

Endorsement attaching to Binding Authority No: MPEN180053

Identity of Insurers

Markel International Insurance Company Limited

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Registered at the above address. Registered in England number 966670

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

PEN UNDERWRITING LIMITED
2018 NON-BLOODSTOCK Combined Insurance Policy

THIS IS TO CERTIFY that in accordance with the authorisation granted under Binding Authority Number OIMCC170053 to the undersigned by certain Insurance Companies, whose names and the proportions underwritten by them appear attached (all of whom are hereinafter referred to as "Insurers") and in consideration of the premium specified herein, the said Insurers are hereby bound, each for his own part and not for another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

THE INSURERS hereby agree to the extent and in the manner hereinafter provided, to indemnify the Insured against loss or damage sustained or legal liability for accidents happening during the period stated in the Schedule, after such loss, damage or liability are proved.

PROVIDED always that:

1. the liability of the Insurers is several and not joint and is limited solely to the extent of their individual proportions as shown in the Endorsement entitled Identity of Insurers. The Insurers are not responsible for the subscription of any co-subscribing insurers or any other insurer or co-insurer who for any reason does not satisfy all or part of its obligations and shall not exceed the limits of liability expressed in the said Schedule or such other limits of liability as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the Insurers;
2. this Policy insures in respect ONLY of such of the sections hereof as are so specified in the Schedule.

IN WITNESS whereof this Policy the insurers whose identity is stated in the Endorsement entitled Identity of Insurers and whose proportionate liability will be detailed on request has been signed as follows:

The subscribing Insurers obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions.

The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurers that for any reason does not satisfy all or part of its obligations.

The Insured is requested to read this Policy and, if it is incorrect, return it immediately for alteration.

This Policy is made and accepted subject to all the provisions, conditions, warranties and exclusions set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

In Witness whereof, this Policy has been signed at the place stated and on the date specified in the Schedule on behalf of the Insurers as noted in the endorsement to this policy entitled Identity of Insurers.

Authorised signatory

Jonathan Turner



Chief Executive Pen Underwriting

LIABILITY INSURANCE

1 OPERATIVE CLAUSE

WHEREAS the Insured or persons Firm or Company named in the schedule herein which shall include any employee, Partner or Director who is carrying on only the Business declared for the purposes of this insurance and have paid the premiums stated in the Schedule.

WE the Insurers hereby agree to indemnify the Insured, subject to the terms, exclusions, conditions and warranties herein or endorsed hereon up to the Sum Insured specified in the Schedule less any Excess, against liability at law for damages (including claimants' costs, fees and expenses) as defined by each insured Section of this Policy arising out of the Business specified in the Schedule, subject always to the terms, conditions and exclusions of such Section and of the Policy as a whole in accordance with the law within the European Union.

2 DEFINITIONS

For the purpose of this Policy:

- 2.1 The Insured/ You/Your means:
 - 2.1.1 the person, persons or corporate body named in the Schedule
 - 2.1.2 subsidiary companies of the Insured notified to and accepted in writing by the Insurers.
- 2.2 Business means the business conducted at or from premises in Great Britain, Northern Ireland, The Channel Islands or the Isle of Man and shall include:
 - 2.2.1 the ownership, repair and maintenance of the Insured's own property
 - 2.2.2 provision and management of canteen, social, sports and welfare organisations for the benefit of any Person Employed and medical, fire fighting, and security services
 - 2.2.3 private work undertaken by any Person Employed for any director or partner of the Insured with the prior consent of the Insured.
- 2.3 Injury means death, bodily injury, illness or disease of or to any person.
- 2.4 Damage means loss of possession of or damage to tangible property.
- 2.5 Person Employed means any:
 - 2.5.1 Employee being a person under a contract of service or apprenticeship with the Insured
 - 2.5.2 labour master and persons supplied by him
 - 2.5.3 person employed by labour only sub-contractors
 - 2.5.4 self employed person under the control of the Insured
 - 2.5.5 person hired to or borrowed by the Insured
 - 2.5.6 person undertaking study or work experience or youth training scheme with the Insured working for the Insured in connection with the Business.
- 2.6 Product means any tangible property after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured.
- 2.7 Pollution means pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.
- 2.8 Defence Costs mean costs, fees and expenses incurred by the Insured with the written consent of the Insurers in the defence or settlement of any claim under this Policy.
- 2.9 Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

3 INDEMNITY TO OTHERS

The indemnity granted extends to:

- 3.1 managerial or supervisory Employees of the Insured in their business capacity for legal liabilities arising out of the performance of the Business and any director or partner of the Insured in respect of private work undertaken by any Person Employed for such director or partner with the prior consent of the Insured
- 3.2 the officers, committees and members of the Insured's canteen, social, sports, medical, fire fighting, security services and welfare organisations for legal liabilities incurred in their respective capacity as such
- 3.3 any person or firm for legal liabilities arising out of the performance of a contract with the Insured constituting the provision of labour only
- 3.4 any principal for legal liabilities arising out of work carried out by the Insured under a contract or agreement in respect of which the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured
- 3.5 the personal representatives of any person or party indemnified by reason of this Clause 3 in respect of legal liability incurred by such person or party.

Provided always that all such persons or parties shall observe, fulfil and be subject to the terms, conditions and exclusions of this Policy as though they were the Insured.

Where:

(i) there has been a failure to comply with a term (express or implied) of this Policy, other than a term which defines the risk as a whole;

and

(ii) compliance with such term would tend to reduce the risk of loss of a particular kind and/or loss at a particular location and/or loss at a particular time, the Insurer cannot rely on the breach of such term to exclude, limit or discharge its liability if the Insured shows that the failure to comply with such term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

If the Insured breaches any warranty in this Policy, the Insurer's liability under the Policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The Insurer will have no liability to the Insured for any loss which occurs, or which is attributable to something happening, during the period when the Insurer's liability is suspended

4 CROSS LIABILITIES

Each person or party granted indemnity by this Policy is separately indemnified in respect of claims made against any of them by any other subject to the Insurers' total liability not exceeding the stated Limits of Indemnity.

5 LIMITS OF INDEMNITY

- 5.1 SECTION A – The Insurers' total liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the Schedule in respect of any one claim against the Insured or series of claims against the Insured arising out of one occurrence.
- 5.2 SECTIONS B AND C – The Insurers' total liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the Schedule against each Section in respect of any one occurrence or series of occurrences arising from one originating cause
Provided always that the Limit of Indemnity:
 - 5.2.1 under Section B in respect of liability arising out of Pollution applies to the total amount of damages (including claimants' costs, fees and expenses) payable in respect of all occurrences during the Period of Insurance
 - 5.2.2 under Section C applies to the total amount of damages (including claimants' costs, fees and expenses) payable in respect of all occurrences during the Period of Insurance.
 - 5.2.3 in respect of Defence Costs, section 6.1.3 Corporate Manslaughter and Corporate Homicide Act 2007, shall not exceed £1,000,000 in all during the Period of Insurance.

6 DEFENCE COSTS

Subject to the written consent and the control of the Insurers and subject to all other Policy Conditions and Exclusions, this Policy will also pay Defence Costs.

Defence Costs include legal expenses:

- 6.1 incurred by or awarded against the Insured arising out of any prosecution of the Insured:
 - 6.1.1 for breach or alleged breach of Part 1 of the United Kingdom Health & Safety at Work Act 1974 (and/or legislation of similar effect)
 - 6.1.2 for any offence under Part II of the Consumer Protection Act 1987 and/or Part II of the Food Safety Act 1990 (and/or legislation of similar effect)
 - 6.1.3 incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings, in respect of manslaughter or culpable homicide or alleged manslaughter, or culpable homicide including a breach of the Corporate Manslaughter and Corporate Homicide Act 2007
- 6.2 arising out of representation at any Coroner's Inquest or Fatal Accident Inquiry
- 6.3 arising out of the defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this Policy

Defence Costs will be payable in addition to the Limits of Indemnity except in respect of Section A when the Limit of Indemnity will be inclusive of all Defence Costs unless this Policy is specifically endorsed to the contrary.

7 COMPENSATION FOR COURT ATTENDANCE

In the event of any director, partner or Employee of the Insured attending court as a witness at the request of the Insurers in connection with a claim which is the subject of indemnity under this Policy the Insurers will provide compensation to the Insured at the following rates for each day on which attendance is required:

- 7.1 any director or partner £250
- 7.2 any Employee £100

SECTION A – EMPLOYERS' LIABILITY

8 SECTION A – INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause in respect of Injury to any Person Employed arising out of and in the course of employment by the Insured and occurring during the Period of Insurance.

9 SECTION A – EXCLUSIONS

This Section does not apply to or include legal liability:

- 9.1 arising outside Great Britain, Northern Ireland, the Isle of Man and the Channel Islands except in respect of temporary non-manual visits by Persons Employed
- 9.2 incurred in circumstances where any road traffic legislation requires compulsory insurance or security and an indemnity is afforded to the Insured by any such insurance or security
- 9.3 arising out of work on and/or visits to any offshore rig and/or installation and/or platform from the time of embarkation onto a conveyance at the point of final departure to such offshore rig and/or installation and/or platform until disembarkation from the conveyance from such offshore rig and/or installation and/or platform onto land.
- 9.4 arising out of Terrorism except to the extent that an indemnity is deemed to be required in accordance with the provisions of any law relating to compulsory insurance of liability to employees, in which case a sub-limit of £5,000,000 shall apply.
- 9.5 arising out of or related to the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos, except to the extent that an indemnity is deemed to be required in accordance with the provisions of any law relating to compulsory insurance of liability to employees, in which case a sub-Limit of Indemnity of £5,000,000 shall apply.

It is a condition precedent to the liability of Insurers that the insured do not manufacture mine process distribute test remediate remove store dispose sell or use asbestos or materials or products containing asbestos.

10 SECTION A – COMPULSORY INSURANCE CLAUSE

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law enacted in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands relating to compulsory insurance of liability to employees.

If however, there has been non-observance of any Policy conditions by the Insured, and the Insurers shall have paid any sum which would not have been paid but for the provisions of such law then the Insured shall forthwith repay such sum to the Insurers.

11 EXTENSIONS

(Subject otherwise to all the terms, Conditions, Limitations and Exclusions of Section A).

Unsatisfied Courts Judgement.

In the event of a judgement for damages being obtained in the first instance under the jurisdiction of a Court within the European Union by any Employee or the personal representatives of any Employee in respect of Bodily Injury arising out of and in the course of his employment or engagement by the Assured which remains unsatisfied in whole or in part six months after the date of such judgement, at the request of the Insured the Insurers will pay to the Employee or the personal representatives of the Employee the amount of any damages or awarded costs to the extent that they remain unsatisfied.

Provided that:-

- (i) there is no appeal outstanding.
- (ii) the judgement relates to Injury which would otherwise be covered by Section A of this Insurance.
- (iii) any payment made by the Insurers shall be only in respect of liability for which the Insured would have been entitled to indemnity under Section A of this Insurance if the judgement had been made against the Insured.
- (iv) the Insurers shall be entitled to take over and prosecute for their own benefit any claim against any other person and the Insured, the Employee or the personal representatives of the Employee shall give all information and assistance required.

SECTION B – PUBLIC LIABILITY

12 SECTION B – INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of Accidental Injury and/or Damage and/or accidental obstruction, loss of amenities, trespass, nuisance or interference with any right of way, light, air or water occurring during the Period of Insurance.

13 SECTION B – EXCLUSIONS

This Section does not apply to or include legal liability:

- 13.1 in respect of Injury to any Person Employed arising out of and in the course of employment by the Insured.
- 13.2 in respect of Injury or Damage to any member of the Insured's Family arising from the Business of the Insured.
For purposes of this exclusion, family shall mean parent, grandparent, partner, spouse, child or grandchild, siblings and their partners, spouses or children.
- 13.3 arising out of or in connection with any Product.
- 13.4 arising out of the ownership, possession or use by or on behalf of the Insured, or any person or party entitled to indemnity, of any motor vehicle or trailer for which compulsory insurance or security is required by legislation, other than legal liability:
 - 13.4.1 caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer in circumstances where compulsory insurance or security is not required by any legislation
 - 13.4.2 arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer except where indemnity is provided by any motor insurance contract
 - 13.4.3 arising out of any motor vehicle or trailer temporarily in the Insured's custody or control for the purpose of parking except liability for which compulsory insurance or security is required by any legislation
- 13.5 arising out of the ownership, possession or use by or on behalf of the Insured of any aircraft,

- hovercraft, offshore installation and/or rig and/or platform or watercraft (other than watercraft not exceeding 10 metres in length whilst on inland waterways)
- 13.6 for Damage to property owned, leased to, hired by, under hire purchase, on loan to, held in trust by or otherwise in the Insured's care, custody or control other than:
- 13.6.1 clothing and personal effects (including vehicles and their contents) of Employees and visitors
- 13.6.2 premises (including contents therein) temporarily occupied by the Insured for work therein or thereon but no indemnity shall be granted for Damage to that part of the property on which the Insured is or has been working and which arises out of such work
- 13.6.3 premises tenanted by the Insured provided always that liability for such Damage is not assumed by the Insured under agreement where liability would not have existed in the absence of the agreement
- 13.7 arising out of breach of professional duty, or wrongful or inadequate advice given separately for a fee or in circumstances where a fee would normally be charged.

