

Policy document

Marine combined policy

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Thank you for choosing Navigators and General for your Marine combined insurance

We have been working with the marine trade industry since 1921. With our wealth of expertise and experience, you can be assured of a personal and professional service.

Marine combined policy

The policy, schedule and any endorsements should be read as if they were one document.

The policy is a contract between **you** (also referred to as the Insured) and **us** (also referred to as the Insurer). **You** have made to **us** a proposal which is the basis of and forms part of the contract.

We will insure **you** under those sections shown in the schedule during any Period of Insurance for which **we** have accepted your premium provided all the terms and conditions of the policy are kept.

For and on behalf of Navigators and General.



Guy Munnoch
Chief Executive

This is a legal document and should be kept in a safe place.

Please read the policy and schedule carefully.

If they do not meet your needs return them to us or your broker or agent.

Section A

Material Damage 'All Risks'

In the event of the Property Insured described in the Schedule being accidentally lost destroyed or damaged during the Period of Insurance the Insurer will pay to the Insured the value of the property at the time of its loss or destruction or the amount of the damage or at the Insurer's option reinstate or replace such property or any part of it provided that the liability of the Insurer under this Section shall not exceed:

- a) in the whole the Total Sum Insured or in respect of any item its sum insured or any other limit of liability stated in the Schedule at the time of the loss destruction or damage
- b) the sum insured (or limit) remaining after deduction for any other loss destruction or damage occurring during the same Period of Insurance, unless the Insurer shall have agreed to reinstate any such sum insured (or limit).

Definitions

1 Property Insured buildings

- a) Buildings described in the Schedule and including:
 - i) landlords' fixtures and fittings
 - ii) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture
 - iii) walls, gates and fences
 - iv) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the Premises and extending to the public mains, but only to the extent of the Insured's responsibility
 - v) yards, car-parks, roads, pavements, forecourts, all constructed of solid materials.

Contents

- b) Contents therein and thereon the property of the Insured or held by the Insured in trust for which the Insured is responsible including:
 - i) tenants' improvements, alterations and decorations
 - ii) so far as they are not otherwise insured, employees', directors' and visitors' personal effects of every description (other than motor vehicles) for an amount not exceeding £500 in respect of any one person
 - iii) Contents of outbuildings
 - iv) Contents in the open yardsbut excluding:
 - i) landlords' fixtures and fittings
 - ii) stock and materials in trade
 - iii) money and stamps (including National Insurance stamps) in excess of £500
 - iv) documents, manuscripts and business books except for the cost of the materials and of clerical labour expended in reproducing such records
 - v) computer systems records except for an amount not exceeding £10,000 in respect of the cost of the materials and of clerical labour and computer time expended in reproducing such records
 - vi) any expense in connection with the production of the information to be recorded in documents, manuscripts, business books or computer systems records
 - vii) vehicles licensed for road use including accessories thereon.

Stock

- c) Stock and Materials in Trade therein and thereon the property of the Insured or held by the Insured in trust for which the Insured is responsible.

Miscellaneous

- d) As described under the heading 'Description' in the Schedule.

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

2 Damage

'DAMAGE' in capital letters shall mean accidental loss or destruction of or damage to the Property Insured.

3 Defined Peril

'Defined Peril' shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons (other than thieves), earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any mechanically propelled vehicle or by goods falling therefrom or animal.

Clauses applicable to Section A

1 Architects', Surveyors', Legal and Consulting Engineers' Fees

- a) The insurance by each item on Buildings and Contents includes an amount in respect of Architects', Surveyors', Legal and Consulting Engineers' Fees
- b) The insurance on Fees applies only to those necessarily and reasonably incurred in the reinstatement or repair of Property Insured consequent upon its DAMAGE but not for preparing any claim, it being understood that the amount payable under the item shall not exceed in total its sum insured.

2 Automatic Reinstatement of Loss

In the absence of written notice by the Insurer or the Insured to the contrary the insurance hereby shall not be reduced by the amount of any loss in consideration of which the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance provided that:

- a) the aggregate of the amounts so reinstated for losses by Theft during any one Period of Insurance shall not exceed the amount of the sum insured
- b) the Insured shall take immediate steps to effect such additions to or variations in the protections of the Property Insured as the Insurer may require.

