premium
11. **Law and Jurisdiction** – The proper law of this Policy shall be English law (or Scottish law where the Insured's Head Office is in Scotland) and the Courts of England (or Scotland where the proper law of the contract is Scottish) shall have exclusive jurisdiction in all disputes connected with this Policy.
12. **Waiver or Change of Policy Terms** – The terms of this Policy shall not be waived or changed except by Endorsement issued and signed by the Insurer to form a part of this Policy.
13. **Survey** – It is a condition precedent to the Insurer's liability that if this policy has been issued prior to the Insurer's survey, the Insured shall comply with any risk improvements required by the Insurer within the time specified. However should the survey show in the Insurer's opinion that the risk or any part of the risk is unacceptable then the Insurer will retain the right to cancel suspend or alter the terms of the insurance provided by any part of the Policy.
14. **Contract (Rights of Third Parties) Act 1999** – It is hereby understood and agreed that Pursuant to Section 1(a) and Section 1(2) of the Contracts (Rights of Third Parties) Act 1999, nothing in The Policy is intended to confer a directly enforceable benefit on any party other than the Insured or the Insurer.
15. **Admission of Liability** – The Insured shall not make admission of liability take any action which may be construed as an admission of liability or repudiate or settle any claim or waive any rights of recovery without the prior written consent of the Insurer.
16. **Conduct and Control of Claims** – The Insurer shall have the right to
 - i. defend any claim against the Insured
 - ii.
 - a) take over and conduct the defence or settlement of any claim
 - b) prosecute for its own benefit any claim for indemnity or damages or otherwise in the name of the Insured
 - iii. subrogation of all the Insured's rights of recovery whether before or after indemnification by the Insurer
 - iv. exercise full discretion in the conduct of any proceedings and in the settlement of any claim whether before or after indemnification by the Insurer.
17. **Alteration of Risk** – The Insured shall notify the Insurer in writing of any material changes to the Business or risk during the Period of Insurance. The Insurer reserves the right to accept or deny coverage at the time of such notification and to establish a separate rate and premium for any such coverage.
18. **Excess** – The amount of the excess specified in the schedule or otherwise endorsed against any section or extension will be deducted in respect of each and every loss as ascertained after the application of all Terms and Condition of this policy including any condition of Average. (Under Insurance).

These conditions do not apply to Section 6 - Commercial Legal Expenses.

General Exclusions

All Above Sections

This Policy including any Extensions does not cover:-

1. Damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss, or any legal liability or any claim under the Policy whatsoever, directly or indirectly caused by or contributed to by or arising from:
 - i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - ii. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - iii. war, invasion, piracy, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power;
 - iv. confiscation, detention, destruction, nationalisation, requisition or enforcement by order of any Government, Power, Municipal, Local or Customs Authority;
 - v. pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
 - vi. mould, mildew, fungus or spores of any type, nature or description

2. It is hereby understood and agreed, that notwithstanding any other war risk or terrorism exclusion that may be in the Policy or any clause limiting or attempting to limit the application of any endorsements to the Policy, this Policy is amended as follows :

This Policy does not cover loss, destruction, Damage to property or any claim caused by, resulting from, contributed to or aggravated by any of the following perils, whether such loss, destruction, Damage or cause of a claim is accidental or intentional, intended or unintended, direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any perils insured by the Policy:

- i. war, hostile or warlike action in time of peace or war (whether or not declared) including action in hindering, combating or defending against an actual, impending or expected attack :
 - a) by government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces, or any other armed forces or militia; or
 - b) by military, naval or air forces, or any other armed forces or militia; or
 - c) by an agent of any such government, power, authority or force
- ii. any weapon of war employing nuclear or radioactive force or contamination whether in time of peace or war (whether or not declared), whether or not its discharge was accidental;
- iii. insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction;
- iv. any act of one or more persons, whether known or unknown and whether or not agents of a sovereign power, for the purposes of Terrorism;
- v. riot civil commotion in Northern Ireland Such loss, destruction or Damage is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the loss, destruction or Damage

Solely for the purposes of this Exclusion, Terrorism means the use or threatened use of any unlawful means, including the use of force or violence against any person(s) or property (ies), for the actual or apparent purpose of intimidating, coercing, punishing or affecting society or some portion of society or government

In any action suit or other proceedings where the Insurer alleges that by reason of this definition any loss destruction or Damage is not covered by The Policy the burden of proving that such loss destruction or Damage is covered shall be upon the Insured. All other terms, conditions and exclusions of the Policy remain unchanged.

However, this Exclusion shall not apply to Section 3 - Employers Liability

These exclusions do not apply to Section 6 - Commercial Legal Expenses.

SECTION 6

Commercial Legal Expenses

Insuring Agreement

This legal expenses insurance is subject to all of the terms, conditions and exclusions of this Section 6 – Commercial Legal Expenses and is arranged by Qdos Broker & Underwriting Services Limited and underwritten by UK General Insurance Limited on behalf of Ageas Insurance Limited.

How to use your Legal Expenses Insurance

Important Information

These notes are intended as guidelines. The full terms and conditions can be found within the policy wording. Should you have any queries please do not hesitate to contact Qdos Broker & Underwriting Services Limited on 01455 852066.

Legal Advice

You can obtain telephone legal advice on UK Law by telephoning the Qdos Legal Advice Line. The telephone number is 01455 852 066., you will need to quote your policy number.

Advice can be sought on a wide range of areas of law, including employment, tax, health & safety and contract. The advice is provided by qualified HR consultants, solicitors and Tax experts and is confidential and impartial. Conversations may be recorded in the interests of quality of advice and training.

The Qdos Legal Advice Line is not empowered to give advice on the admissibility of any Claim under this policy. If you wish to make a claim or have a query about the policy cover, please ask to be transferred to our claims department.

Claims

If you need to notify a potential Claim, please call 01455 852 066 immediately or write to our Claims Department (Qdos Broker & Underwriting Services Limited, Qdos Court, Rossendale Road, Earl Shilton, Leicestershire, LE9 7LY). You should provide your policy number and a description of the Claims circumstances. A Claim form will then be provided and you should complete this and return it without delay. Please note that in certain circumstances Qdos Broker & Underwriting Services Limited will choose suitable legal representation to act upon your behalf.