14 SECTION B - EXTENSIONS

Subject otherwise to all the terms, Conditions, Limitations and Exclusions of Section B.

- 14.1 Defective Premises.
The Insurers will indemnify the Insured under Section B against liability in respect of Injury or Damage to property arising in respect of any premises disposed of by the Insured. Provided that the indemnity shall not apply in respect of loss of or damage to or any costs or expenses incurred in repairing, replacing or making any refund in respect of any such premises.
- 14.2 Contingent Liability (Non-Owned Vehicles).
Notwithstanding anything contained in Exclusion 13.4 to the contrary the Insurers will indemnify the Assured under Section B against liability for Damage to property or Injury arising out of the use of any motor vehicle not the property of or provided by the Insured being used in connection with the Business.
Provided always that the Insurers shall not be liable for:-
- (a) Damage to any such vehicle.
 - (b) Injury or Damage to property resulting while such vehicle is being:-
 - (i) driven by the Insured.
 - (ii) driven with the general consent of the Insured or of his representatives by any person who to the knowledge of the Insured or of such representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.
 - (iii) used in circumstances in which it is compulsory for the Insured to insure or provide security as a requirement of any road traffic legislation.
 - (iv) used elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
- For the purposes of this Extension the Insured shall be as defined in Definition 2.1.1 and 2.1.2
- 14.3 Forestry Commission and/or Ministry of Defence.
Notwithstanding anything contained in General Exclusion 24.1 b to the contrary Section B extends to indemnify the Insured to the extent required under any agreement between the Insured and The Forestry Commission and/or The Ministry of Defence in respect of liability assumed by the Insured under the terms of the said agreement.
- 14.4 Landowners Indemnity.
Section B extends to indemnify in like manner to the Insured any landowner on whose land events or other activities organised by the Insured are held or over whose land such events or activities pass or are accessed by and arising out of such events or activities only.
Provided that such person shall as though he were the Insured observe, fulfil and be subject to the terms, Conditions, Limitations and Exclusions of this Insurance.
- 14.5 World Wide Transportation.
In respect of whichever of Sections B and C that are specified in the Schedule as "Included" and where the Business of the Insured includes activities which involve the transportation of horses or ponies outside the geographical limits set forth herein, the Insurers will subject otherwise to the terms, Exclusions, Conditions and Endorsements hereof indemnify the

Insured in respect of legal liability for Bodily Injury or loss of or damage to Property happening anywhere in the World arising out of such activities only.

15 SECTION B - SPECIFIC EXTENSIONS

Included only if specified in the Schedule as "Included" and subject otherwise to all the terms, Conditions, Limitations and Exclusions of this Insurance.

15.1 Members' Indemnity.

Section B of this Insurance extends to indemnify any Member in accordance with the Insuring Clauses for Injury to any person or accidental loss of or Damage to property happening during the Period of Insurance set forth in the Schedule and arising whilst the Member is participating in the Insured Club's official activities.

15.2 Member to Member.

Section B of this Insurance extends to indemnify any Member in respect of liability, as provided for under optional Extension 1 above, to another Member provided that nothing contained in this Extension shall increase the liability of the Insurers to pay any amount in respect of any claim in excess of the amount specified in the Schedule as the Limit of Indemnity for Section B.

For the purposes of Extensions 15.1 and 15.2 "Member" shall mean any member of the Insured Riding/Driving/Polo Club from the time that the membership subscription is accepted by the Insured until such time as the membership expires.

15.3 Customers' Indemnity.

Section B of this Insurance extends to indemnify in like manner to the Insured any customer of the Insured whilst using the facilities of or under the instruction of the Insured in respect of liability for which the Insured would have been entitled to indemnity under this Insurance if the claim against any such customer had been made against the Insured.

Provided that such customer shall as though he were the Insured observe, fulfil and be subject to the terms, Exclusions, Conditions and Limitations of this Insurance as far as they can apply.

15.4 Riding Establishment Indemnity.

Notwithstanding anything contained herein to the contrary General Exclusion 23.4 is deemed deleted and the indemnity provided by Section B of this Insurance is deemed to comply with the requirements of the Riding Establishment Acts relating to compulsory public liability insurance.

15.5 Personal Liability.

Section B of this Insurance extends to indemnify:-

- (i) the Insured
- (ii) any proprietor, partner, director or manager of the Insured
- (iii) the immediate family of persons specified in (i) and (ii) above residing within the said person's household
- (iv) any Employee of the Insured
- (v) anyone else riding or handling horses belonging to or in the care, custody or control of the Insured with the express permission of persons specified in (i) and (ii) above up to but not exceeding the Limit of Indemnity set forth in the Schedule against such sums as the persons specified in (i) to (v) inclusive above shall become legally liable to pay in respect of liability as therein defined arising from Injury or loss of or Damage to property occurring whilst such person is riding or handling anywhere in the world, for personal pleasure purposes and not in connection with the Business, horses belonging to or in the care, custody or control of the Insured but excluding at all times injury to the horses being ridden or handled unless Section D Care, Custody or Control) is specified in the Schedule as "Included".

Provided that the Insurers shall not be liable under this Insurance if any other policy is in force covering such liability.

15.6 Freelance Instructors Liability.

Notwithstanding anything contained in Exclusion 13.7 the Insured is indemnified under Section B against liability in respect of Injury arising whilst customers are under the direct supervision of the Insured.

Provided that nothing contained in this Extension shall increase the liability of the Underwriters to pay any amount in respect of any claim in excess of the amount specified in the Schedule as the Limit of Indemnity for Section B.

SECTION C – PRODUCTS LIABILITY

16 SECTION C – INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of accidental Injury and/or Damage occurring during the Period of Insurance and arising out of or in connection with any Product.

17 SECTION C – EXCLUSIONS

This Section does not apply to or include legal liability:

- 17.1 in respect of Injury to any Person Employed arising out of and in the course of employment by the Insured.
- 17.2 in respect of Injury or Damage to any member of the Insured's Family arising from the Business of the Insured.
For purposes of this exclusion, Family shall mean Parent, Grand Parent, Partner, Spouse, child or grandchild, Siblings and their partners, spouses or children.
- 17.3 for costs incurred in the repair, reconditioning or replacement of any Product or part thereof which is alleged to be defective
- 17.4 arising out of the recall of any Product or part thereof
- 17.5 arising out of any Product which with the Insured's knowledge is intended for incorporation into the structure, machinery or controls of any aircraft, other aerial device, hovercraft or waterborne craft
- 17.6 arising by virtue of a contract or agreement but which would not have arisen in the absence of such contract or agreement
- 17.7 arising from circumstances known to the Insured prior to the inception date of this Insurance.
- 17.8 arising from the failure of any Product to perform its intended function.

SECTION D – CARE, CUSTODY & CONTROL LIABILITY

18 SECTION D – INDEMNITY

18.1 In respect of the Insured's legal liability to Third Parties resulting from any claim first made against the Insured or any employee during the Period of Insurance by reason of any negligent act, negligent error or negligent omission on the part of the insured in their business activity as stated in the Schedule for damages arising out of:

- A) Death
- B) Permanent injury
- C) Temporary injury
- D) Loss of Use
- E) Infectious or contagious disease

of or to any horse which is in the legal care, custody or control of the Insured or over which the Insured are exercising physical control, and

18.2 Against all costs and expenses incurred with the written consent of Insurers in the defence of any such claim, provided always that if a payment in excess of the Sum Insured has to be made to dispose of the claim the Insurers' liability for such costs and expenses shall be such proportion thereof as the amount of the indemnity available under this policy in respect of that claim bears to the amount required to dispose of that claim.

19 SECTION D – CONDITIONS

All the following Conditions are made precedent to the liability of the Insurers to indemnify the Insured under this Policy.

19.1 NOTIFICATION OF CLAIMS

The Insured shall give to the Insurers immediate written notice of:

- (i) Any claim made against the Insured
- (ii) The receipt by the Insured of any notice of intention to hold them responsible
- (iii) Any circumstances of which the insured shall become aware which may subsequently give rise to a claim against the insured

Such notice having been given, any claim arising therefrom shall be deemed to have been a claim first made against the Insured during the Period of Insurance.

The insured shall upon request give to the Insurers such information and assistance as the Insurers may require.

- 19.2 **INCREASE IN RISK**
The insured shall immediately give to the Insurers full particulars in writing of any material increase in the risk and shall pay such additional premium, if any, as may be required by the Insurers.
- 19.3 **NO ADMISSION OF LIABILITY**
The insured shall not admit liability for or settle any claim or incur any costs or expenses in connection therewith without the written consent of the Insurers who shall be entitled at any time to take over and conduct in the name of the insured the defence or settlement of any claim.
Nevertheless the Insured shall not be required to contest any legal proceedings unless a Queen's Counsel (to be mutually agreed upon by the Insured and the Insurers) shall advise that such proceedings should be contested.
- 19.4 **SUBROGATION**
If any payment is made under this policy in respect of a claim, Insurers shall be subrogated to all the Insured's rights of recovery in relation thereto, and the Insured shall give all necessary information and assistance to the Insurers in the exercise of these rights.
- 19.5 **CONDITIONS OF CARRIAGE**
Unless Insurers hereon have agreed otherwise it is deemed that your terms of carriage will be in accordance with the terms set out below. Any claims made against you will be handled under the Policy in accordance with these terms unless Insurers have agreed otherwise prior to inception.
- 19.5.1 The Bloodstock shall be carried at the Sender's risk in all respects and the Insured shall not be liable for any of the following unless caused by the Insured's negligence:
- 19.5.1.1 injury or sickness (including fatal injury or sickness) to the Bloodstock howsoever arising (including without prejudice to the generality of the foregoing injury or sickness caused in whole or in part by a defect in any vehicle in which the Bloodstock is carried or caused in the loading or unloading of the Bloodstock or in the handling or riding or care, custody or control of the Bloodstock)
- 19.5.1.2 delay or mistake in the carriage or delivery of the Bloodstock
- 19.5.1.3 failure to follow any instruction or direction of the Sender
- 19.5.2 The Insured shall not be liable to the Sender by reason of any representation, or any implied warranty, condition or other term, or any duty at common law, or under the express terms of the Contract, for any consequential loss or damage (whether for loss of profit or otherwise), costs, expenses or other claims for consequential compensation whatsoever (and whether caused by the negligence of the Insured or otherwise) which arise out of or in connection with the carriage of the Bloodstock
- 19.5.3 For the avoidance of doubt, subject to any agreement in writing to the contrary, the Insured shall have no obligation to insure or arrange for the insurance of the Bloodstock or of any person travelling with the Bloodstock pursuant to this contract
- 19.5.4 The Insured shall not be liable to the Sender or be deemed to be in breach of the Contract for any reason if the breach of Contract was due to any cause beyond the Insured's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the Insured's reasonable control: Act of God, explosion, flood, tempest, fire, accident, war or threat of war, sabotage, insurrection, civil disturbance or requisition, Acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority, import or export regulations or embargoes, strikes, lockouts or industrial actions or trade disputes, difficulties in obtaining raw materials, labour, fuel, parts for machinery, power failure or breakdown in machinery

20 SECTION D - DEFINITIONS

For the purposes of this condition the following definitions apply

- 20.1 Bloodstock means the horse, horses, or other animals, which are the subject of the Contract
- 20.2 Contract means the contract of carriage between the Sender and the Insured
- 20.3 Sender means the customer who contracts the services of the Insured

21 SECTION D – EXCLUSIONS

The Insurers shall not be liable to indemnify the Insured in respect of any claim against them:

- 21.1 Relating to any horse in which the Insured has any proprietary interest, except that proportion

- 21.2 of any damages and costs which is not attributable to such proprietary interest.
- 21.2 For the loss or destruction of or damage to any property whatsoever (other than horse), or any loss or expense resulting or arising therefrom.
- 21.3 Arising out of the Insured's liability for any bodily injury, death, sickness, illness, or disease to any third party (other than horse)
- 21.4 Directly or indirectly caused by or contributed to by or arising from the radioactive, toxic, explosive or hazardous properties of any explosive nuclear assembly or nuclear components.
- 21.5 In respect of which the insured are or would but for the existence of this Policy be entitled to indemnity under any other insurance [except in respect of any excess beyond the amount which would have been payable under such insurance had this policy not been effected.]
- 21.6 Arising out of any negligent act, negligent error or negligent omission on the part of the Insured prior to the Retroactive Date specified in the Schedule.
- 21.7 Arising out of any claim against the Insured alleging diminution in the value of any horse unless such diminution in value forms part of a claim covered under insuring clause 1 herein.
- 21.8 AVIAN INFLUENZA EXCLUSION - Subject otherwise to all of the terms, conditions and exclusions of the Policy to which this exclusion is attached, it is understood and agreed that this Insurance does not cover loss directly or indirectly caused by, happening through, in consequence of or contributed to by Avian Influenza or any mutant variation thereof.

22 SECTION D – DISCLOSURE WARRANTY

It is hereby warranted by the insured that they are aware of no previous incident, casualty, loss or damage whatsoever and howsoever suffered or caused to any horse now or previously in the Insured's care, custody or control and which could have formed the subject matter of any claim under this insurance if this insurance attached at the material time or that full particulars of any such incident, casualty, loss or damage have been disclosed to the Insurers prior to the inception of this policy.