3 Capital Additions

The insurance by this Section shall subject to its terms and conditions extend to cover:

- a) any newly acquired Building and Contents in the United Kingdom in so far as the same are not otherwise insured and
- b) alterations, additions and improvements to Buildings and Contents but not in respect of any appreciation in value during the current Period of Insurance at any of the premises hereby insured provided that:
 - i) at any one situation this cover shall not exceed 10% of the Total Sum Insured on such property or £500,000 whichever is the lesser

- ii) the Insured undertakes to give particulars of such extensions of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Insurer's liability
- iii) the provisions of this Extension shall be fully maintained notwithstanding any specific insurance effected under ii) above.

4 Contract Price

In respect only of goods sold but not delivered for which the Insured is responsible subject to a sale contract which, following DAMAGE insured hereby, is cancelled by reason of its conditions wholly or to the extent of the DAMAGE, the liability of the Insurer shall be based on the contract price.

5 Contracting Purchasers

If at the time of DAMAGE the insured shall have contracted to sell his interest in any Building hereby insured and the purchase shall not have been but shall be thereafter completed, the purchaser on completion of the purchase (if and so far as the property is not insured against such DAMAGE by him or on his behalf) shall be entitled to benefit under this Section without prejudice to the rights and liabilities of the Insured or the Insurer until completion.

6 Customers' Goods

The Insured having intimated to their customers that they will accept responsibility for loss or damage to goods the property of such customers or for which the said customers may be legally responsible whether manufactured by the Insured or not, upon which work is to be is being done, or has been done on behalf of customers by the Insured or which may be left in the Insured's custody it is hereby declared and agreed that all such goods shall be held to be insured by the item(s) on the Schedule relating to Stock except insofar as they may be more specifically insured elsewhere.

7 Excess

This Section does not cover the Amounts of the Excess stated in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) as follows.

As stated in the Schedule

In respect of:

- a) DAMAGE by:
 - i) Malicious Persons – malicious persons not acting on behalf of or in connection with any political organisation
 - ii) Storm and Flood
 - iii) Escape of water – bursting overflowing or leakage of water tanks apparatus or pipes
 - iv) Impact – impact by any mechanically propelled vehicle or by goods falling therefrom or animal belonging to or under the control of the Insured or any occupier of the premises or their respective employees in the course of their employment
 - v) Theft – theft or attempted theft or robbery or attempted robbery
 - vi) Subsidence – subsidence, ground heave or landslip at each separate premises
- b) Glass – accidental breakage of glass as insured by the Glass Extension
- c) All Other Damage – all other DAMAGE but excluding fire, lightning, explosion, aircraft, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, earthquake or impact by any mechanically propelled vehicle not belonging to or under the control of the Insured or any occupier of the premises or their respective employees in the course of their employment.

8 Fire Extinguishment Expenses

The Insurer will pay the reasonable costs incurred by the Insured in:

- a) refilling fire extinguishing appliances
- b) recharging halon gas and CO2 flooding systems
- c) replacing used sprinkler heads
- d) refilling sprinkler tanks where water costs are metered
- e) resetting fire and intruder alarms

all in consequence of DAMAGE insured hereby.

9 Index Linking

Where so indicated in the Schedule to this Section the sum insured will be adjusted during the Period of Insurance in accordance with fluctuations in suitable indices of cost.

In the event of loss the sum insured will continue to be adjusted in accordance with fluctuations in the indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

The premium will remain unchanged during the Period of Insurance but at each renewal the premium will be calculated on the revised sum insured.

10 Landscaped Gardens

The insurance hereby extends to cover costs and expenses incurred with the consent of the Insurer in making good destruction of or damage to landscaped gardens or grounds at the Premises caused by DAMAGE as insured hereby, but excluding:

- a) the cost of movement of soil other than as necessary for surface preparation
- b) the failure of trees, shrubs or turf to become established following replanting
- c) the failure of seeds to germinate.

Provided that:

- i) the Insurer shall not be liable for the first £1,000 in respect of each and every loss arising from DAMAGE caused by Storm, Flood or Malicious Persons (other than by Fire or Explosion) not acting on behalf of or in connection with any political organisation or All Other Damage
- ii) the Insurer's liability any one occurrence shall not exceed £10,000 or 10% of the sum insured by the relevant item, whichever is the less.

11 Metered Water

The Insurer will pay the cost for which the Insured is responsible in respect of loss of metered water provided that:

- a) the amount payable in respect of any one Premises is limited to such excess water charges demanded by the Water Authority and resulting from the accidental escape of water from pipes apparatus or tanks in consequence of DAMAGE insured hereby
- b) the Insurer's liability under this Extension any one occurrence shall not exceed £10,000 or 10% of the Sum Insured by this Section, whichever is the less.