Special Conditions

Employment Disputes

We will only agree to cover your Claim if you have sought and followed advice from the Qdos Legal Advice Line and obtained their authorisation:

- 1) Prior to carrying out any disciplinary procedure or action or suspension of an Employee;
- 2) Prior to dismissal of an Employee;
- 3) Prior to instituting a redundancy programme and prior to making an Employee redundant;
- 4) Immediately an Employee walks out with or without written notice;
- 5) Upon notification formally or informally of a grievance from an Employee or Ex-employee;
- 6) Upon receipt of an appeal from an Employee or Ex-employee against a decision taken as a result of a disciplinary or grievance procedure or a decision to dismiss.
- 7) Prior to any adverse variation of the terms and conditions of employment (including alteration of place or time or hours worked or demotion or deduction from or reduction in an Employee's remuneration);
- 8) Upon notification formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation.

The Qdos Legal Advice Line is a telephone advisory service.

Cooling Off Period

If you are acting for purposes outside of your trade, business or profession then you have the right to change your mind and cancel this insurance with effect from inception. You may change your mind within 14 days of insuring or within 14 days of receiving full policy documents whichever is the latter by writing to the insurance broker or agent that provided this policy to you. No charge will be made and any premium you have paid will be refunded.

Legal Expenses Insurance Policy Wording

About this Policy.

This Policy has been arranged by Qdos Broker & Underwriting Services Limited with UK General Insurance Limited on behalf of:

Ageas Insurance Limited, Registered in England No. 354568. Registered Office: Ageas House, Tollgate, Eastleigh, Hampshire, SO53 3YA.

Qdos Broker & Underwriting Services Limited, UK General Insurance Limited, and Ageas Insurance Limited are authorised and regulated by the Financial Services Authority. This can be checked on the FSA's register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

This is a "Claims made" insurance Policy. This insurance only covers Claims notified to the Coverholder within the Period of Insurance.

The *Insured* has submitted a written proposal, declaration or renewal declaration to the Insurer it is agreed this shall form the basis for the issue of this Policy.

The Insurer agrees in consideration of the premium to indemnify the Insured to the extent and in the manner provided within this Policy in connection with the business activities of the *Insured*.

Unless expressly stated nothing in this Policy will create rights pursuant to the Contract (Rights of Third Parties) Act 1999.

Definitions

Each of the words or phrases listed below will have the same meaning wherever they appear in the Policy.

Acts of Parliament

All Acts of Parliament referred to in this Policy shall include any subsequent amendments, re-enactments or regulations and equivalent legislation enforceable within the Territorial Limits.

Any One Claim

All Claims consequent upon the same original cause, event or circumstance.

Appointed Representatives

A solicitor, accountant or other appropriately qualified person or firm as nominated on the Policy Schedule or as approved by the Insurer who is appointed to represent the Insured in accordance with the terms of this Policy.

Awards of Compensation

Basic and Compensatory Awards and compensation for unlawful discrimination made against the Insured by an Employment Tribunal or settlement thereof subject to the consent of the Coverholder but not including Additional Awards, Protective Awards, Interim Relief, Arrears of Pay, or Awards of Damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or reengagement.

The Insurer will not pay any fine, awards or damages incurred by deliberately avoiding a payment or liability under statutory requirements. The Insurer will not pay any redundancy payment or monies due or properly payable arising under or from a contract of employment, service agreement or related document or from any related implied or incorporated terms of contract service.

Claim

A Claim under the Policy for Legal Expenses, Professional Expenses, Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance.

Consequential Loss

Any other costs that are directly or indirectly caused by the event which led to a claim unless specifically stated in this Policy.

Contracting Party

A person, firm or company domiciled within the Territorial Limits with whom the Insured has a direct contractual relationship.

Coverholder

Qdos Broker & Underwriting Services Limited, who administers and manages this insurance on behalf of the Insurer.

Debt Collection Service

The Debt Collection Service nominated by the Coverholder.

Due Date

The date monies owed to the Insured first become due for payment.

Employee

Any person under contract of service with the Insured.

Excess

The amount specified in the Schedule the Insured must pay in respect of Legal Expenses and/or Professional Expenses and/or Awards of Compensation in respect of Any One Claim before the Insurer shall be liable to make any payment if the Insured instructs an alternative Appointed Representative to the one chosen by the Coverholder.

HMRC Investigation

- a) Business Self Assessment Full Enquiry
The investigation which takes place when an officer of HM Revenue and Customs ("HMRC") makes a request to examine all of the *Insured's* business books and records and issues a formal notice under S9A or S12AC of the Taxes Management Act 1970 or under Paragraph 24(1) Schedule 18 Finance Act 1998
- b) Employer Compliance Disputes
The enquiries which take place following an expression of dissatisfaction with the *Insured's* PAYE and/or NIC affairs following an employer compliance visit by HMRC or following an expression of dissatisfaction with the *Insured's* P11Ds or P9Ds.

- c) **Business Self Assessment Aspect Enquiry**
The enquiry which takes place when an officer of HMRC issues a formal notice under Paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make Aspect Enquiry into only certain boxes on the *Insured's* Self Assessment Return.
- d) **VAT Disputes**
The enquiries which take place following a written decision assessment or statement of alleged arrears made by HMRC into the Insured's Value Added Tax Return and/or any related Value Added Tax default surcharges and misdeclaration penalties.

Increased Excess

The amount specified in the Schedule the Insured must pay in respect of Legal Expenses and/or Professional Expenses and/or Awards of Compensation in respect of Any One Claim before the Insurer shall be liable to make any payment if the Insured instructs an alternative Appointed Representative to the one chosen by the Coverholder.

Injury

Physical bodily Injury or death.

Insured

The Company, firm, partnership, or trading individual specified in the Schedule and, at the Insured's request, any Employee including a director or partner of the Insured.

Insured Event

An event, act or omission giving rise to a Claim against the Policy.

Insurer

UK General Insurance Limited on behalf of Ageas Insurance Limited.
UK General Insurance Limited are an agent of Ageas Insurance Limited and in matters of a Claim act on their behalf.

Jury Service Allowance

The amount of money per day the Insured is liable to pay the Employee each day they attend on jury service less any recovery from the Court.