GENERAL EXCLUSIONS

23 EXCLUSIONS APPLICABLE ONLY TO SECTIONS B & C

Sections B and C do not apply to or include legal liability:

- 23.1 arising out of the deliberate, conscious or intentional disregard by the Insured's technical or administrative management of the need to take all reasonable steps to prevent Injury or Damage
- 23.2 arising out of liquidated damages clauses, penalty clauses or performance warranties unless proven that liability would have attached in the absence of such clauses or warranties
- 23.3 arising out of Pollution of the atmosphere or of any water, land, buildings or other tangible property except to the extent that the Insured demonstrates that such Pollution;
 - 23.3.1 was the direct result of a sudden, identifiable, unintended and unexpected incident occurring in its entirety at a specific time and place during the Period of this Insurance
 - 23.3.2 was not the direct result of the Insured failing to take reasonable precautions to prevent such Pollution

Provided always that all such Pollution which arises out of one incident shall be considered for the purposes of this Policy to have occurred at the time such incident takes place and that Insurers total liability to pay damages (including claimants' costs, fees and expenses) under this clause shall not exceed the Limit of Indemnity stated in the Schedule in the aggregate in respect of the Period of this Insurance.
- 23.4 directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
- 23.5 directly or indirectly occasioned by, happening through, arising out of, resulting from or in connection with an act of Terrorism. These Sections also exclude legal liability directly or indirectly occasioned by, happening through, in consequence of, arising out of, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.
 - a) directly or indirectly occasioned by, happening through, arising out of, resulting from or in connection with any fungus of any kind whatsoever, including but not limited to directly mildew, mould, spore(s) or allergens; or
 - b) any costs or expenses associated, in any way, with the abatement, mitigation, remediation,

- containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens; or
- c) any obligation or duty to defend any actions directly or indirectly occasioned by, happening through, arising out of, resulting from or in connection with any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens Irrespective of the cause of such fungus, mildew, mould, spore(s) or allergens, and whenever or wherever occurring.
- 23.6 directly or indirectly caused by, resulting from or in connection with any component building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health.
- 23.7 arising from the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in consequence of a loss.
- 23.8 Directly or indirectly resulting from, or in consequence of any travel package arrangement.

24 EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

This Policy does not apply to or include legal liability:

- 24.1 directly or indirectly caused by or contributed to by or arising from:
- 24.1.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 24.1.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- Provided that in respect of claims arising out of Injury which form the subject of Indemnity under Section A this Exclusion shall only apply to liability:
- a) of any party to whom Indemnity is granted under Clause 3.4. (or their personal representatives)
- b) assumed by the Insured by agreement which would not have attached in the absence of such agreement
- 24.2 for any award of punitive or exemplary damages whether as fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever
- 24.3 for the Excess stated in the Schedule in respect of the first amount of each claim arising out of Damage
- 24.4 which forms the subject of insurance by any other Policy and this Policy shall not be drawn into contribution with such other insurance.
- 24.5 Sanctions. We will not provide any benefit under this policy to the extent of providing cover, payment or any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation
- 24.6 Cyber. This policy does not apply to or include liability for loss, damage, liability or expense caused by or contributed to, by or arising from the use or operation, as a means of inflicting harm, or any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

GENERAL CONDITIONS

25 GENERAL CONDITIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

(Conditions 25.1 to 25.5 are precedent to Insurers' liability to provide Indemnity under this Policy)

25.1 The Insured shall give immediate notice in writing to the Insurers of any occurrence that may give rise to a claim under this Policy and shall give all such additional information as the Insurers may require. Every claim, writ, summons, notice of adjudication, referral notice or process and all documents relating thereto shall be forwarded to the Insurers immediately they are received.

25.2 No admission, offer, promise or payment shall be made or given by or on behalf of the Insured without the written consent of the Insurers who shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Insurers may reasonably require.

25.3 The Insurers may at any time pay to the Insured in connection with any claim or series of claims under this Policy to which a Limit of Indemnity applies the amount of such Limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the Insurers shall relinquish the conduct and control of and be under no further liability in connection with such claims except for the payment of Defence Costs incurred prior to the date of such payment (unless the Limit of Indemnity is stated to be inclusive of Defence Costs).

Provided that if the Insurers exercise the above option and the amount required to dispose of any claim or series of claims exceeds the Limit of Indemnity and such excess amount is insured either in whole or in part, with Defence Costs payable in addition to the Limit of Indemnity under this Policy then the Insurers will also contribute their proportion of subsequent Defence Costs incurred with their consent as the Limit of Indemnity bears to the amount paid to dispose of a claim.

The Insured is required to make a fair presentation of the risk to Insurers.

If the Insured breaches its duty to provide a fair presentation and any such breach was deliberate or reckless, Insurers may regard the Policy as void and are not required to return any paid Premium to the Insured.

If the breach was not deliberate or reckless, Insurers' remedy shall depend upon what Insurers would have done if the Insured had complied with the duty of fair presentation:

1. Insurers may regard the Policy as void if Insurers would not have entered into the Policy on any terms in the absence of the breach. In this case, the Insurers must return the premium paid.
2. If the Insurers would have entered into the Policy, but on different terms (other than terms relating to premium) the Policy is to be treated as if those different terms applied from the outset, if the Insurer so requires
3. If the Insurers would have entered into the Policy but would have charged a higher premium the Insurers may reduce proportionately the amount to be paid on a claim (and if applicable, the amount already paid on any prior claim).

When we are notified of a change we will tell you whether this affects your policy for example whether we are able to accept the change and if so whether the change will result in revised terms and/or a revised premium being applied to your policy. If we are not able to accept the change and it becomes necessary to cancel this insurance we will do so as described within the cancellation conditions contained within the policy.

25.4 Where the premium is provisionally based on the Insured's estimates, the Insured shall keep accurate records and within 90 days of expiry of the Period of this Insurance declare such particulars as the Insurers require. The premium shall then be adjusted and any difference paid or allowed to the Insured as the case may be subject to any minimum premium that may apply. Where such estimates include remuneration to employees, the required declaration shall also include remuneration to all persons defined as Persons Employed by this Policy. Failure to declare such particulars to the Insurers shall entitle the Insurers to estimate if they so wish such particulars and to assess the further premium payment due calculated on such estimated particulars.

- 25.5 Any written proposal and/or declaration made by the Insured shall form the basis of this contract of insurance and is deemed to be incorporated herein.
- 25.6 If the Insured makes a fraudulent claim under this Policy the Insurers shall not be liable to pay the Insured any sums in respect of the fraudulent claim. The Insurers may recover from the Insured any sums that the Insurers have already paid to the Insured in respect of the fraudulent claim. The Insurers may by notice to the Insured treat this Policy as terminated with effect from the date of the Insured's fraudulent act. The Insurers may cancel this Policy by giving 30 days' notice in writing of such cancellation to the Insured's last known address.
- 25.7 Any phrase or word in this Policy and the Schedule will be interpreted in accordance with the law of England. The Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such specific meaning wherever it may appear.
- 25.8 If disputes concerning the interpretation of this Policy are understood and agreed by both the Insured and the Insurers to be subject to English Law. Each party agrees to submit to the jurisdiction of any court of competent jurisdiction within England and to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.
- 25.9 Contract (Rights of Third Parties) Act 1999 Clarification Clause
A person who is not party to this contract of insurance has no right under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this contract of insurance, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.
- 25.12 Data Protection Act 1998
It is understood by the Insured that any information provided to the Insurers regarding the Insured will be processed by the Insurers, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.
- 25.13 E.U. Disclosure Clause (UK)
Notice to the Proposer/Insured
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 English Law.
- 25.14 Your Right to Cancel
You have the right to cancel the insurance Policy within 14 days of receiving the Policy documentation and receive a full refund of any premium paid, provided that there have been no claims either paid, reported or outstanding. For the purposes of this cancellation clause, it will be deemed that You will have received the Policy document upon the day following the date it was posted to the Insured by first class post.
If the You do cancel this insurance within the initial 14 day period, then no cover will have been in place from the date of inception, as specified in the Schedule, and no liability whatsoever shall attach to the Insurers in respect of the Policy.
If you do not exercise Your right of cancellation within the initial 14 day period, this insurance Policy will automatically come into force from the inception date specified in the Schedule. You will remain liable to pay the full annual premium. Following the expiry of the initial 14 day period, this insurance Policy may be cancelled at any time at Your written request. Insurers reserve the right not to allow a return of premium.
To exercise Your right to cancel, contact the broker who arranged this cover for You

26 COMPLAINTS PROCEDURE

If you have a Complaint which relates to either Your Policy or to a claim which you have submitted under Your policy then please raise this in the first instance with Your broker who will aim to resolve Your concerns by close of the next business day. Please quote Your Contract and Policy number in all correspondence so that any complaint can be dealt with speedily.

If Your broker is unable to deal with your concerns the matter will be forwarded onto Your Insurer via your Insurance provider, who is:-

Lycetts, The Coach House, 168 High Street, Newmarket, Suffolk, CB8 9AQ.

Whilst reviewing your complaint Your Insurer will:

- Acknowledge Your complaint promptly
- Investigate Your complaint quickly and thoroughly
- Keep You informed of the progress of your complaint
- Do everything possible to resolve Your complaint

Your Insurer is obliged to provide You with a written offer of resolution within 8 weeks of the date Your complaint was received.

If You are unhappy with the final decision made by Your Insurer, You may be eligible to refer Your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints.

The FOS can be contacted at the following address:

Financial Ombudsman Service
Exchange Tower
183 Marsh Wall
London E14 9SR
Telephone: 0800 0234567 (for landline users)
Telephone: 0300 1239123 (for mobile users)
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

You have six months from the date of the final response from Your Insurer to refer Your complaint(s) to the FOS. This does not affect Your right to take legal action, however, the FOS will not adjudicate on any case where litigation has commenced.

ENDORSEMENTS

The following clauses are only applicable if referred to in the schedule or if subsequently endorsed hereon:-

Clause 53 - Dog Walkers

It is a condition precedent to cover that no more than 6 Dogs are walked at any one time. The owners written consent must be obtained before dogs are exercised off the lead.

Clause 54 - Pet Sitting

The policy is extended to include property in the care, custody or control of the insured.

It is warranted that all locks, security and protective measures are put into operation whenever the property is left unattended, or overnight whether or not the insured or their employee remains in the property.

There is no cover under this policy for any claim relating to motor vehicles.

It is a condition precedent to cover that the property owner has arranged with their household insurer to extend the policy to cover losses incurred whilst there is a pet sitter present.

There is no cover under this policy in respect of damage to the insured's customer's property where such damage is caused by any animal which is the property of the insured's customer.

Clause 55 - Protective Clothing

It is a condition precedent to cover that all riders must wear protective headgear approved to British Standard BSEN 1384 (1997) or PAS 015 (1994) or equivalent and suitable footwear at all times.

Clause 57 - Horse breeders/Dealers & Trainers

The cover given by this policy excludes liability arising under the Sale of Goods Act and all conditions and warranties in respect of horses sold.

Clause 58 - Riding Establishments Indemnity

The indemnity provided by the public liability section of this policy is to comply with the requirements of the Riding Establishment Act and it is subject to the terms of the compulsory requirements.

Clause 60 – Minimum Age

There is no minimum age limit in place but it is a condition precedent to cover that all children under the age of 4 are led individually by a member of the riding establishment

Clause 61 – Use of horses at fetes or Parties

It is a condition precedent to cover that no more than 4 animals are used at any one time.

Each animal is to be individually led by a person working for the insured around a secure and safe area only.

No third party is to be allowed to mount or ride unless accompanied by a person working for the insured.

There is no cover given by this policy in respect of horses being led on the public highway.

Clause 62 – Efficacy exclusion (treatment)

This policy excludes efficacy or contractual liability in respect of any treatment offered, recommended or undertaken.

Clause 63 – Horse Sanctuaries

The cover given by this policy commences upon collection of the horse by the horse sanctuary, continues whilst it is in the care of the sanctuary, and ceases when it reaches its new home. Public liability cover is in place whilst the horse is at its new home, for a maximum trial period of three days.

Clause 64 – Sale of animal food

It is a condition precedent to cover that foodstuffs are sold in the manufacturer's original packaging and that no foodstuff is re-packaged by the insured.

This policy does not cover the sale of foodstuffs for feeding to animals intended for human consumption.

It is a condition precedent to cover that the underwriter's rights of recourse against the feed supplier are maintained.

Clause 65 – European extension

The cover given by this policy is extended to include the countries of the EU and Europe. It is a condition precedent to cover that all relevant quarantine laws shall be complied with. All claims will be subject to UK jurisdiction.

Clause 66 – Use of Chemicals

It is a condition precedent to cover that insecticides, chemicals and poisons are used in accordance with manufacturer's instructions, and that staff are trained in their use.

Clause 67 – Event exclusion

This policy excludes liability in respect of claims arising from fairground rides, bouncy castles, fireworks, clay pigeon, target shooting, motorised children's rides and or any mechanically propelled vehicles where Road Traffic Act cover would otherwise be required, at the insured's premises, unless these are provided by a Bone Fide Sub-Contractor in which case Clause 79 should be applied.