12 Mortgagees and Lessors

Any increase in the risk of DAMAGE resulting from any act or neglect of any Mortgagor, Leaseholder, Lessee or Occupier of any Buildings insured by this Policy will not prejudice the interest of any Mortgagee, Freeholder or Lessor provided such increase in risk is without their prior knowledge or authority and that the Insurer is notified immediately they become aware of such increase in risk and pay an appropriate additional premium if required.

13 Non-Invalidation

The insurance hereby shall not be invalidated by any act or omission or by any alteration whereby the risk of DAMAGE is increased unknown to or beyond the control of the Insured provided that the Insured immediately they become aware thereof shall give notice to the Insurer and pay an additional premium if required.

14 Other Interests

It is understood and agreed that various parties may have a legal interest in part of the property insured by this Policy and the Insured undertake to declare the names, nature and extent of any interest of any such parties at the time of the DAMAGE.

15 Removal of Debris

The insurance by all items of this Section except those applying wholly or in part to Stock if insured, extends to include costs and expenses necessarily incurred by the Insured with the consent of the Insurer in:

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

of the portion or portions of the property insured by the said items destroyed or damaged by any cause not herein excluded.

The liability of the Insurer under this clause and the Section in respect of any item shall in no case exceed the sum insured thereby.

The Insurer will not pay for any costs or expenses:

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

16 Rent

The insurance on rent applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its DAMAGE and then the amount payable shall not exceed such proportion of the sum insured on rent as the period necessary for reinstatement bears to the term of rent insured.

17 Stock Debris Removal Costs

Any insurance on 'Stock Debris Removal Costs' applies only in respect of costs and expenses necessarily incurred by the Insured with the consent of the Insurer in removing debris of the portion or portions of the Stock destroyed or damaged by any cause not herein excluded.

The Insurer will not pay for any costs or expenses:

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

18 Subrogation Waiver

In the event of a claim arising under this Policy, the Insurer agrees to waive any rights, remedies or relief to which it might become entitled by subrogation against:

- a) any Company standing in the relation of Parent to Subsidiary or Subsidiary to Parent to the Insured as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the DAMAGE
- b) any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the DAMAGE
- c) any tenant or lessee in respect of DAMAGE to that part of the Premises in the demise of that tenant or lessee or to those parts of the Premises in which all the tenants have a common interest where the premium has been paid by the tenant or lessee unless such DAMAGE arises out of a criminal or malicious act of the tenant or lessee.

19 Temporary Removal

The property insured by this Section (other than Stock) is covered whilst temporarily removed for cleaning renovation repair or similar purposes elsewhere and in transit thereto and therefrom all in Great Britain Northern Ireland the Channel Islands and the Isle of Man provided that:

- a) the liability of the Insurer under this Extension in respect of each item of the Section for any DAMAGE occurring elsewhere than at the within mentioned Premises shall not exceed 10% of the sum insured by the item
- b) this Extension does not apply to property in so far as it is otherwise insured.

20 Temporary Removal – Documents and Computer System Records

The insurance by this Section extends to include the following whilst temporarily removed to premises not in the Insured's occupation but whilst remaining within Great Britain, Northern Ireland the Channel Islands and the Isle of Man:

- a) deeds and other documents, manuscripts, plans and writings of every description and books (but excluding computer system records) up to 10% of the total value of such property
- b) computer system records up to 10% of the limit of liability shown in the definition of Contents.

21 Trace and Access

It is understood and agreed that in the event of DAMAGE resulting from Escape of Water or Fuel Oil if insured hereby, the insurance is extended to include the costs necessarily and reasonably incurred with the consent of the Insurer in:

- a) locating the source of such DAMAGE
- b) the subsequent making good of damage caused as a consequence thereof

provided that the Insurer's liability for any one occurrence shall not exceed £10,000 or 10% of the Sum Insured by this Section, whichever is the less.

22 Unauthorised use of Electricity Gas or Water

The insurance hereby extends to include the cost of metered electricity, gas, or water for which the Insured are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the Premises without the Insured's authority.

Provided that:

- a) all practicable steps are taken to terminate such unauthorised use as soon as it is discovered
- b) the Insurer's limit of liability any one occurrence shall not exceed £10,000 or 10% of the sum insured by the relevant item, whichever is the less.

23 Workmen

Workmen are allowed to work in the Buildings for the purposes of effecting any repairs, minor additions and alterations or decorations without prejudice to this insurance.