Legal Expenses

- (a) **Fees**
Any professional fees, expenses and other disbursements reasonably incurred by the Appointed Representative with the consent of the Coverholder; and
Any costs incurred by other parties insofar as the Insured is held liable to pay such costs under a settlement made with another party with the consent of the Coverholder but excluding any costs which the Insured may be ordered to pay by a court of criminal jurisdiction.
- (b) **Witness Attendance Allowance**
The amount of money per day the Insured is liable to pay the Employee each day they are required by the Appointed Representative to attend as a witness at a court or tribunal hearing. Indemnity limited to £100 per day and a maximum of £1,000 in Any One Claim.

Legal Proceedings

The pursuit or defence of Legal Proceedings in a court of suitable jurisdiction made by or brought against the Insured, including appealing or defending an appeal against a judgment made in proceedings funded by this insurance, within the jurisdiction of a court or other body within the Territorial Limits.

Limit of Indemnity

The maximum amount payable by the Insurer in respect of Any One Claim and in aggregate for all Claims made during any Period of Insurance in respect of any one Insured.

Minimum Sum in Dispute

The sum in dispute between the Insured and the Contracting Party as specified in the Schedule below which the Insurer shall not be liable to provide indemnity.

Period of Insurance

As specified in the Schedule.

Professional Expenses

Any fees, expenses and other disbursements reasonably incurred by the Appointed Representative with the consent of the Coverholder but excluding any tax or VAT, additional tax or VAT, interest or penalties demanded, assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction.

Property

Land and/or buildings owned or occupied by the Insured or otherwise for which the Insured is legally responsible.

Statutory Licence

A licence or certificate of registration issued under statute, statutory instrument or Government or local authority to the Insured provided that such licence or certificate is necessary to engage in the Business Description of the Insured.

Territorial Limits

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

Sections of Cover

The Sections of Cover applicable are specified in the Schedule.

The Insurer will indemnify the Insured against Legal Expenses incurred by the Appointed Representative when undertaking work on the Insured's behalf in respect of an Insured Event covered by this Policy. Provided that the time of occurrence is within the Period of Insurance and provided that the Claim is notified to the Insurer during the Period of Insurance and the Claim falls within the Territorial Limits.

Section 1

Employment Disputes

The Insurer agrees to indemnify the Insured against Legal Expenses and Awards of Compensation incurred by the Insured in defending Legal Proceedings brought against the Insured by an Employee, Ex-employee or prospective Employee in respect of their contract of employment with the Insured or a breach of employment related legislation.

It is a condition precedent to the Insurer's liability that the Insured has sought and followed all the advice from the Qdos Legal Advice Line as to the process and procedure to be adopted and has received specific authorisation from the Qdos Legal Advice Line:

1. Prior to carrying out any disciplinary procedure or action or suspension of an Employee;
2. Prior to dismissal of an Employee;
3. prior to instituting a redundancy programme and prior to making an Employee redundant;
4. Immediately an Employee walks out with or without written notice;
5. Upon notification formally or informally of a grievance from an Employee or Ex-employee;
6. Upon receipt of an appeal from an Employee or Ex-employee against a decision taken as a result of a disciplinary or grievance procedure or a decision to dismiss.
7. Prior to any adverse variation of the terms and conditions of employment (including alteration of place or time or hours worked or demotion or deduction from or reduction in an Employee's remuneration);
8. Upon notification formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation.

Exclusions to Section 1

The Insurer will not pay:

1. Any benefit due under a Contract of Employment.
2. Any payment due in respect of redundancy.
3. Any compensatory award made against the Insured relating to or arising from Trade Union activities including membership or non membership.
4. Any award made because of the Insured's failure to provide written reason for dismissal.
5. Any compensatory award specified in a re-instatement or re-engagement order.
6. Any awards to the extent that they relate to contractual rights accruing to the Employee, Ex-employee or prospective Employee prior to the actual or alleged breach of the actual or alleged Contract of Employment.
7. Any award made as a result of the failure of the Insured to issue the Employee with a written statement of the terms of employment or to issue the Employee with compliant written details of the employer's disciplinary and grievance procedures.
8. Any defence of an action for damages in respect of personal Injury including stress related matters or loss of or damage to Property.
9. Any Claim where the Insured did not seek advice from the Qdos Legal Advice Line

Section 2

Health & Safety Prosecutions

The defence of a criminal prosecution arising from:

1. Health and safety at work and occupational hygiene including but not limited to the Health and Safety at Work etc Act 1974.
2. Food safety hygiene and food legality including but not limited to the Food Safety Act 1990.
3. Occupational hygiene including but not limited to the COSHH and CHIP regulations.
4. Supply of safe goods including but not limited to the Consumer Protection Act 1987 the Food Safety Act 1990 and the Health and Safety at Work etc Act 1974.
5. The Carriage of Dangerous Goods Regulations provided that the Insured has appointed a qualified Dangerous Goods Safety Advisor as required under the transport of Dangerous Goods (Safety Advisors) Regulations 1999.
6. An appeal against the service of an Improvement Notice or a Prohibition Notice under the Health and Safety at Work etc Act 1974 or the Health and Safety (Northern Ireland) Order 1978 and their supporting Regulations.

Exclusions to Section 2

The Insurer will not pay Legal Expenses arising from or relating to the defence of a criminal prosecution:

1. Deliberately or intentionally solicited by the Insured, or where an alleged offence involves dishonesty or intentional threatened or actual violence by the Insured unless he is subsequently acquitted of such offence.
2. Where the Insured has pleaded guilty and/or admitted liability.
3. Which does not arise out of the normal business activities of the Insured.

4. Disputes relating to the Corporate Manslaughter and Corporate Homicide Act 2007.
5. Relating to the ownership possession hiring or use of a motor vehicle aircraft or watercraft, including offences:
 - (a) Brought under Road Traffic and Transport Acts (not including the Regulations relating to dangerous goods).
 - (b) Brought as a result of unsafe motive power rolling stock or incidents on railway property.
 - (c) Relating to any substance in Class 7 (radioactive substances).
 - (d) Relating to workplaces on or in a ship within the meaning of S.313 (1) of the Merchant Shipping Act 1995.