Clause 68 – Landowners Indemnity

The public liability section of this policy is extended to indemnify any landowner on whose land events or other activities organised by the policy holder are held or over whose land such events or activities pass or are accessed and arising out of such events or activities.

It is a condition precedent to cover that each such landowner shall have arranged his own public liability insurance to cover the land and he shall observe and fulfil and be subject to the terms, conditions, limitations and exclusions of this insurance.

Clause 69 – Transport of horses (applicable only to Commercial Horse Transport)

The care, custody and control section of this policy is extended to include cover whilst horses are being loaded, transported or unloaded in a trailer or horsebox lorry owned by the policyholder. The cover given by this extension is restricted to the UK, Northern Ireland, Isle of Man and Channel Islands.

It is a condition precedent to cover that the motor insurance company is notified that the vehicle is used in conjunction with the insured's business.

Clause 70 – Rented Premises

The public liability section of this policy is extended to indemnify the policy holder for liability for loss of or damage to premises, fixtures or fittings, leased or rented to the policy holder. This indemnity shall not apply in respect of liability for loss or damage if the liability is assumed by the policy holder under a tenancy or other agreement and would not have attached in the absence of such agreement.

Clause 71 – Member Indemnity

The public liability section of this policy extends to indemnify any member of a club in accordance with the insuring clauses for accidental bodily injury to any person or accidental loss of or damage to property happening within the period of insurance and arising whilst the member is participating in the club's official equine activities.

Clause 72 – Member to Member Liability

The public liability section of this policy extends to indemnify any member of the club in accordance with the insuring clauses for accidental bodily injury to any other member or accidental loss or damage to any property belonging to any other member happening during the period of insurance.

Clause 73 – Personal Protective Equipment

It is a condition precedent to cover that the use or wearing of personal protective equipment by any person employed is rigorously enforced. In the event of an employee providing their own personal protective equipment a formal record must be maintained regarding the suitability & standards of the equipment. If the equipment is supplied by the employer a formal record must be maintained confirming receipt of such equipment.

Clause 74 – Unaccompanied Riders

It is a condition of the policy that all riders hiring or using horses that are not accompanied by a member of the riding establishment staff hold their own public liability insurance policy.

Clause 75 – Tuition Horses

The premium is based on the maximum amount of tuition horses used at any one time. The policy will, however, cover all tuition horses declared.

Clause 76 – Proprietors Own Horses

There is no Mortality or Custodial Liability cover is under this policy for the proprietors own horses, including horses on loan.

Clause 77 – Public Handling of Animals

Where animals are handled by the public, it is a condition of the policy that:

- a) No animals are used which are scheduled in the Dangerous Wild Animals Act 1976 & 1984 (and as subsequently amended)
- b) The insured or a responsible member of staff shall be in attendance at all times
- c) A hand wash is to be provided

Clause 78 – Player to Player Exclusion

Insurers shall have no liability under this policy to provide any indemnity or benefit for any legal liability resulting from or in consequence of any Injury to any other participant caused by the negligent act or omission arising out of the participation in any polo match.

Clause 79 – Bona Fide Sub-Contractors Clause

It is a condition precedent to cover by the Insured that all sub-contractors that they engage maintain employers' liability and public liability policies that provide:

- Employers' liability coverage with a limit of indemnity of not less than GBP10,000,000 any one occurrence
- Public liability coverage with an indemnity limit of not less than the limits provided by this Policy
- An indemnity to the Insured as principal

It is a further condition precedent to cover by the Insured that they do not assume by agreement any liability or potential liability that would not have attached to them in the absence of such agreement, including but not limited to, the assumption of any liability or potential liability on behalf of any bona fide sub-contractor, or the waiver of any rights of recourse against any bona fide sub-contractor.

Clause 80 – Cross country jumps

It is a condition precedent to cover that all moveable/non-permanent cross country jumps are secured in line with current British Evening regulations. This condition applies irrespective of whether you hold competitions under BE rules

Section E – Commercial Property

Section Definitions

These Definitions apply to Section E – Commercial Property wherever these words or phrases appear starting with an upper case letter except where otherwise stated

Building(s)

means property belonging to or for which You are responsible in the Event of Damage at the Premises that is unless otherwise stated in the Schedule built mainly of brick stone concrete or other non-combustible materials and includes unless more specifically insured

- 1) landlord's fixtures and fittings
- 2) glass
- 3) outside buildings extensions gangways and annexes
- 4) walls gates fences yards driveways car-parks forecourts roads and footpaths
- 5) conveyors trunks lines wires service pipes and other equipment on the premises security lighting security cameras and other security or fire protection devices affixed signs television radio satellite receiving aerials communication aerials masts affixed to the building fixed poles fixed pylons and fitting

Business

means Your business as stated in the Schedule

Company/Our/Us/We

means insurers whose identity is stated in the Endorsement entitled Identity of Insurers attaching to the Schedule

Conveyance

means any water and/or air and/or road and/or rail conveyances of every description

Damage

means physical loss or destruction of or damage to Property

Data

means information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Denial of Service Attack

means any actions or instructions constructed or generated with the ability to Damage interfere with or otherwise affect the availability of networks or network services or network connectivity or information systems

The Definition of Denial of Service Attack includes but is not limited to the generation of excess traffic into network addresses and the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and among networks

Electronic Data

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

Employee(s)

means

- 1) anyone under a contract of service or apprenticeship with You
- 2) any
 - a) labour master or labour only subcontractor or person supplied or employed by them
 - b) self-employed person
 - c) person hired to or borrowed by You
 - d) person engaged under a work experience youth training or similar scheme
 - e) voluntary helper
 - f) outworker or homeworker

under Your control and supervision while working for You in connection with Your Business

Endorsement(s)

means the document(s) detailing modifications made to the insurance provided under the Policy or Section

Event

means any one occurrence or series of occurrences directly or indirectly attributable to single source or the same original repeated or continuing cause

Excess

means the amount You or any party entitled to indemnity will contribute in relation to every Event insured at each Premises each and every loss before We assume any responsibility to make a payment for and applies after the application of all other terms and Conditions including any Condition of Average (underinsurance)

The Excess does not form part of the Limit of Liability and is payable by You before the application of the Limit of Liability

Goods

means the insured Property being types of goods stated in the Schedule that are new unused and of recent manufacture but does not include goods shipped on or above deck unless the goods are in fully enclosed metal Containers or We state otherwise in the Schedule

Hacking

means unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data whether Your Property or not

Incident

means an Event of Damage to insured Property used by Your Business carried on at the Premises

Insured/You/Your

means the person or corporate body or organisation detailed in the Schedule

Microchip

means a unit of packaged computer circuitry manufactured in small scale and made for program logic including computer memory purposes and expressly including integrated circuits and microcontrollers

Pollution or Contamination

means

- 1) pollution or contamination of Buildings or structures or of water or land/or the atmosphere
and
- 2) all loss Damage or Bodily Injury directly or indirectly caused by or arising from such pollution or contamination

Premises

means the location of insured Property occupied by You for the purposes of Your Business and includes the grounds within the boundaries for which You are responsible as stated in each respective Section of the Schedule

Property

means material property

Schedule

means the document stating the operative Section(s) You have chosen the Period of Insurance and details Your Business the Limit of Liability or Sum Insured and/or Total Sum Insured and/or Insurance Provided under the Sections(s)

Section(s)

means the parts of this Policy that detail the insurance cover provided for each individual Section of this Policy

Specified Perils

means the numbered specified perils detailed in the Material Damage Section of this Policy

Sum Insured

means the maximum amount We will pay for each item insured under any Section

System

means computers other computing and electronic equipment linked to a computer hardware software programs data electronic data processing equipment Microchip and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation

Territorial Limits

means Great Britain Northern Ireland the Isle of Man or the Channel Islands but not Offshore Activity

Terrorism

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

Transit

means from the time the Property is loaded into the carrying Conveyance and continues during the course of transit until the time it is unloaded at its destination including the period during loading and unloading on to or from the carrying Conveyance

Turnover

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

Unattended

means where there is no one allocated responsibility for keeping the Property and/or Conveyance vehicle and/ or trailer and/or Conveyance under observation with a reasonable prospect of preventing any unauthorised interference

Unoccupied

means any Building or any portion of a Building that is untenanted and/or unfurnished and/or no longer in active use and/or empty for a consecutive period of 30 days or longer

Virus

means programming code designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer Systems via networks extranets internet electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self-replication or not

Section Conditions

Alteration of Risk

The insurance under this Policy will cease if after the commencement of this insurance

- 1) Your interest ceases except by death
- 2) Your Business be wound up or carried on by a liquidator or administrator or receiver or permanently discontinued
- 3) the risk of Damage accident or Bodily Injury is materially increased unless We state otherwise in writing

Misrepresentation Misdescription or Non-disclosure

You must make a fair presentation of the risk in a manner which would be reasonably clear and accessible before entering into this Policy including

If You knew You did not provide a fair presentation of the risk or if You did not care whether You made a fair presentation of the risk We may avoid this Policy and retain all premiums and You shall reimburse Us in respect of all payments already made by Us

In all other cases if You did not provide a fair presentation of the risk Our rights are set out below

- 1) if We would not have entered into this Policy if You had made a fair presentation of the risk We may avoid this Policy and return all premiums to You and You shall reimburse us in respect of all payments already made by Us
- 2) if We would have entered into this Policy but on different terms other than as to premium this Policy will be treated as if it had been entered into on those different terms
- 3) in addition if We would have entered into this Policy but would have charged a higher premium We may reduce proportionately the amount to be paid on any claim by reference to the calculation below in which "X" represents the percentage of the full value of the claim that We shall be required to pay
$$X = \text{premium charged} \div \text{the premium that would have been charged if You made a fair presentation of the risk} \times 100$$
- 4) if We would have charged a higher premium and would have entered into the Policy on different terms both paragraphs 2 and 3 above shall apply

Fraud

If any claim under this Policy is in any respect fraudulent or if any fraudulent means be used by You or anyone acting on Your behalf to obtain any benefit under this Policy or if any Damage be occasioned by the wilful act or with Your connivance We may terminate this Policy with effect from date of the fraudulent or wilful act and We shall not be liable to provide an indemnity in respect of the claim and will be entitled to recover any amounts already paid in respect of the claim and We shall not be liable to provide an indemnity in respect of any act event claim or incident after such date and We shall be entitled to retain all premiums paid in respect of the Policy

Claims (Action to be taken by You)

Not applicable to the Business Interruption Subsection

It is a condition precedent to any liability of Ours to make any payment under this Policy that You will

- 1) give written notice to Us as soon as reasonably practicable of any circumstance which may give rise to a claim under this Policy with full particulars of such Event
- 2) notify Us and the police immediately that it becomes evident any Damage has been caused by Specified Perils 6) Malicious Persons and or 16) Theft or Attempted Theft or relates to loss of Money and take all practical steps to discover any guilty person and to trace and or recover the Property insured or Money
- 3) deliver to Us at Your own expense within 30 days after the Event of Damage giving rise to a claim or 7 days in the Event of
Damage being caused by Specified Perils 5) Riot Civil Commotion Strikers Locked-out Workers and or 6) Malicious Persons or such further time as We may allow
 - a) full information in writing of the Property lost destroyed or Damaged and of the amount of Damage
 - b) details of any other insurances on any Property hereby insured
 - c) all such proofs and information relating to the claim as may be reasonably required
 - d) if requested provide a statutory declaration of the truth in respect of the claim submitted and any other relevant details
- 4) provide all additional information We may require within the time stipulated by Us
- 5) forward unanswered to Us immediately they are received every claim form summons or other originating process or any letter of claim or other written notification of claim and all documents relating thereto
- 6) give immediate notice in writing to Us of any impending prosecution inquest or fatal accident inquiry
- 7) at all times and in addition to the obligations set out above forward such information to and cooperate with Us or Our appointed agents to allow Us to be able to comply with such relevant practice directions and pre-action protocols as may be in force
- 8) carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage

Claims (Our Rights)

It is a condition precedent to any liability of Ours to make any payment under Policy that in the Event of Damage for which a claim is or may be made to Us and any person authorised by Us may without hereby incurring any liability or diminishing any of Our rights under this Policy

- 1) enter any site or Premises where Damage has occurred and take and keep possession of the Property insured
- 2) deal with any salvage as it deems fit but no Property may be abandoned to Us if We elect or become bound to reinstate or replace any Property You shall at Your own expense produce and give to Us all such plans documents books and information as We shall reasonably require

We shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one Property insured Item more than the Sum Insured or Limit of Liability stated in the Schedule

Claims (Contribution)

If at the time of any Damage there is any other insurance effected by or on Your behalf covering any of the Property lost or Damaged Our liability hereunder shall be limited to its rateable proportion of such Damage

Protections

You shall ensure that

- 1) all protections in force at the Premises at the inception of this Policy or subsequently as stipulated by or agreed by Us shall be in full operation securing the Premises whenever the Premises are closed for Your Business or left unattended
- 2) any keys for the Premises and or intruder alarm installation and or safes and or strongrooms and or any other secured area or device in which Property insured is kept are removed from the Premises whenever the Premises are closed for Your Business or left unattended
- 3) awareness of codes for the operation of the intruder alarm installation is restricted to authorised persons and no details of the same are left on the Premises

The codes shall be changed immediately following the departure from the Your Business of an authorised person

We shall not be liable to provide an indemnity in respect of any act event claim or incident occurring whilst You are not in full compliance with the obligations above

Reasonable Precautions

You shall take all reasonable precautions

- 1) to prevent any Event which may give rise to a claim under this Policy
- 2) to maintain Your Premises and machinery and everything used in Your Business in proper repair
- 3) in the selection and supervision of Employees
- 4) to comply with all statutory and other obligations and regulations imposed by any authority
- 5) to make good or remedy any defect or danger which becomes apparent and take such additional precautions as the circumstances may require

Where the obligations above reduce the risk of a loss of a particular kind, at a particular location an/or at a particular time do not define the risk as a whole, we shall not rely on any non-compliance to prevent our liability under the terms of this Policy if the non-compliance could not have increased the risk of the loss which actually occurred whilst You are not in compliance with the obligations above.