24 Theft of Keys

Where DAMAGE by theft is not excluded in its entirety the Insurer will pay to the Insured the reasonable expenses not exceeding £500 incurred for the necessary replacement of locks following the loss of keys to the premises or any safe or strongroom therein caused by theft from the Premises or from the private residence of the Insured or an authorised employee.

25 Damage by Theft to the Building of the Premises

The insurance by this Section includes damage to the buildings of the Premises (including damage to glass which is accepted by a Police Authority as prima facie evidence of attempted theft) falling to be borne by the Insured which directly results from theft or attempted theft (as otherwise insured hereby).

Provided that if the Buildings of the Premises are not insured by this Section the liability of the Insurer under this clause during any one Period of Insurance shall not exceed the sum of £25,000 or the Total Sum Insured if less.

Supplementary conditions applicable to Section A

1 Condition of Average (Underinsurance)

The sum insured by each item of this Section (other than those applying solely to fees, rent, removal of debris or private dwelling houses) is declared to be separately subject to Average.

Whenever a sum insured is declared to be subject to Average, if such sum shall at the commencement of any DAMAGE be less than the value of the property covered within such sum insured, the amount payable by the Insurer in respect of such DAMAGE shall be proportionately reduced.

2 Fire Break Doors and Shutters

The Insured hereby undertakes to maintain all firebreak doors and shutters within his custody or control in efficient working order and to keep them free from obstruction at all times.

3 Fire Extinguishing Appliances

The Insured hereby undertakes to have fire extinguishing appliances serviced and maintained under an annual service contract with approved suppliers or as agreed with the Insurer.

Subject to the observance of the above undertaking this Policy shall not be invalidated as a result of any defect in any of the said appliances unknown to or beyond the control of the Insured.

4 Security Requirements

- a) Any additional protection required by the Insurer shall be fitted in accordance with their requirements and together with all other devices for the protection of the Property Insured shall be kept in good order and put into full and effective operation whenever the Premises are closed for business to customers or callers or are unattended
- b) All keys including duplicate keys relative to the security of the Premises or to any safe or strongroom containing Property Insured shall be removed from the Premises whenever they are closed for business or left unattended.

5 Unoccupied Buildings

The Insured will notify the Insurer when any Buildings become unoccupied or when an unoccupied Building or portion thereof becomes occupied and will pay a suitable additional premium if required.

The following Supplementary conditions 6 to 9 (inclusive) are only applicable to Section A if indicated in the Schedule to be operative.

6 European Community and Public Authorities (Including Undamaged Property)

Subject to the following special conditions the insurance in respect of Buildings and Contents extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of:

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

(hereinafter referred to as 'the Stipulations') in respect of

- i) the lost destroyed or damaged property hereby insured
- ii) undamaged portions thereof

excluding:

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

Special conditions

- i) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the DAMAGE or within such further time as the Insurer may allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Insurer under this Extension not being thereby increased.

- ii) If the liability of the Insurer under (any item of) the Policy apart from this Extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Insurer under the Extension (in respect of any such item) shall be reduced in like proportion.
- iii) The total amount recoverable under any item of the Policy in respect of this Extension shall not exceed:
 - a) in respect of the lost destroyed or damaged property – its sum insured
 - b) in respect of undamaged portions of property (other than foundations) – 15% of the total amount for which the Insurer would have been liable had the property insured by the item at the Premises where the DAMAGE has occurred been wholly destroyed
- iv) The total amount recoverable under any item of the Policy shall not exceed its sum insured.
- v) All the terms and conditions of the Policy except in so far as they are varied hereby shall apply as if they had been incorporated herein.

7 Reinstatement

Subject to the following special conditions the basis upon which the amount payable in respect of Buildings and Contents is to be calculated shall be the reinstatement of the property lost, destroyed or damaged.

For this purpose 'reinstatement' means:

- a) the rebuilding or replacement of property lost or destroyed which provided the liability of the Insurer is not increased may be carried out:
 - i) in any manner suitable to the requirements of the Insured
 - ii) upon another site
- b) 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.

Special conditions

- 1 The liability of the Insurer for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed.
- 2 No payment beyond the amount which would have been payable in the absence of this Supplementary condition shall be made:
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of its loss destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement.
- 3 All the terms and conditions of the Policy shall apply:
 - a) in respect of any claim payable under the provisions of this Supplementary condition except in so far as they are varied hereby
 - b) where claims are payable as if this Supplementary condition had not been incorporated.
- 4 If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this Supplementary condition exceeds its sum insured at the commencement of any DAMAGE, the liability of the Insurer 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.