Section 3

Tax Protection

A full enquiry by H M Revenue & Customs (HMRC) into the Insured's self-assessment return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 which includes a request to examine all the Insured's books and records, including Legal Expenses incurred in respect of preparation and representation of the Insured at a HMRC Commissioners' Hearing.

An aspect enquiry by HMRC which is limited to one or more specific aspects of the Insured's self-assessment return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 which does not include a request to examine all the Insured's books and records.

Fees incurred in respect of any challenge in writing HMRC of the accuracy or completeness of returns submitted in accordance with the PAYE regulations following a compliance review by HMRC into the operation of PAYE, including Legal Expenses incurred in respect of preparation and representation of the Insured at a HMRC Commissioners' Hearing.

An appeal, including the local review procedure, to a VAT and Duties Tribunal, against an assessment or written decision issued by HMRC relating to the Insured's VAT affairs.

Exclusions to Section 3

The Insurer will not pay Legal Expenses arising from or relating to:

1. Any tax avoidance scheme undertaken by the Insured.
2. An enquiry undertaken under Section 60 or 61 of the VAT Act 1994 or enquiry by the Investigations Division, the Board's Investigation Office or the Special Compliance Offices of HMRC.
3. Any dispute or enquiry that commenced prior to the inception of this policy.
4. Any work in connection with the normal reconciliation of the annual accounts and VAT returns where such reconciliation has not been undertaken prior to the dispute or enquiry arising.
5. The Insured's actual or alleged misstatement with intent to deceive contained in any relevant business books, records or returns. If such intent is shown the Insurer shall be entitled to recover such indemnity as it has actually provided.
6. Any issue of law practice or procedure not directly connected with the particular enquiry or dispute which is the subject of the Claim.
7. Any dispute or enquiry where the accounts submitted are being investigated solely because earlier books, records or returns have been investigated or are already under enquiry.
8. Any Claim arising from an enquiry into an Insured's tax return or an amendment to an Insured's tax return or any other statutory return that was not submitted within the statutory time limits. In order for the statutory return to be regarded as having been submitted within the statutory time limits, HMRC must have deemed this to be the case and the filing date must not allow HMRC the right to extend their enquiry window beyond the normal time limit of 12 months after the due filing date. Where an amendment to a Insured's tax return or an amendment to any other statutory return is submitted within the 12 months after the due filing date and HMRC execute an enquiry into the return within that 12 months period then this exclusion will not apply.
9. Any criminal prosecution.
10. Any dispute or enquiry where dishonesty, fraud or fraudulent intent is alleged unless, at the culmination of such dispute or enquiry, it is proved that the Insured was found not guilty of dishonesty, fraud or fraudulent intent.

Section 4

Criminal Prosecution Defence

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in:

- (i) Defending a prosecution against the Insured in a court of criminal jurisdiction;
- (ii) An appeal by the Insured against the service of an Improvement or Prohibition Notice under the Health & Safety at Work etc Act 1974 or the Food Safety Act 1990.

Exclusions to Section 4

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

1. Any prosecution for criminal damage;
2. Any prosecution for offences against the person, including offences of a sexual nature;
3. Any prosecution relating to or arising from investigations by HMRC;
4. Any prosecution alleging dishonesty;
5. Failure to insure a motor vehicle as required by law;
6. An allegation of speeding or driving whilst under the influence of alcohol and or drugs;
7. Any prosecution for non-endorsable road traffic offences except tachograph prosecutions and weight prosecutions;
8. Any alleged deliberate or intentional act unless the charges are dismissed or the Insured is acquitted;
9. Any legal proceedings where the Insured has pleaded guilty and/or admitted liability;
10. Any proceedings, which do not relate to the business activities of the Insured.

Section 5

Statutory Licence Protection

An appeal or representation to the relevant statutory or regulatory Licence Protection authority, Court, Tribunal or other mandatory body following an act, or omission or alleged act or omission which leads to the suspending, revoking, altering the terms of or refusing to renew any of the Insured's licences.

Exclusions to Section 5

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

1. Driving licences;
2. Any Claim relating to an original application or renewal or in respect of which an appeal or representation was made in the 12 months immediately preceding the inception of this insurance, except in the case of renewal or continuation of existing insurance arrangements;
3. Any disciplinary or internal procedures conducted by authorities charged with the regulation of the Insured in the performance of their Business Description or for any appeal following such procedures;
4. Any costs incurred to comply with a notice or order;
5. An alteration or refusal to renew a Statutory Licence which is imposed by an Act of Parliament.

Section 6

Jury Service Allowance

The Insurer agrees to indemnify the income, salary or wages of the Insured or any director of, partners in or Employee of the Insured, in respect of that individual's obligations to attend court for jury service insofar as it is not recoverable from the relevant Court up to a maximum of £100 per day and limited to a maximum of £1,000 for Any One Claim.

Exclusions to Section 6

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

- Any Claim arising from a jury service request served prior to the commencement of this insurance or where the juror has received such a request within the two years immediately preceding this insurance and has been able to postpone the effect of the jury service request except in the case of a renewal or continuation of existing insurance arrangements.

Section 7

Property Disputes

The Insurer agrees to indemnify the Insured against Legal Expenses Incurred in any dispute or Legal Proceedings made by or brought against the Insured:

- (i) Over the physical possession of the Property provided that all statutory and contractual notices have been correctly served by the Insured;
- (ii) Over the terms of a tenancy agreement between the Insured and a Contracting Party relating to the use or maintenance of the Property including dilapidations;
- (iii) Other than with a tenant over the actual or alleged negligence, damage or nuisance to the Property.

provided that the Insured will suffer financial loss if the Insured fails to pursue or defend the dispute or Legal Proceedings.

Exclusions to Section 7

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

1. Any dispute relating to the payment of rent, service charges or any other payments due under the terms of the lease, licence or tenancy agreement between the Insured and his landlord;
2. The renewal of the lease, licence or tenancy agreement between the Insured and his landlord or any dispute arising during a rent review period;
3. Any dispute relating to planning or building regulations or decisions or compulsory purchase orders or any actual, planned or proposed works by or under the order of any government or public or local authority;
4. Any dispute where the Insured has failed to maintain in full force and effect during a tenancy agreement buildings insurance covering the standard range of perils if the Insured was contractually obligated to have such insurance in force;
5. A contract dispute other than that of a tenancy agreement with a Contracting Party;
6. A dispute over subsidence or heave howsoever caused.