We shall not be liable to provide an indemnity in respect of any act event claim or incident occurring whilst You are not in full compliance with the obligations above

Subjectivity

- 1) We will clearly state in a Subjectivity Endorsement attaching to the Schedule if the indemnity provided by this Policy is subject to You
 - 1.1) providing Us with any additional information requested by the required date(s)
 - 1.2) completing any actions agreed between You and Us by the required date(s)
 - 1.3) allowing Us to complete any actions agreed

- 2) If We require You must allow Us access to Your Premises or contract sites or Business to carry out survey(s) and state any risk requirements or actions which require Your compliance by the required date(s)

Upon completion of risk requirements or actions or where they are not completed by the required dates We may at Our option

- a) modify the premium
- b) issue a mid-term Endorsement to the Policy or Section terms Conditions and Exclusions
- c) require You to make alterations to the Premises or contract sites or Business insured by the required date(s)
- d) exercise Our right to cancel the Policy
- e) leave the Policy or Section terms Conditions and Exclusions and the premium unaltered

We will contact You or Your insurance adviser with Our decision and where applicable specify the date(s) by which any risk requirements or action(s) agreed need to be completed by You and or any decision by Us will take effect

Our requirements and decisions will take effect from the date(s) specified unless and until they agree otherwise in writing. If You disagree with Our requirements and or decisions We will consider the Your comments and where We consider appropriate We will continue to negotiate with You or Your insurance adviser and or representatives to resolve the matter to the Your and Our satisfaction

In the event that the matter cannot be resolved

- 1) You have the right to cancel this Policy from a date agreed by You and Us and the Policy Condition Cancellation 3) Return of premium applies
- 2) We may at Our option exercise Our right under 2) Our rights of the Policy Condition Cancellation

Except where stated all other Policy and Section terms Conditions and Exclusions will continue to apply

If We exercise either option a) or b) or c) above You have the right to cancel this Policy from a date agreed by You and Us and the Policy Condition Cancellation 3) Return of premium applies

The above Condition does not affect Our rights at Common Law

Section Exclusions

War and similar risks

We shall not provide indemnity under this Policy in respect of any

- 1) Damage to any Property whatsoever or any loss cost or expense whatsoever resulting or arising therefrom or any consequential or inevitable loss
- 2) legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from any of the following regardless of any other cause or Event contributing concurrently or in any sequence to the Damage cost expense or liability
 - 2.1) war invasion act(s) 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 confiscation or nationalisation or requisition by or under the order of any government or public or local authority
 - 2.2) any action taken in controlling preventing suppressing or in any way relating to 2.1) above

Radioactive and Other Contamination

We shall not provide indemnity under this Policy in respect of any

- 1) Damage to any Property whatsoever or any loss cost or expense whatsoever resulting or arising therefrom or any consequential or inevitable loss
- 2) legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
 - c) any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter
 - d) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter but the exclusion in this paragraph shall not extend to radioactive isotopes other than nuclear fuel when such isotopes are being prepared carried stored or used for commercial agricultural medical scientific or other similar peaceful purposes
 - e) any chemical biological biochemical or electromagnetic weapon provided

Terrorism

We shall not provide indemnity under this Policy in respect of any Damage to any Property whatsoever or any loss cost or expense whatsoever resulting or arising therefrom or any consequential or inevitable loss directly or indirectly caused by or contributed to by or arising from

- 1) Terrorism occurring in England Wales and Scotland and the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987
- 2) any act including but not limited to the use of force or violence and or the threat thereof of any person or groups of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and or to put the public or any section of the public in fear occurring other than in England Wales and Scotland

Including any Damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to 1) or 2) above

- 3) any act of Terrorism regardless of any cause or event contributing concurrently or in any other sequence to such act of Terrorism

In any action suit or other proceedings where We allege that any Damage cost or expense is not covered the burden of proof that such Damage cost or expense is covered shall be upon You

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

Date Recognition

Not applicable to the Terrorism Section

We shall not provide indemnity under this Policy in respect of any

- 1) Damage to any Property whatsoever or any loss cost or expense whatsoever resulting or arising therefrom or any consequential or inevitable loss
- 2) legal liability of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising from the failure of any
 - 2.1) computer data processing equipment or media Microchip integrated circuit or similar device or
 - 2.2) other equipment or System for processing storing or retrieving data or
 - 2.3) computer software whether Your Property or not to
 - a) recognise correctly any date as its true calendar date
 - b) capture save retain or correctly manipulate interpret or process any data information command or instruction as a result of treating any date otherwise than as its true calendar date
 - c) capture save retain or correctly process any data as a result of the operation of any programmed command which causes the loss of data or the inability to capture save retain or correctly process such data on or after any date

but indemnity shall apply under all Sections except the Employers' Liability Section or in respect of subsequent Damage which itself results from Specified Perils 1) – 7) and or 9) – 13) and or 16) other than Theft or Attempted Theft by Employee but only where such Specified Perils are not stated to be otherwise excluded in the Schedule and Damage would otherwise be the subject of indemnity thereunder

Loss of Electronic Data

We shall not provide indemnity under this Policy in respect of any

- 1) Damage to any Property whatsoever or any loss cost or expense whatsoever resulting or arising therefrom or any consequential or inevitable loss
- 2) legal liability of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising from any Damage destruction distortion erasure corruption or alteration of Electronic Data arising from any cause whatsoever including but not limited to Virus or any loss of use reduction in functionality cost or expense of whatsoever nature relating thereto or resulting therefrom regardless of any other cause or Event contributing concurrently or in any sequence to the Damage destruction distortion erasure corruption alteration reduction cost or expense provided that this Policy Exclusion shall not apply to the indemnity provided under the
 - a) Material Damage Subsection in respect of Damage to Property insured directly caused by Specified Perils 1) – 5) and or 7) and or 9) – 13) except where such Specified Perils not stated to be otherwise excluded in the Section Schedule and Damage would otherwise be the subject of indemnity thereunder

Northern Ireland

We shall not provide indemnity under this Policy in respect of destruction or Damage or consequential or inevitable loss for such Damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of Specified Perils 5) Riot Civil Commotion

Material Damage Subsection

Material Damage Subsection Definitions

These definitions apply to this Subsection wherever these words or phrases appear with an upper case letter except where otherwise stated

All Other Contents

means

1. deeds documents manuscripts and business books but only for the value of materials as stationery together with the cost of clerical labour expended in writing up and not for the value to You of the information contained therein
2. computer systems records but only for the value of the materials and the cost of clerical labour and computer time expended in reproducing such records other than any expenses in connection with the production of information to be recorded therein and not for the value to You of the information contained therein up to a maximum limit of £25,000
3. wines spirits cigarettes and tobacco goods held for Business entertainment purposes up to a maximum limit of £750 and if not otherwise Insured
4. money up to a maximum limit of £1,000
5. patterns models moulds plans and designs
6. directors' or partners' or Employees' and visitors' personal effects other than motor vehicles up to a maximum of £1,000 in respect of any one person
7. tenants improvements, alterations and decorations whilst in or on the Building(s)
8. furs jewellery gold silver or other precious metals or precious stones or curiosities rare books or works of art for an amount not exceeding £750 any one article or £5,000 in total
9. All Other Contents in the open yards at the Premises

Basis of Claims Settlement

means either A or B below depending on which is shown in the Schedule

a) Reinstatement – the amount payable in respect of insured Property will be the cost of the reinstatement of the Damage and for this purpose 'reinstatement' means

1. the rebuilding or replacement of Property Damage which provided Our liability is not increased may be carried out
 - 1.1) in any manner suitable to Your requirements
 - 1.2) upon another site
2. the repair or restoration of Property Damage in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new provided that
 - 2.1) Our liability for the repair or restoration of Property Damage in part only shall not exceed the amount which would have been payable had such Property been wholly lost
 - 2.2) each item insured is subject to this Basis of Claims Settlement is declared to be separately subject to the following Condition of Average (underinsurance)

If at the time of reinstatement the sum representing 85 per cent of the cost which would have been incurred in reinstating the whole of the Property covered by any item subject to this Basis of Claims Settlement exceeds its Sum Insured at the commencement of any Damage Our liability shall not exceed that proportion of the amount of the Damage which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such Property at that time

- 2.3) no payment beyond the amount which would have been payable in the absence of this Basis of Claims Settlement shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
- 2.4) all the terms Conditions and Exclusions of this Policy or Subsection shall apply
 - i) in respect of any claim payable under the provisions of this Basis of Claims Settlement except insofar as they are varied hereby
 - ii) where claims are payable as if this Basis of Claims Settlement had not been incorporated including any Condition of Average (underinsurance)
- 2.5) You will at Your own expense provide all such plans documents books and information as may be reasonably required
- 2.6) We shall not be bound to reinstate exactly but only as circumstances permit

or

b) Indemnity – the amount payable in respect of Stock and/ or all other insured Property will be the value at the time of Damage or at Our option the cost of reinstatement or replacement of such Property or any part of it provided that each item subject to this Basis of Claims Settlement is declared to be separately subject to the following Condition of Average (underinsurance)

If at the time of Damage the Sum Insured for each item is less than 85 per cent of the value of the item insured then Our liability shall be limited to that proportion of the Damage which the Sum Insured bears to the value of the Property

Note: If Subsection Condition Day One Average is shown to apply in the Schedule then both A and B are deleted

Computer Equipment

means

- 1) all computer equipment (including interconnecting wiring fixed discs and telecommunications equipment) used for the storage and communication of electronically processed data but excluding
 - 1.1) computers which are an integral part of any item of process or production machinery
 - 1.2) fixed vehicle satellite navigation systems
- 2) ancillary equipment solely for use with the computer equipment comprising air conditioning equipment generating equipment uninterruptable power supply voltage regulating equipment temperature and humidity recording equipment electronic access, equipment heat smoke and water detection equipment lightning and transient overvoltage protection devices anti- theft devices which have been approved by Us gas flooding equipment and pipe work and computer room partitioning
- 3) programs and/or information stored upon fixed discs
- 4) all current and backup computer records (excluding fixed discs and paper records of any description) incorporating stored programs and/or information thereon owned by or on deferred purchase leased hired rented or for which the You are responsible

Machinery

means Machinery Plant and All Other Contents Your Property or for which You are responsible while on the Premises excluding landlord's fixtures and fittings Stock and materials in trade and Property more specifically insured

Stock

means Stock and materials in trade Your Property or for which You are responsible while in the Buildings or in the open yards at the Premises

Material Damage Subsection Cover

Damage occurring during the Period of Insurance caused by a Specified Peril described in this Subsection and not stated to be otherwise excluded in the Schedule

Limit of Liability

Our liability under this Subsection shall not exceed the Sum Insured by each item stated in the Schedule in respect of any one Period of Insurance or any limit stated in any Extension and/or Endorsement to this Subsection

Specified Perils

1. **Fire** but excluding Damage caused by
 - 1.1) Specified Perils 3) Explosion resulting from fire
 - 1.2) its own spontaneous fermentation or heating
 - 1.3) its undergoing any heating process or
 - 1.4) Specified Peril 7) Earthquake
 - 1.5) Specified Peril 8) Subterranean Fire
 - 1.6) Specified Peril 2) Lightning
2. **Lightning**
3. **Explosion** but excluding Damage
 - 3.1) caused by or consisting of the bursting of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to You or under Your control
 - 3.2) in respect of and originating in any vessel machinery or apparatus or its contents belonging to You or under Your control which requires to be examined to comply with any statutory regulations unless such vessel machinery or apparatus shall be the subject of a certificate or other contract providing the required inspection service
4. **Aircraft** or other aerial devices or articles dropped therefrom
5. **Riot Civil Commotion Strikers Locked-out Workers** or persons taking part in labour disturbances of Malicious Persons acting on behalf of or in connection with any political organisation excluding Damage
 - 5.1) arising from cessation of work or from confiscation or destruction or requisition by order of the Government or any public authority
 - 5.2) by Specified Peril 1) Fire caused by strikers locked-out workers or persons taking part in labour disturbances or Specified Peril 6) Malicious Persons
6. **Malicious Persons** not acting on behalf of or in connection with any political organisation excluding Damage
 - 6.1) by Specified Peril 16) Theft or Attempted Theft
 - 6.2) in respect of any Unoccupied Building