Section 8

Data Protection

The Insurer agrees to indemnify the Insured against any Legal Expenses incurred in defending any civil proceedings brought against the Insured for compensation under Section 13 of the Data Protection Act 1998 provided that the Insured is already registered with the Data Protection Commissioner.

Exclusions to Section 8

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:
any legal action concerning the grant and/or execution of a warrant of entry.

Section 9

Personal Injury

The Insurer agrees to indemnify the Insured against any Legal Expenses incurred in pursuit of Legal Proceedings to recover damages for death of, or bodily Injury to that of the Insured or any director of, partner in or Employee of the Insured.

Exclusions to Section 9

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

- Any Claim alleging clinical negligence or any illness, naturally occurring condition or degenerative process, which develops gradually and is not caused by a specific sudden accident.

Section 10

Debt Recovery

The Insurer agrees to indemnify the Insured against any Legal Expenses incurred in the pursuit of Legal Proceedings arising from a dispute with a customer in respect of an uncontested debt that arises from the sale or provision of goods or services, provided that:

- (i) The amount in dispute exceeds £500;
- (ii) The Insurer is notified of the Claim within three months of the debt becoming due and payable;
- (iii) The Insured has exhausted all reasonable credit control and accounting procedures;
- (iv) The Insured agrees to appoint our nominated debt recovery service as the Appointed Representative;
- (v) The Insurer has the right to select the method of enforcement;
- (vi) The Insurer is satisfied that the defendant has sufficient assets to satisfy any judgment debt;
- (vii) The number of Claims that can be notified during the Period of Insurance is limited to five.

Exclusions to Section 10

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

1. The recovery of a disputed debt;
2. A lease or tenancy of land or buildings;
3. The ownership, possession, hiring or use of a motor vehicle, aircraft or watercraft.

Section 11

Contract Cover

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit or defence of any Legal Proceedings made by or brought against the Insured in a contractual dispute with a Contracting Party over a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sales of Goods Act 1979, and or the Supply of Goods Act 1982.

provided that:

- (i) Legal Expenses incurred in the pursuit of any proceedings be limited to 75% of the amount in dispute;
- (ii) The amount in dispute exceeds £1000
- (iii) Where the dispute relates to monies owed to the Insured and such liability is not contested the Insured refers the debt to the Debt Collection Service within 30 days of the Due Date and agrees use of the service shall be paid for by the Insured and not indemnified by the Insurer. Should the Debt Collection Service exhaust its normal recovery process and recommends that legal proceeding should take place, the Insured will immediately notify a Claim under this Section of Cover.

Exclusions to Section 11

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

1. An undisputed debt owed to the Insured;
2. Any licence or franchise agreement;
3. A dispute about either the amount an insurance company should pay to settle an insurance Claim or the way a Claim should be settled;
4. The letting or tenancy of a Property;
5. The construction, extension, alteration, demolition, repair, renovation or refurbishment of any Property;
6. The ownership, possession, hiring or use of a motor vehicle, aircraft or watercraft.

Section 12

Restrictive Covenants

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit of Legal Proceedings against an Employee or former Employee who is in breach of restrictions contained within a written contract of employment signed by the Employee.

Section 13

Motor Disputes

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit or defence of Legal Proceedings;

- (i) Between the Insured and a customer or supplier in respect of a contract for the sale, purchase, hire, lease, hire purchase, service, repair or test of a motor vehicle owned by the Insured or for which the Insured is legally responsible;
- (ii) The pursuit of Legal Proceedings by the Insured to recover damages, including damages for personal Injury, suffered by the Insured any director of, partner in or Employee of the Insured, following a road traffic accident, provided that the motor vehicle in which the director of, partner in or Employee of the Insured was travelling is properly Insured as required by law at the time of occurrence.

Exclusions to Section 13

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with any criminal prosecution relating to the ownership or use of a motor vehicle;

Section 14

Insolvency Fees

The Insurer agrees to indemnify the Insured against payment of the fees of an insolvency practitioner acting as an insolvency office holder who has been appointed following the insolvency of the Insured where there are insufficient assets of the Insured to meet such costs.

Cover is limited to a maximum of:

- Personal Insolvency 50% of Nominees' Fees in a Voluntary Arrangement or for a Limited Company Insolvency to a maximum of £10,000 with an Excess of £1,500.

Exclusions to Section 14

The Insurer will not be liable to indemnify the Insured in respect of Claims arising out of or in connection with:

1. A bankruptcy;
2. A Compulsory Liquidation;
3. An insolvency involving of a Insured who is outside the Territorial Limits of England & Wales;
4. The payment of fees to an insolvency practitioner not approved by the Insurer;
5. The Insurer will not pay the fees of the insolvency practitioner where there is an indication that the directors or proprietors of the Insured have acted illegally.

Section 15

Wrongful Arrest Defence

The Insurer agrees to indemnify against Legal Expenses incurred in defending civil proceedings against the Insured with regard to allegations of wrongful arrests or malicious prosecution.

Exclusions to Section 15

The Insurer shall not be liable to indemnify the Insured in the respect of any Claim arising out of or in connection with allegations made by or against or on behalf of an Employee or Ex-Employee or any other person working or contracting for the Insured whether or not an Employee.

General Conditions

A. Arbitration

Any dispute or difference of any kind between the Insurer and the Insured will be referred to arbitration by a single arbitrator who will be either a barrister or solicitor. If the parties are unable to agree on the appointment of an arbitrator, all parties agree to accept an arbitrator nominated by the Law Society, the Bar Council or appropriate professional body within England and Wales. The apportionment of costs shall be determined by the arbitrator and their decision will be final and binding on all parties.

B. Cancellation

This Policy may be cancelled in writing at any time by the Insured by giving immediate written notice to the Insurer. The Insurer may also cancel this Policy by giving 30 days written notice to the Insured. In the event of cancellation the Insured will be entitled to a full refund of premium if the Policy is cancelled within the first 14 days or refund of a proportionate part of the premium corresponding to the un-expired Period of Insurance where the Policy is cancelled after the first 14 days. There will be no refund of premium if the Insured has notified a Claim during the Period of Insurance.