7. **Earthquake**
8. **Subterranean Fire**
9. **Storm** excluding Damage
 - 9.1) by Specified Peril 2) Lightning
 - 9.2) by frost or Specified Peril 15) Subsidence Ground Heave or Landslip
 - 9.3) to fences gates and moveable Property in the open unless the Building is also Damaged by the same Event
 - 9.4) to open sided or fronted Buildings or to the Property contained therein 9.5) by Specified Peril 10) Flood
10. **Flood** excluding Damage by 10.1) Specified Peril 9) Storm
10.2) Specified Peril 11) Escape of Water
11. **Escape of Water** from any tank apparatus or pipe excluding Damage
 - 11.1) in respect of any Unoccupied Buildings
 - 11.2) by water discharged or leaking from any automatic sprinkler installation
12. **Impact** by any Vehicle
13. **Accidental Escape of Water** from any automatic sprinkler installation in the Premises not caused by
 - 13.1) freezing whilst the Buildings belonging to You or for which You are responsible are Unoccupied
 - 13.2) Specified Peril 3) Explosion 7) Earthquake 8) Subterranean Fire or heat caused by Specified Peril 1) Fire
14. **Accidental Physical Damage** excluding
 - 14.1) Damage caused by
 - a) Specified Peril 1) – 13) and/or 15) – 17) as detailed in this Subsection and causes excluded therefrom whether these Specified Perils are insured or not
 - b) inherent vice latent defect gradual deterioration gradually operating cause wear and tear faulty or defective design or materials
 - c) faulty or defective workmanship operational error or omission on Your part or any Employee of Yours
 - d) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - e) change in temperature colour flavour texture or finish
 - f) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - g) mechanical or electrical breakdown derangement or overloading in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates but this shall not exclude Damage to surrounding Property not forming part of the same machine apparatus or equipment
 - h) electrical or magnetic disturbance or erasure of electronic recordings
 - i) acts of fraud or dishonesty
 - j) unexplained disappearance unexplained shortage inventory shortage misfiling or misplacing of information
 - k) You voluntarily parting with title or possession of any Property or rights to Property
 - l) confiscation requisition seizure or destruction by order of the government or any public authority
 - m) cessation of work
 - n) the solidification of molten material unless such Damage is directly caused by any other Specified Peril not otherwise excluded

14.2) Damage to

- a) Buildings or structures caused by their own collapse or cracking unless resulting from any other Specified Peril not otherwise excluded
- b) Property or structures in course of construction or erection and materials or supplies in connection with all such Property in course of construction or erection
- c) Property in the open or in Transit
- d) vehicles other than forklift trucks and vehicle accessories thereon licensed or intended to be licensed for road use caravans trailers railway locomotives rolling stock watercraft or aircraft
- e) livestock growing crops or trees
- f) jewellery precious stones precious metals bullion furs curiosities rare books or works of art

14.3) Damage resulting from Property undergoing

- a) any process of production
- b) any process of packaging treatment testing commissioning cleaning servicing repair or any other similar process but this will not exclude Damage to surrounding Property
 - i) not forming part of the same machine
 - ii) not forming part of the same process of production or the same process of packaging treatment testing commissioning cleaning servicing repair or any other similar process

15. **Subsidence Ground Heave or Landslip** excluding Damage

- 15.1) arising from the settlement or movement of made- up ground or by coastal or river erosion
- 15.2) occurring as a result of the construction demolition alteration or structural repair of any Property at the Premises
- 15.3) arising from the settling shrinkage or expansion of foundations walls floors ceilings or roof settlement or bedding down of new structures or extensions subsidence groundheave or landslip
- 15.4) occurring prior to the inception date of the insurance under this Subsection
- 15.5) caused by subsidence ground heave of any part of the site on which the Buildings stand or landslip resulting from groundworks or excavation at the Premises
- 15.6) caused by subsidence ground heave of any part of the site on which the Buildings insured stand or landslip to the yards car parks roads pavements walls gates and fences unless the Buildings insured under this Subsection are affected at the same time

16. **Theft or Attempted Theft**

Involving entry to or exit from the Buildings at the Premises by forcible or violent means, excluding any such loss from any Structure which is incapable of being locked; excluding Damage

- 16.1) in respect of Property in the open unless otherwise agreed by Us
- 16.2) to any portion of the Buildings which are Unoccupied
- 16.3) in respect of jewellery, precious stones, precious metals, bullion or furs, except where specifically stated in the Schedule and being Insured
- 16.4) livestock growing crops or trees furs jewellery gold silver or other precious metals or precious stones or curiosities works of art or rare books except as provided for within All Other Contents

unless We state otherwise in the Schedule

17. **Escape of Fuel Oil** from any fixed heating installation tank apparatus or pipe excluding Damage in respect of any Unoccupied Building

Material Damage Subsection Conditions

Day One Average

If Day One Average is shown to apply in the Schedule then subject to the Special Conditions below the basis

upon which the amount payable in respect of the Declared Value for Property insured is to be calculated shall be the reinstatement of the Property damaged and for this purpose 'reinstatement' means

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

You have stated in writing the Declared Value for each item stated in the Schedule to which this Condition applies and the premium has been calculated accordingly.

Declared Value means Your assessment of the cost of reinstatement of the insured Property arrived at in accordance with paragraph 1) shown above at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with and insofar as the insurance by the item provides due allowance for

- 1) the additional cost of reinstatement to comply with public authority requirements
- 2) professional fees
- 3) debris removal costs Special Conditions
 - i) at the inception of each Period of Insurance You will notify Us of the Declared Value of the insured Property for each of the said items. In the absence of declaration from You We will assume the last amount declared by You should be taken as the Declared Value for the ensuing Period of Insurance
 - ii) if at the time of Damage the Declared Value of the Property stated by each item be less than the cost of reinstatement as defined in paragraph 2) shown above at the inception of the Period of Insurance then Our liability for any Damage will not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement
 - iii) Our liability for the repair or restoration of Property damaged in part only will not exceed the amount which would have been payable had such Property been wholly destroyed
- 4) no payment beyond the amount which would have been payable in the absence of this Condition will be made
 - 4.1) unless reinstatement commences and proceeds without unreasonable delay
 - 4.2) until the cost of reinstatement shall have been actually incurred
 - 4.3) if the insured Property at the time of its destruction or Damage is insured by any other insurance effected by You or on Your behalf which is not upon the same basis of reinstatement
- 5) all the terms Conditions and Exclusions of this Policy and/or Subsection apply in respect of any claim payable under the provisions of this Condition except insofar as they are varied hereby
- 6) where by reason of

any of the above Special Conditions no payment is to be made beyond the amount which would have been payable under this Subsection if this Condition had not been incorporated therein or

- 6.1) You elect not to rebuild the insured Property in a condition equal to but not better or more extensive than its condition when new then the provisions of this Condition are cancelled and Our rights and liabilities and Yours in respect of the Damage will be subject to the terms Conditions and Exclusions of this Policy and/ or Subsection including the following Condition of Average

The insurance for each Item of this Subsection is declared to be subject to Average ie, if the insured Property shall at the breaking out of any Damage insured hereby be collectively of greater value than 108 per cent of the Declared Value stated in the Schedule then You will be considered to be Your own insurer for the difference and will bear a rateable share of the claim loss amount accordingly

Fire Alarms

Where the Premises are protected by a Fire Alarm You hereby undertake to

- 1) carry out and record the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed
- 2) carry out and record the maintenance procedures specified by the manufacturers of the equipment
- 3) notify Us immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 hours or more
- 4) record details of all events such as alarm faults tests maintenance and disconnections a keep such details available for examination by Our representatives

Where the obligations above reduce the risk of a loss of a particular kind, at a particular location and/or at a particular time do not define the risk as a whole, we shall not rely on any non-compliance to prevent our liability under the terms of this Policy if the non-compliance could not have increased the risk of the loss which actually occurred whilst You are not in compliance with the obligations above

We shall not be liable to provide an indemnity in respect of any act Event claim or Incident occurring whilst You are not in full compliance with the obligations above

Fire Break Doors and Shutters

All fire break doors and shutters will be kept closed except during working hours and will be maintained in efficient working order

Where the obligations above reduce the risk of a loss of a particular kind, at a particular location and/or at a particular time do not define the risk as a whole, we shall not rely on any non-compliance to prevent our liability under the terms of this Policy if the non-compliance could not have increased the risk of the loss which actually occurred whilst You are not in compliance with the obligations above

We shall not be liable to provide an indemnity in respect of any act Event claim or Incident occurring whilst You are not in full compliance with the obligation above

Fire Extinguishment Appliances

Where the Premises are protected by Fire Extinguishment Appliances You shall inspect the appliances regularly and remedy promptly any defect disclosed by any such inspection or otherwise

Where the obligations above reduce the risk of a loss of a particular kind, at a particular location and/or at a particular time do not define the risk as a whole, we shall not rely on any non-compliance to prevent our liability under the terms of this Policy if the non-compliance could not have increased the risk of the loss which actually occurred whilst You are not in compliance with the obligations above

We shall not be liable to provide an indemnity in respect of any act Event claim or Incident occurring whilst You are not in full compliance with the obligation above

Fire Extinguishment – Automatic Sprinkler Installations

In consideration of the discount and/or reduced rate granted for the automatic sprinkler installation(s) You will

- 1) conduct a test every working day for the purpose of ascertaining the condition of the circuit between the alarm switch and the control unit unless
 - 1.1) this function is continuously monitored
 - 1.2) a ring circuit or one break of wire(s) will not prevent an alarm signal being transmitted
- 2) conduct a test at least once a week for the purpose of ascertaining the condition of
 - 2.1) the connection with the public fire station central fire alarm depot or public fire brigade control unless You have with a written undertaking from the public fire brigade that they will carry out this test
 - 2.2) the relevant batteries provided that where the circuit is not continuously monitored test must be made and recorded every working day
 - 2.3) have a contract with approved installing engineers providing for the maintenance of and half-yearly inspection of the installation(s) and obtain from them following each inspection certification that they are in satisfactory working order
 - 2.4) conduct a test every week for the purpose of ascertaining that the alarm bell is in working order and that the stop valves controlling the individual water supplies and the installation(s) are fully open
 - 2.5) conduct tests each week for the purpose of ascertaining that the pump(s) can be started both automatically and manually and that in respect of any diesel engine driven pump the battery electrolyte level and density are correct and record the completion of these tests
 - 2.6) conduct quarterly or half-yearly tests if required by Us to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
 - 2.7) remedy promptly any defect disclosed by such tests or otherwise
 - 2.8) notify Us before any installation is rendered inoperative or immediately in the event of emergency

We shall have access to the Premises at all reasonable times for the purpose of inspecting the sprinkler installation(s)

Where the obligations above reduce the risk of a loss of a particular kind, at a particular location and/or at a particular time do not define the risk as a whole, we shall not rely on any non-compliance to prevent our liability under the terms of this Policy if the non-compliance could not have increased the risk of the loss which actually occurred whilst You are not in compliance with the obligations above

We shall not be liable to provide an indemnity in respect of any act Event claim or Incident occurring whilst You are not in full compliance with the obligations above

Intruder Alarm Installation

Where the Premises are protected by an Intruder Alarm Installation

- 1) such installation is not altered or amended in any way unless such amendment or alteration has been agreed in writing by Us
- 2) such installation is maintained under contract with the installers or as otherwise approved by Us
- 3) You shall immediately notify Us upon receipt of any communication giving notice that the level of response to the Intruder Alarm Installation has been or will be reduced delayed or withdrawn
- 4) the Premises will not be left Unattended without Our agreement
 - 4.1) unless the Intruder Alarm Installation is set in its entirety with the means of communication used to transmit signals in full operation
 - 4.2) where the level of response is reduced to no police attendance or keyholder response only
- 5) You shall appoint at least 2 keyholders and lodge written details (which must be kept up to date) with the
 - 5.1) alarm company
 - 5.2) alarm receiving centre and
 - 5.3) police and/or the local authority if they so require
- 6) in the event of notification of any activation of the Intruder Alarm Installation or interruption of the means of communication during any period that the Intruder Alarm Installation is set a keyholder shall attend the Premises as soon as possible in order to confirm the security of the Buildings and reset the Intruder Alarm Installation in its entirety.