C. Cooling Off

If the Insured is an individual acting for purposes outside of your trade, business or profession then the Insured has the right to change their mind and cancel this insurance with effect from inception. The Insured may change their mind within 14 days of insuring or within 14 days of receiving full policy documents by writing to the insurance broker or agent that provided this policy to you. No charge will be made and any premium you have paid will be refunded.

D. Insured's Responsibilities

The Insured must notify the Insurer as soon as is reasonably possible of any change in the information given to them which may affect this insurance or any circumstances which may give rise to a Claim. Failure to do so may invalidate the Insured's insurance or may result in cover not operating fully. The Insurer reserves the right to alter the terms, charge an additional premium or cancel this insurance should they become aware of any fact, which may affect the cover provided by this insurance. The Insured must:

- (i) Observe the terms and conditions of this insurance.
- (ii) Try to prevent any incident that may give rise to a Claim.
- (iii) Take all reasonable steps to minimise the amount payable by the Insurer.

E. Assignment

This Policy of insurance is between and binding upon the Insurer and the Insured and their respective successors in title, however the Policy may not be otherwise assigned by the Insured without prior written consent.

F. Waiver

If the Insurer fails to exercise or enforce any rights conferred on them by this insurance, the failure to do so will not be deemed to be a waiver, nor will it bar the exercise or enforcement of such rights at any such time.

G. Governing Law

The parties are free to choose the law applicable to this insurance contract. Unless specifically agreed to the contrary this insurance shall be subject to the Laws of England and Wales.

H. Data Protection Act

It is agreed by the Insured that any information provided to the Insurer regarding the Insured will be processed by the Insurer or the Coverholder in compliance with the provisions of the Data Protection Act 1998 for the purposes of providing insurance and handling Claims, if any, which may necessitate providing such information to third parties.

General Exclusions

The Insurer shall not be liable to indemnify the Insured in respect of:

1. Any dispute arising during the first 90 days of the first Period of Insurance, or during the first 30 days of the first Period of Insurance in respect of HMRC Investigations, unless it can be evidenced that the Insured previously held legal expenses cover with another insurer immediately prior to inception of this Policy.
2. An Insured Event reported more than 90 days after its time of occurrence.
3. An Insured Event reported outside the Period of Insurance.
4. Any dispute, Legal Proceedings or HMRC Investigation made, brought or commenced outside the Territorial Limits.

5. Any Claim relating to or arising from any cause event or circumstance occurring prior to or existing at inception of this Policy and which has or which the Insured knew or ought reasonably to have known may give rise to a dispute, Legal Proceedings or HMRC Investigation by or against the Insured.
6. Fees costs and disbursements incurred prior to the written acceptance of a Claim.
7. Patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
8. Legal Expenses arising from any expense, Consequential Loss, Legal Contamination Liability or any loss or damage, to Property directly or indirectly caused by, 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.
 - b) The radioactive, toxic, or explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly.

You are not covered for any other costs that are directly or indirectly caused by the event which led to your claim unless specifically stated in this policy.
9. Legal Expenses arising directly or indirectly from the failure of computer, data processing and any other electrical equipment or component, including microchips, integrated circuits and similar devices and or any software to recognize, interpret or process any data as its true calendar date.
10. Disputes relating to written or verbal remarks, which damage the Insured's reputation.
11. Causes of action intentionally brought about by the Insured.
12. Any Claim which, in the Insurer's opinion, or the Appointed Representative's opinion, is believed not to have reasonable prospects of achieving the result for which Legal Proceedings are contemplated.
13. Legal Expenses incurred before the Insurer agrees to pay them or where the Insured pursues or defends a case without the agreement of the Insurer or in a different manner to or against the advice of the Appointed Representative or fails to give proper instructions in due time to the Insurer, Appointed Representative or to Counsel or other persons instructed by the Appointed Representative or where the Appointed Representative refuses to act on behalf of the Insured for any reason other than a conflict of interest or in respect of witnesses, experts or agents interviewed, engaged or called on as witness without the prior written approval of the Insurer.
14. Any Claim where the Insured, in the reasonable opinion of the Insurer, acts in a manner which is prejudicial to the case, including being responsible for any unreasonable delay, withdrawing instructions from the Appointed Representative or withdrawing from the case.
15. Legal Expenses which can be recovered by the Insured under any other insurance or which would have been covered if this policy did not exist except for any amount in Excess of that which would have been payable under such other insurance.
16. Fines, damages or other penalties, which the Insured is ordered to pay by a Court or other authority.
17. Legal Expenses relating to any judicial review.
18. Any Claim for Legal Expenses when the Insured is bankrupt, or in receivership, liquidation, administration, has made an arrangement with creditors, has entered into a Deed of Arrangement or part or all of the Insured's affairs or property are in the care or control of a receiver or an administrator with the exception of a Claim made in respect of Section 16 Insolvency Fees.
19. Any dispute with the Insurer or Qdos.
20. Please note that the rights conferred by the Third Parties (Rights Against Insurers Act) 1930 are specifically excluded from applying to this policy.
21. The defence of the Insured in civil Legal Proceedings arising from:
 - a. Injury or disease including psychiatric Injury or stress;
 - b. Loss, destruction, or damage of or to Property;
 - c. Alleged breach of professional duty;
 - d. Any tortious liability (other than specified in Section 7 Property disputes.)
22. Disputes relating to the Corporate Manslaughter and Corporate Homicide Act 2007.
23. Any loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with (including any action taken in controlling, preventing, suppressing or in any way relating to) any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
 - a. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - b. Any act of terrorism.

For the purposes of this exclusion an act of terrorism means an act including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any government(s), religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear or danger.