If the Intruder Alarm Installation cannot be reset in its entirety or all means of communication used to transmit signals are not in full operation a keyholder must remain at the Premises unless We agree otherwise

Where the obligations above reduce the risk of a loss of a particular kind, at a particular location and/or at a particular time do not define the risk as a whole, we shall not rely on any non-compliance to prevent our liability under the terms of this Policy if the non-compliance could not have increased the risk of the loss which actually occurred whilst You are not in compliance with the obligations above

We shall not be liable to provide an indemnity in respect of any act Event claim or Incident occurring whilst You are not in full compliance with the obligations above

Material Damage Subsection Exclusions

We will not indemnify You for

- 1) delay loss or market loss of use or subsequent or inevitable loss and/or Damage of any kind unless specifically insured as an item under this Subsection
- 2) Damage to any Property more specifically insured by You or on Your behalf
- 3) Damage caused by Pollution or Contamination unless the Pollution or Contamination is itself caused by a Specified Peril that is not otherwise excluded
- 4) Damage to working dynamos motors wires main or electrical apparatus through short circuiting overrunning or excessive pressure
- 5) Damage to motor vehicles or their contents more specifically insured
- 6) Damage caused by the accidental or deliberate introduction of a Virus or other instruction information or code into any electronic equipment
- 7) Damage
 - 7.1) which originated prior to the inception date of this Subsection
 - 7.2) in respect of electrical appliances or installations caused by self-ignition short circuiting overrunning or excessive pressure
- 8) Damage attributable solely to change in the water table level
- 9) the Excess amount stated in the Schedule

Specified All Risks Subsection

Specified All Risks Subsection Cover

Damage occurring during the Period of Insurance to Property stated in the Schedule

Limit of Liability

Our liability under this Section shall not exceed the Sum Insured shown for each Item in the Schedule shown under the heading Saddlery & Tack in respect of any one Period of Insurance

Specified All Risks Subsection Exclusions

We shall not indemnify You for

1. subsequent or inevitable loss of any kind
2. Damage caused by
 - a) inherent vice or latent defect or gradual deterioration or wear and tear or frost or change in water table level or its own faulty or defective design or materials and gradual operating cause
 - b) faulty or defective workmanship or operational error or omission on Your or any Employees part but this will not exclude subsequent Damage which itself results from a cause not being otherwise excluded
3. Damage caused by
 - a) corrosion or rust or wet or dry rot or shrinkage or evaporation or loss of weight or dampness or dryness or marring or scratching or vermin or insects
 - b) change in temperature or atmospheric or climatic conditions
 - c) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

 - i) Damage which itself results from any operative Specified Peril under the Material Damage Section or from any other cause not otherwise excluded
 - ii) subsequent Damage which itself results from a cause not otherwise excluded
4. Damage from Unattended Conveyance, vehicle and/ or trailer unless the Property is kept within the boot or secure compartment or a Horsebox Tack Locker which is secured by all locks and other protections
5. Damage caused by
 - a) acts of fraud or dishonesty by Your Employees
 - b) unexplained disappearance or unexplained or inventory shortage or misfiling or misplacing of information
 - c) any process of fitting or testing or servicing or repair or renovation or adjustment
6. Damage caused by Pollution or Contamination unless the Pollution or Contamination is itself caused by any operative Specified Peril under the Material Damage Section
7. Damage caused by the accidental or deliberate introduction of a Virus or other instruction information or code into any electronic equipment
8. the Excess amount stated in the Schedule

Business Interruption Subsection

Business Interruption Subsection Definitions

These definitions apply to this Subsection wherever these words or phrases appear with an upper case letter except where otherwise stated

Additional Increased Cost of Working

means the insurance under this item extends to include further additional expenditure up to the Sum Insured stated in the Schedule beyond that recoverable under Gross Profit or Revenue necessarily and reasonably incurred during the Indemnity Period in consequence of the Incident

Annual Rent Receivable

means the Rent Receivable during the 12 months immediately before the incident or for a New Business the proportionate equivalent for a period of 12 months of the Rent Receivable realised during the period between the date You commenced Your Business and the Incident

Annual Revenue

means the Revenue during the 12 months immediately before the incident or for a New Business the proportionate equivalent for a period of 12 months of the Revenue realised during the period between the date You commenced Your Business and the Incident

Annual Turnover

means the Turnover during the 12 months immediately before the incident or for a New Business the proportionate equivalent for a period of 12 months of the Turnover realised during the period between the date You commenced Your Business and the Incident

Business Interruption

means an Incident resulting from interruption of or interference with Your Business carried on at the Premises in consequence of an Incident

Customers Accounts

means all the credit accounts of Your Business.

Disease

means any of the following diseases sustained by any person acute encephalitis acute infectious hepatitis acute meningitis acute poliomyelitis anthrax botulism brucellosis cholera diphtheria enteric fever (typhoid or paratyphoid) food poisoning haemolytic uraemic syndrome(HUS) infectious bloody diarrhoea invasive group A streptococcal disease legionellosis leprosy malaria measles meningococcal septicaemia mumps plague rabies rubella SARS scarlet fever smallpox tetanus tuberculosis typhus viral haemorrhagic fever (VHF) whooping cough and yellow fever

Estimated Gross Profit

means the amount declared by You to Us as representing not less than the Gross Profit which it is anticipated will be earned by Your Business during the financial year most nearly concurrent with the Period of Insurance or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months

Estimated Rent Receivable

means the amount declared by You to Us as representing not less than the Rent Receivable which it is anticipated will be earned by Your Business during the financial year most nearly concurrent with the Period of Insurance or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months

Estimated Revenue

means the amount declared by You to Us as representing not less than the Revenue which it is anticipated will

be earned by Your Business during the financial year most nearly concurrent with the Period of Insurance or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months

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 amount of the opening stock and work in progress and the amount of the Uninsured

Working Expenses

The closing stock and work in progress and opening stock amounts shall be arrived at in accordance with Your usual accounts methods

Rent Receivable

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

Revenue

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

Indemnity Period

means the period commencing from the date of the Incident and ending no later than the Maximum Indemnity Period stated in the Schedule during which the results of the Business are affected in consequence of the Damage.

Maximum Indemnity Period

means the number of months stated against each item detailed in the Schedule unless stated otherwise by Endorsement.

New Business

means for the purpose of any basis of claims settlement an Incident occurring before You have completed Your first 12 months Business trading at the Premises

Outstanding Debit Balances

means an estimate of the total debit declared at the time of the Incident adjusted for

- 1) bad debts
- 2) amounts debited or invoiced but not debited and credited including credit notes and money not passed through Your books of accounts at the time of the Incident to Customers Accounts in the period between the last statement date and Incident
- 3) any abnormal condition of trade which had or could have had a material effect on Your Business so that the figures adjusted shall represent as nearly as practicable those which would have applied at the Incident

Rate of Gross Profit

means the rate of Gross Profit earned on the Turnover during the financial year immediately before the Incident or for a New Business on the Turnover during the period between the date You commenced Your Business and the Incident

Standard Rent Receivable

means the Rent Receivable during the period in the 12 months immediately before the Incident which corresponds with the Indemnity Period or for a New Business the proportionate equivalent for a period equal to the Indemnity Period of the Rent Receivable realised during the period between the date You commenced Your Business and the date of the Incident

Standard Revenue

means the Revenue during the period in the 12 months immediately before the Incident which corresponds with the Indemnity Period or for a New Business the proportionate equivalent for a period equal to the Indemnity Period of the Revenue realised during the period between the date You commenced Your Business and the date of the Incident

Standard Turnover

means the Turnover during the period in the 12 months immediately before the Incident which corresponds with the Indemnity Period or for a New Business the proportionate equivalent for a period equal to the Indemnity Period of the Turnover realised during the period between the date You commenced Your Business and the Incident

Turnover

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

Uninsured Working Expenses

means any standing charges of Your Business not insured by this Subsection having been deducted in arriving at the Sum Insured noted in the Schedule to this Subsection

All the additional Subsection Definitions above will be subject to adjustments as may be necessary to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Incident or which would have affected Your Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident

Business Interruption Subsection Cover

Business Interruption occurring in the Indemnity Period following an Incident during the Period of Insurance caused by the operation of a Specified Peril insured under Material Damage Subsection

Provided that at the occurring of the Business Interruption there shall be in force an insurance covering Your interest in the Property insured at the Premises against such Damage and that payment

- 1) shall have been made or liability admitted or
- 2) would have been made or liability admitted but for the operation of a proviso in such insurance excluding liability for losses below a specified amount

Limit of Liability

Our liability under this Subsection shall not exceed the Sum Insured by each item stated in the Schedule in respect of any one Period of Insurance or any limit stated in any Extension and/or Endorsement to this Subsection

Basis of Claims Settlement

The following settlement headings apply when the insured item(s) below are stated in the Schedule to this Subsection

Estimated Gross Profit or Gross Profit

means the insurance under this item is limited to loss of Gross Profit due to

1) reduction in Turnover

and

2) Increased Cost of Working

and the amount payable as Indemnity thereunder shall be

a) for 1) the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the Incident

b) for 2) the additional expenditure (subject to the provisions of the Uninsured Working Expenses) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident 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 Your Business payable out of Gross Profit as may cease or be reduced in consequence of the Incident

provided that if the Sum Insured by the item on Estimated Gross Profit or Gross Profit be less than the sum produced by applying the Rate of Gross Profit to the annual Turnover or at a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months the amount payable shall be proportionately reduced.

Estimated Revenue or Revenue

means the insurance under this item is limited to

1) loss of Revenue

and

2) Increased Cost of Working

and the amount payable as Indemnity thereunder shall be

a) for 1) the amount by which the Revenue during the Indemnity Period shall fall short of the Standard Revenue in consequence of the Incident

b) for 2) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Revenue thereby avoided

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

provided that if the Sum Insured by the item on Estimated Revenue or Revenue be less than the Annual Revenue or at a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months the amount payable shall be proportionately reduced

Estimated Rent Receivable or Rent Receivable

means the insurance under this item is limited to

1) loss of Rent Receivable

and

2) Increased Cost of Working

and the amount payable as Indemnity thereunder shall be

a) for 1) the amount by which the Rent Receivable during the Indemnity Period shall fall short of the Standard Rent Receivable in consequence of the Incident

b) for 2) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which but for the expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Rent Receivable thereby avoided

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

provided that if the Sum Insured by the item on Estimated Rent Receivable or Rent Receivable be less than the Annual Rent Receivable or at a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds

12 months the amount payable shall be proportionately reduced

Increased Cost of Working

means the insurance under this item is limited to Increased Cost of Working and the amount payable as Indemnity shall be the additional expenditure incurred

a) in moving to or from temporary Premises

b) as rent rates taxes and expenses to equip and/or make suitable the temporary Premises for Your Business

c) as staff payments or overtime

d) for advertising

as We agree may be necessarily and reasonably incurred in order to minimise any interruption or interference with Your Business during the Indemnity Period in consequence of the Incident but limited for all additional expenditure to no more than 50 per cent of the Sum Insured by the item Increased Cost of Working during the first 3 months following the Incident or 10 per cent of the Sum Insured by the item Increased Cost of Working in any subsequent month

Additional Increased Cost of Working

means the insurance under this item is limited to Additional Increased Cost of Working and the amount payable as Indemnity shall be additional expenditure incurred as We agree may be necessarily and reasonably incurred in order to minimise any interruption or interference with Your Business during the Indemnity Period in consequence of the Incident beyond that recoverable as Increased Cost of Working provided for elsewhere in this Subsection

Business Interruption Subsection Conditions

Claims (Action to be taken by You)

It is a condition precedent to liability that

- 1) in the event of an Incident in consequence of which a claim is or may be made under this Subsection You will
 - a) notify Us as soon as is reasonably practicable
 - b) deliver to Us at your own expense within 7 days full details of any Incident caused by Specified Peril 5) Riot Civil Commotion Strikers Locked-out Workers or Specified Peril 6) Malicious Persons
 - c) with due diligence carry out and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Your Business or to avoid or diminish the loss

- 2) in the event of a claim being made under this Subsection You will at Your own expense
 - a) as soon as is reasonably practicable deliver to Us in writing particulars of Your claim
 - b) together with details of all other insurances covering property used by You at the Premises for the purpose of the Your Business or any part of it or any resulting Business Interruption
 - c) deliver to Us such books of account and other Business books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may be reasonably required by Us for the purpose of investigating or verifying the claim together with if requested provide a statutory declaration of the truth in respect of the claim and any relevant details

- 3) any Payments on account of the claim already made will be repaid to Us if this Condition is not complied with

Condition of Average (underinsurance)

If the Sum Insured by items for Gross Profit Revenue or Rent Receivable is less than the corresponding Estimated Gross Profit Revenue or Rent Receivable figures disclosed by You then Our liability shall be limited to that proportion which the Sum Insured on each item bears in relation to the corresponding estimate

Current Cost Accounting

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

Declaration Linked

Where an item in the Schedule features the suffix "D"

The Condition of Average (underinsurance) is deleted and Our liability will not exceed in respect of Gross Profit Revenue or Rent Receivable 133.33 per cent of the Estimated Gross Profit Estimated Revenue or Estimated Rent Receivable stated and 100 per cent of the Sum Insured by other items or such other amounts as may be substituted

The premium paid may be adjusted by Us on receipt of a declaration of Gross Profit Revenue or Rent Receivable earned during the financial year most nearly concurrent with the Period of Insurance as reported by Your auditors

If an incident gives rise to a claim for loss of Gross Profit Revenue or Rent Receivable the above mentioned declaration shall be increased by Us for the purpose of premium adjustment by the amount by which the Gross Profit Revenue or Rent Receivable was reduced during the financial year solely in consequence of the Incident

If the declaration amount adjusted as above and proportionately increased where the maximum Indemnity Period exceeds 12 months is less than the Sum Insured on Gross Profit Revenue or Rent Receivable for the relative Period of Insurance we will allow a pro rata return of premium not exceeding 50 per cent of the premium paid

Value Added Tax

To the extent that You are accountable to H.M. Revenue and Customs for Value Added Tax all terms in this Subsection shall be exclusive of such tax

COMMERCIAL PROPERTY ENDORSEMENT WORDINGS **(applicable where applied to the schedule)**

CP2 - Composite Panel Conditions

It is a condition precedent to liability that in respect of any Building containing composite panels that:

- suitable fire extinguisher appliances to be supplied in all cooking areas
- ducting, conduit wiring and hot flues be adequately protected within fire resistant sleeves where passing through composite panels
- at least weekly inspections to be undertaken by the Insured to check for damage to composite panels or panel joints. Any defects found to be rectified without delay or replaced by a panel with a non-combustible core within 7 days
- no repairs to be made to composite panels that involve welding, grinding, cutting or other obvious ignition sources
- all heat sources to be kept at least 2 metres from any composite panelling or such panelling to be of a non-combustible core
- no external storage of combustible stock, packaging pallets, waste or waste skips or bins within 10 metres of the Buildings
- any work involving the application of heat 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 policy of insurance.
- Subrogation rights against such Contractor shall not be waived by the Insured.

The following conditions precedent to liability apply:

- the area in which work is to be carried out shall be adequately cleared and combustible materials shall be removed to a distance not less than 6 metres from the area of proposed work
- if work is to be carried out overhead then the area beneath shall be similarly cleared and all combustible materials removed
- suitable fire extinguisher with a capacity of not less than 9 litres shall be kept available for immediate use
- blow lamps and blow torches shall be lit in as short a time as possible before use and extinguished immediately after use
- lighted blow lamps and torches shall not be left unattended
- half an hour after each period of work a thorough examination shall be made of and in the area in which works have been undertaken
- 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.

CP3 - Daily Waste Condition

It is a condition precedent to liability that all combustible trade waste and refuse will be removed from the Buildings every night.

CP4 - Electrical Circuit Maintenance Condition

It is a condition precedent to liability where a Building is used as a Commercial Premises or where Employees of the Insured have access to a Building that fixed electrical installations are tested by an NICEIC (National Inspection Council for Electrical Installation Contracting) or ECA (Electrical Contractors Association) registered contractor at least once in every 3 year period and an IEE test certificate is issued showing no deviations.

CP5 – External Smoking Condition

It is a condition precedent to liability that smoking will be prohibited throughout the Premises except in specifically designated external areas, and suitable notices to this effect will be displayed in prominent positions. Metal receptacles are to be provided for waste materials and kept at least 2 metres from the Buildings.

CP6 - First Loss Average Clause

When the sum insured is shown as being First Loss in the Schedule the applicable item of this Section is subject to the Condition of Average (First Loss), that is to say, if the total value of all property covered by the item shall at the time of any loss be greater than the value notified by the Insured, then the Insured shall be entitled to recover hereunder only such proportion of the said loss as the said notified value bears to the total value, up to but not exceeding the sum insured for the item.

CP7 - Flat Roof Maintenance Condition

It is a condition precedent to liability in respect of Damage by storm, tempest and flood that any flat felted roof portion of the Premises shall have been inspected at least once every 2 years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately.

CP8 - Fork Lift Truck Conditions

It is a condition precedent to liability where fork lift trucks are recharged at the Premises that;

- combustible materials to be kept a minimum of 5 metres clear of the recharging area
- no recharging of fork lift trucks whilst the Premises are left unattended.

CP12 - Obsolete Building Clause

The basis of valuation for the purpose of average shall be;

- the cost of purchasing a similar building to the insured building plus an allowance for removal of debris costs or
- the cost of erecting a modern building providing comparable facilities to the insured building plus an allowance for professional fees, removal of debris costs and the additional expenditure which might arise out of local authorities' requirements.

CP14 - Pipe Lagging Condition

It is a condition precedent to liability that either;

- there is a heating system linked to a frost-stat and a minimum temperature of 4°C is maintained between 31st October and 31st March or
- all pipes are adequately lagged.

CP15 – Portable Heating Condition

It is a condition precedent to the liability of Underwriters that in respect of any portable heating appliances used at the Premises other than electrically powered the following conditions are to be complied with:

- an area of at least one metre is to be kept clear at all times around the heater
- at no time is any object to be placed on top of the heater
- the heater is to be adequately secured into one position
- all empty fuel bottles and canisters are to be removed from the building on a daily basis and stored in a locked compound or chained together in an open area. Furthermore they are to be removed from the entire premises at no more than weekly intervals

CP18 - Stillage Condition

It is a condition precedent to liability of underwriters that all Stock stored on the Premises is stored on racks, shelves or stillage's not less than 15 centimetres (6 inches) above floor level.

CP19 - Storage of Combustible Materials in the Open Condition

It is a condition precedent to liability of underwriters that no combustible materials are externally stored within 10 metres of the Buildings outside business hours.

CP20 - Survey Clause

Cover hereon is strictly subject to receipt by Insurers of a satisfactory survey carried out by an authorised surveyor within 90 days of the inception date of this insurance or by a date to be agreed by the Insurers and advised to the Insured.

The Insurers reserve the right to cancel this insurance with immediate effect or impose special terms and conditions and/or revise the premium rate upon receipt of the survey.

The Insured shall implement the survey requirement(s) or as otherwise agreed by the Insurers within a period to be agreed by the Insurers and advised to the Insured.

If the Insured fails to implement the requirement(s) within the period agreed by the Insurers then all coverage hereunder shall terminate at the end of said period.

CP22 - Unoccupancy Conditions

It is a condition precedent to liability that when any Building (or part thereof) are untenanted or Unoccupied:

- all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)
- all water tanks, apparatus pipes and heating other than those connected to automatic sprinkler systems must be drained down
- all reasonable precautions are taken to ensure that the buildings are secure against entry by intruders including:-
- securely locking and fastening all doors and windows
- any letter boxes being sealed
- setting all security and alarm protections in full operation and ensuring that the protections are in proper working order
- all waste refuse and other disused combustible materials will be cleared from the building and removed from the Premises at least once a week
- tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the Buildings becoming Unoccupied
- the Buildings must be inspected at least once every 7 days by the Insured or the Insured's nominee in order to inspect the Premises both internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
- notice is to be given to Insurers when any untenanted or Unoccupied building (or part thereof) is again occupied

Insurers shall not be liable for any Damage or Injury arising out of or in connection with any works of alteration, demolition, refurbishment or renovation.

Perils are hereby restricted to fire, lightning, aircraft and explosion only.

For the purposes of this condition Unoccupied means closed for Business or not occupied for its usual Business purposes, for any period of more than 30 (thirty) consecutive days.

CP23 - Unoccupancy Conditions Wider Perils

It is a condition precedent to liability that when any Building (or part thereof) are untenanted or Unoccupied;

- all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)
- all water tanks, apparatus pipes and heating other than those connected to automatic sprinkler systems must be drained down
- all reasonable precautions are taken to ensure that the buildings are secure against entry by intruders including:
- securely locking and fastening all doors and windows
- any letter boxes being sealed

- setting all security and alarm protections in full operation and ensuring that the protections are in proper working order
- all waste refuse and other disused combustible materials will be cleared from the building and removed from the Premises at least once a week
- tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the Buildings becoming Unoccupied
- the Buildings must be inspected at least once every 7 days by the Insured or the Insured's nominee in order to inspect the Premises both internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
- notice is to be given to Insurers when any untenanted or Unoccupied building (or part thereof) is again occupied

Insurers shall not be liable for any Damage or Injury arising out of or in connection with any works of alteration, demolition, refurbishment or renovation.

Perils are hereby restricted to fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, impact by any road vehicle or animal, falling trees, branches and falling aerials.

For the purposes of this condition Unoccupied means closed for Business or not occupied for its usual Business purposes, for any period of more than 30 (thirty) consecutive days.

CP25 - Valley Gutter Condition

It is a condition precedent to liability of Underwriters that all valley gutters be inspected and cleared every 6 months.

CP26 - Weekly Waste Condition

It is a condition precedent to liability of Underwriters that all combustible trade waste and refuse will be swept up daily and kept in bags or bins and removed from the Buildings at least once a week.

CP27 – Fire Extinguishing Appliances Condition.

It is a condition precedent to liability to Underwriters that all fire extinguishing appliances must be maintained in full working order and inspected regularly during the currency of this Policy and any defect whether disclosed by such inspection or otherwise be remedied promptly. Subject to observance of this condition the Policy shall not be invalidated by any defect in any of the Fire Extinguishing Appliances due to any circumstances unknown to or beyond the control of the Insured.

CP31 – Flammables Storage Condition

It is a condition precedent to liability of Underwriters that:

- no flammables liquids or solutions be stored in excess of 20 litres
- all flammable liquids or solutions be stored in metal cabinets fitted with self-closing doors
- no more than the quantity required for on days use be removed from cabinets at any time
- all flammable liquids or solutions in use must be stored in metal or plastic vessels specifically constructed for the purpose, having a lid, tap or other closing device and not exceeding 2 litres in capacity and the vessels kept closed when not in use.
- No cellulose nitrate be used or stored.

CP33 – LPG Cylinder Storage Condition.

It is a condition precedent to liability of Underwriters that all LPG cylinders are stored externally in purpose built steel cages.

CP35 -Minimum Security Requirements

It is a condition precedent to liability that the following minimum security is installed at the Premises and maintained in efficient working order while the Policy remains in force

1) All external doors at the Premises and any internal doors which give access to any part of the building not occupied by the Insured must be of solid construction and fitted with a mortise deadlock conforming to British Standard 3621

Where the doors are double leaf in addition to the said mortise deadlock the first closing leaf must be fitted with internal flush or mortise rack bolts at the top and bottom of the leaf

Any outward opening doors should in addition to the above have each hinge fitted with a hinge bolt
2) All accessible opening windows fanlights and skylights including those accessible from decks roofs fire escapes or downpipes must be fitted with key operated window locks except those opening windows protected by solid steel bars grilles expanded metal or weld mesh

CP36 Alarm Condition – Bells Only

It is a condition precedent to the liability of underwriters that an National Approval Council for Security System (NACOSS) or Security Systems & Alarms Inspection Board (SSAIB) alarm system with a minimum of bells signalling is installed at the premises

Loss of damage caused by Theft or attempted Theft is not covered unless:

a) the intruder alarm is installed in accordance with the specification or system record approved by Us and is put into full and effective operation at night and whenever the Premises are closed for business or left unattended

We will not regard the intruder alarm as effective if the specification or system record provides for a telephone line, direct line or central monitoring station warning system and You have had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn.

b) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Approval Council for Security Systems (NACOSS) or approved by Us

c) all keys of the intruder alarm are removed from the Premises at night and whenever they are closed for business or left unattended.

Where You or one of Your Employees occupy part of the Premises for residential purposes, the keys must be removed from the Business part of the Premises.

CP37 Alarm Condition – Central Station

It is a condition precedent to the liability of underwriters that an National Approval Council for Security System (NACOSS) or Security Systems & Alarms Inspection Board (SSAIB) alarm system with a minimum of central station signalling is installed at the premises

Loss of damage caused by Theft or attempted Theft is not covered unless:

a) the intruder alarm is installed in accordance with the specification or system record approved by Us and is put into full and effective operation at night and whenever the Premises are closed for business or left unattended

We will not regard the intruder alarm as effective if the specification or system record provides for a telephone line, direct line or central monitoring station warning system and You have had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn.

b) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Approval Council for Security Systems (NACOSS) or approved by Us

c) all keys of the intruder alarm are removed from the Premises at night and whenever they are closed for business or left unattended.

Where You or one of Your Employees occupy part of the Premises for residential purposes, the keys must be removed from the Business part of the Premises.

CP37A Alarm Condition – Redcare/Dualcom

It is a condition precedent to the liability of underwriters that an National Approval Council for Security System (NACOSS) or Security Systems & Alarms Inspection Board (SSAIB) alarm system with a minimum of British Telecom Redcare signalling or Dualcom is installed at the premises

Loss of damage caused by Theft or attempted Theft is not covered unless:

a) the intruder alarm is installed in accordance with the specification or system record approved by Us and is put into full and effective operation at night and whenever the Premises are closed for business or left unattended

We will not regard the intruder alarm as effective if the specification or system record provides for a telephone line, direct line or central monitoring station warning system and You have had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn.

b) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Approval Council for Security Systems (NACOSS) or approved by Us

c) all keys of the intruder alarm are removed from the Premises at night and whenever they are closed for business or left unattended.

Where You or one of Your Employees occupy part of the Premises for residential purposes, the keys must be removed from the Business part of the Premises.

CP39 - Electrical Circuit Clause

Underwriters shall have no liability under this Policy for any losses arising from electrical circuit faults It is further noted that the onus of proof in establishing the cause of any fire loss is the responsibility of the Insured

CP40 - Heating Condition (Premises)

It is a condition precedent to the liability of Underwriters that the premises are not artificially heated other than by fixed gas or electrical appliances using gas or electricity from the public supply or by low pressure hot water radiators

CP41 - Property in the Open – Restricted Perils Fire Only

Cover in respect of Property stored within an open yard forming part of the Premises is restricted to Fire only.

CP42 - Property in the Open – Wider Perils Fire, Impact & Theft

Cover in respect of Property stored within an open yard forming part of the Premises is restricted to Fire, Impact and Theft only.