Claims Conditions

A. Reporting a Claim

The Insurer should, as soon as possible be notified in writing of any potential Claim and be provided with any written or other evidence relevant to the issues giving rise to the Claim. The Insured will be required to provide the names of any possible witnesses and details, of any costs incurred prior to the Insurer accepting the Claim, including any action already taken. Claims should be made by contacting the Qdos Legal Advice Line, as soon as is reasonably practical, or by writing to Qdos Broker & Underwriting Services Limited at the following address:

Qdos Broker & Underwriting Services Limited

Legal Expenses Claims Department
Qdos Court
Rossendale Road
Earl Shilton
Leicestershire
LE9 7LY
Telephone: 01455 852066 Fax: 01455 841000

B. Coverholder's Consent

It is a condition precedent to the liability of the Insurer that their consent to incur Legal Expenses or Professional Expenses must firstly be obtained in writing. This consent will be given by the Coverholder on behalf of the Insurer, if the Insured can satisfy the Coverholder that:

1. It is reasonable to incur Legal Expenses or Professional Expenses having regard to the proportionality between remedy claimed and the Legal Expenses or Professional Expenses to be incurred;
2. (i) Where the Insured is pursuing, there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedies sought
or
(ii) Where the Insured is defending, the other party does not have reasonable prospects of proving the Insured's legal liability
or
(iii) In respect of criminal prosecution and where the Insured pleads guilty there is a reasonable prospect of significant mitigation of the Insured's sentence or fine.

Should during the course of a Claim the Insured ceases to satisfy the Coverholder in respect of 1 and 2 of Coverholder's Consent indemnity will be withdrawn. For a decision to be made on granting or withholding consent the following must be received by the Coverholder:

- A completed insurance Claim form
- The documentation and information reasonably requested by the Coverholder
- Any advice the Coverholder may deem necessary to take
- A legal opinion from the Appointed Representative as to 1 and 2 of Coverholder's Consent

The Coverholder reserves the right to limit its consent by time and or financial amount of Legal Expenses or Professional Expenses and or stage of proceedings to allow for a review of their continued consent.

The Coverholder at its discretion may require the Insured to seek an opinion from Council, at the Insured's expense, as to the merits of the Claim. Such opinion is to have regard to the same issues that the Coverholder has in assessing the merits of any legal action. If based upon such an opinion the Coverholder is satisfied in respect of 1 and 2 of Coverholder's Consent the Legal Expenses and Professional Expenses in obtaining that opinion will be paid by the Insurer within the *Limit of Liability*.

If after consent has been granted it is shown that the particular Claim or Legal Proceedings have not been brought within the terms and conditions of this Policy and its Schedule the Coverholder's consent will be withdrawn and no indemnity shall be provided. The Insurer shall be entitled to recover any Legal Expenses, Professional Expenses, Awards of Compensation and any other Allowances previously paid.

If the Insured elects to proceed with the pursuit or defence of a Claim or Legal Proceedings to which the Coverholder's consent has been refused through lack of reasonable prospects as required in 1 and 2 of Coverholder's Consent and if the Insured is successful in such pursuit or defence, the Insurer will pay Legal Expenses or Professional Expenses incurred after such consent had been refused subject to the terms conditions of this Policy.

In granting its consent the Insurer undertakes to provide indemnity to the Insured subject to the terms and conditions of this Policy and its Schedule but such consent does not imply that all Legal Expenses or Professional Expenses or Awards of Compensation will be paid.

In particular Legal Expenses or Professional Expenses for matters that go beyond the immediate scope of the Claim or Legal Proceedings shall be deemed by the Insurer to fall outside the indemnity provided by this Policy.

C. Choice of Appointed Representative and Counsel

The Coverholder will choose an Appointed Representative to act on behalf of the Insured in any Claim under certain Sections as specified in the Schedule.

Where recourse is necessary to a lawyer and proceedings are issued, the Insured is free to choose an Appointed Representative to act in the name of and on behalf of the Insured in any Legal Proceedings to which the Coverholder has consented subject to the Increased Excess. The name and address of the Appointed Representative the Insured proposes to instruct, must be notified to the Coverholder in writing. The Coverholder will accept such nomination provided the Coverholder is satisfied the proposed Appointed Representative will cooperate and enable the Insured to comply with the terms and conditions of this policy and provided the proposed Appointed Representative's charging rates are fair and reasonable in regard to the particular Legal Proceedings.

A dispute arising from the Insured's choice may be referred to Arbitration in accordance with General Condition A. The Insured must not, without the written consent of the Coverholder, enter into any agreement with the Appointed Representative as to the basis of calculation of Legal Expenses. The Coverholder may withdraw consent previously given at any time.

In selecting the Appointed Representative the Insured shall have regard to its duty to minimise the cost of any Claim or Legal Proceedings. In all other Claims the Coverholder will choose the Appointed Representative subject to the Excess.

In all cases the Appointed Representative shall be appointed in the name of and on behalf of the Insured. If in the course of any Claim or Legal Proceedings the Appointed Representative wishes to instruct Counsel or an expert, Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the Coverholder for consent to the proposed instruction which will not be unreasonably withheld.

D. Disclosure

It is a condition precedent to the Insurer's liability that:

1. The Insured must give to the Appointed Representative and the Coverholder all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the Insured's possession. The Insured must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested.
2. The Coverholder is entitled to receive from the Appointed Representative and Insured any information, documentation or advice in connection with any Claim or Legal Proceedings even if privileged. In addition the Insured must instruct the Appointed Representative to provide the Coverholder with regular updates on the progress of any Claim or Legal Proceedings and inform the Coverholder immediately if and when any circumstance adversely impacts the factors taken into account in granting Coverholder's consent. On request the Insured will give to the Appointed Representative any instructions necessary to secure the required access.

Cover may be withdrawn if the Insured fails to co-operate at all or within a reasonable time with the Coverholder's or the Appointed Representative's requests.

E. Offer of Settlement

It is a condition precedent to the liability of the Insurer that the Insured must inform the Coverholder in writing as soon as an offer to settle a Claim or Legal Proceedings is received and or the Insured proposes to make an offer of settlement. In any settlement, the Insured must have regard to Legal Expenses or Professional Expenses incurred or likely to be incurred by the Insurer and the recovery thereof. No indemnity will be provided if the Insured enters into any agreement to settle without the prior written consent of the Coverholder (such consent not to be unreasonably withheld) and the Insurer shall be entitled to recover any Legal Expenses, Professional Expenses or Awards of Compensation previously paid. If the Insured unreasonably rejects an offer of settlement which the Coverholder recommends acceptance of or makes an offer which the Coverholder does not agree no further indemnity shall be provided.

The Insurer may at its absolute discretion decide to pay the Insured the amount of damages that the Insured is claiming or is being claimed against the Insured instead of indemnifying the Insured for Legal Expenses Professional Expenses or Awards of Compensation. Where the Insurer exercises this discretion the Insurer will cease to be liable for any further Legal Expenses, Professional Expenses or Awards of Compensation.

F. Payment of Legal Expenses, Professional Expenses and Awards of Compensation

All bills relating to any Claim or Legal Proceedings which the Insured receives from the Appointed Representative should be forwarded to the Coverholder without delay. If the Coverholder so requires the Insured must ask the Appointed Representative to submit the bill of costs for assessment or certification by the appropriate Law Society, court or tribunal.

The Insured is responsible for payment of all Legal Expenses or Professional Expenses or Awards of Compensation. The Insurer may settle these directly if requested by the Insured to do so. The payment of some Legal Expenses or Professional Expenses does not imply that all Legal Expenses or Professional Expenses or Awards of Compensation will be paid.

G. Appeal Procedure

If, following Legal Proceedings to which the Coverholder has consented, the Insured wishes to appeal against the judgment or decision of a court or tribunal, the grounds for such appeal must be submitted to the Coverholder through the Appointed Representative immediately or as soon as practicable so that the Coverholder may consider whether to consent to such further action. If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the Insured following Legal Proceedings to which the Coverholder has consented, the Insured must notify the Coverholder immediately in order that cover shall continue. The Coverholder will inform the Appointed Representative of its decision. If, the Coverholder so requires it the Insured must co-operate in an appeal against the judgment or decision of a Court or Tribunal.

H. Recovery of Costs

Whenever the Insured is awarded costs or under the terms of any settlement where costs are included, those costs are to be repaid to the Insurer. The Insured and their Appointed Representative must make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered, the Insured agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the Insurer. Where such a settlement is paid in instalments all costs to the Insurer shall be paid first.

I. Fraudulent Claims

If the Insured makes any request for payment under this Policy knowing it to be fraudulent or false in any respect or ought reasonably in the circumstances to know it to be fraudulent or false or where there is collusion between any parties to the dispute, this Policy shall become void and any premiums paid hereunder shall be forfeited and the Insurer shall be entitled to recover any Legal Expenses or Professional Expenses or Awards of Compensation previously paid.

J. Insolvency or Liquidation of the Insured

If the Insured becomes insolvent or is placed in liquidation during the course of any Claim or Legal Proceedings to which the Coverholder's consent has been given the Coverholder reserves the right to withdraw that consent. The Insured shall be deemed insolvent or in liquidation upon the appointment of an office holder within the meaning given by the Insolvency Act 1986 or upon the appointment of a receiver within the meaning laid down in the Companies Act 1985.

K. Duty to Minimise

The Insured must take all reasonable precautions to avoid and prevent Claims, Legal Proceedings and disputes. The Insured must use every endeavour and take all reasonable measures to minimise the cost and effect of any Claim or Legal Proceedings under this Policy

L. Value Added Tax

If the Insured is registered for VAT, the Insurer will not pay the VAT element of any Legal Expenses or Professional Expenses.

Complaints

It is the Coverholder's intention to give the Insured the best possible service but if the Insured does have any questions or concerns about this insurance or the handling of a Claim they should in the first instance contact:

Chief Executive Officer
Qdos Broker & Underwriting Services Limited
Qdos Court
Rossendale Road
Earl Shilton
Leicestershire
LE9 7LY
Tel: 01455 850000 Fax: 01455 841000

Please ensure the Policy number is quoted in all correspondence to assist a quick and efficient response.

The Coverholder is authorised and regulated by the Financial Services Authority. Firm Number: 460886

In the event the Insured remain dissatisfied and wish to make a complaint, they can do so by contacting the following:

The Head of Claims
UK Underwriting Limited
Cast House
Old Mill Business Park
Gibraltar Island Road
Leeds
LS10 1RJ

If it is not possible to reach an agreement, the Insured has the right to make an appeal to the Financial Ombudsman Service. This also applies if you are Insured in a business capacity but have a group annual turnover of less than £1 million, or are a charity with an annual income of less than £1 million, or are a trustee of a trust with a net asset value of less than £1 million. You may contact the Financial Ombudsman Service (FOS) at:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Telephone: 0845 080 1800 Fax: 0207 964 1001

Please note you have six months from the date of our final response in which to refer your complaint to the FOS.

Our statutory rights are not affected if you do not follow the complaints procedure above. For further information about your statutory rights contact your local authority Trading Standards Service or Citizens Advice Bureau.

Compensation Scheme

Ageas Insurance Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme, if they cannot meet their obligations. This depends on the type of business and the circumstances of the Claim. Most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the Claim. You can get more information about compensation scheme arrangements from the FSCS.

Communications

All notices and communications from the Insurer or their representatives to the Insured shall be deemed to have been duly sent if sent to the Insured's address as last declared to the Coverholder or, in relation to any matters arising out of any Claim or Legal Proceedings, if sent to the Appointed Representative.

All notices and communications from the Insured or the Appointed Representative to the Insurer shall be deemed to have been duly sent if sent to the Coverholder at the address below:

Qdos Broker & Underwriting Services Limited
Qdos Court
Rossendale Road
Earl Shilton
Leicestershire
LE9 7LY
Tel: 01455 850000 Fax: 01455 841000

Data Protection Act 1998

Qdos Broker & Underwriting Services Limited does not pass any personal data about you to any third parties. When you apply for insurance and/or make a claims, you will be required to disclose relevant personal data about yourself to Qdos Broker & Underwriting Services Limited or their agents, including data which is deemed "sensitive" under the Data Protection Act 1998. Your explicit consent to the processing of this data, which is required under the Data Protection Act 1998, will be requested at the time of purchase or when you make a claim. Please note that any information that you provide to Qdos Broker & Underwriting Services Limited may be shared with other insurers, for the purpose of preventing fraudulent claims. All information provided by yourself will be used by Qdos Broker & Underwriting Services Limited its agents and associated companies, other insurers, regulators, industry and public bodies (including the police) and agencies to process this insurance and any upgrade to this insurance, handle claims relating to this insurance and prevent fraud.