Special condition 4 is not applicable to Buildings and Contents indicated in the Schedule as 'Index Linked'

8 Intruder Alarm

It is a condition precedent to all liability of the Insurer that:

- a) any Intruder Alarm System required by the Insurer at any Premises so indicated in the Schedule shall be:
 - i) designed and installed to the requirements of either:
 - 1) BS4737 – Intruder Alarm Systems in Buildings or
 - 2) EN50131 – European Standard for Alarm Systems - Intruder and Hold-up Systems
 - ii) inspected and maintained under contract by a company which is acceptable to the local police authority and is approved by and registered with a United Kingdom Accreditation Service (UKAS) accredited intruder alarm inspectorate, whose regulations and codes of practice must be observed
 - iii) put into full and effective operation whenever the alarmed portion of the Premises is closed for business or left unattended
- b) all keys or fobs of the Intruder Alarm System shall be removed from the Premises whenever they are closed for business or left unattended except that where part of the Premises is occupied residentially by the Insured or an employee of the Insured the said keys or fobs shall be removed from the business portion of the Premises.

Notes

- 1 The Intruder Alarm shall not be regarded as effective and immediate advice shall be given to the Insurer if:
 - a) the specification or system record provides for connection to a telephone line direct line or central station warning system and to the Insured's knowledge such line or system is not in full and effective working order or the Insured has had notice of withdrawal of the police or telephone or central station service and such service has actually been withdrawn
 - b) notice has been received from a Local Authority or Magistrate that imposes any requirement for abatement of a nuisance under the terms of the Environmental Protection Act 1990 or any subsequent or other legislation.
- 2 This Condition has continuing effect and its terms should be kept in mind. If circumstances should arise which render the Insured unable to comply with any part the Insurer should be contacted at once to see if help can be given to obtain reinstatement of cover.
- 3 Breach of this Condition shall only invalidate claims in respect of theft or attempted theft of property whilst contained in the Premises at which the breach of Condition has occurred.

9 Stock Declaration

The premium in respect of Stock is provisional and subject to adjustment as provided below:

- a) the Insured shall declare the value of the Stock within thirty days of either
 - i) the last day of each calendar month (Monthly) or
 - ii) the last day of the third, sixth, ninth and twelfth calendar month following inception or renewal of the Section (Quarterly)as indicated in the Schedule and if a declaration be not given the Insured shall be deemed to have declared the Sum Insured to be the value
- b) on the expiry of each Period of Insurance, the actual premium shall be calculated at the rate applicable on the total of the amounts declared divided by the number of declarations. If the actual premium be greater than the provisional premium, the Insured shall pay the difference; if it be less the difference shall be paid to the Insured, but such repayment shall not exceed one third of the first or annual premium respectively.

Glass Extension

Only applicable to the Premises as indicated in the Schedule

In the event of accidental breakage of fixed glass for which the Insured is responsible the Insurer will indemnify the Insured in respect of the cost of:

- a) replacement of such glass with glass of a similar quality or as otherwise recommended by the British Standard Code of Practice BS6262
- b) temporary boarding up necessarily incurred through breakage of the glass
- c) damage to frames and framework of any description and the cost of removing or replacing any Stock or Contents which may have to be removed to replace the glass up to a limit of £500.

This Extension does not cover:

- 1 the cost of silvering, embossing, lettering, bending or ornamenting glass in excess of £500 any one loss
- 2 breakage of cracked or scratched glass
- 3 breakage, damage or loss resulting from repairs or alterations to the Premises or whilst the Premises are vacant or unoccupied
- 4 breakage damage or loss caused by fire, lightning, explosion or earthquake
- 5 in respect of each and every loss the amount stated in the Schedule to be the Excess.

Section B1

Business Interruption 'All Risks'

Estimated Gross Profit

In the event of any Incident during the period of insurance in consequence of which the Business carried on by the Insured at the Premises be interrupted or interfered with the Insurer will pay to the Insured in respect of each item stated in the schedule the loss of Gross Profit due to:

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

and the amount payable as indemnity shall be:

- i) in respect of reduction in Turnover the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period falls short of the Standard Turnover in consequence of the Incident
- ii) in respect of increase in cost of working the additional expenditure subject to the uninsured standing charges provision 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 the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Incident.

Provided always that:

- 1) at the time of the Incident there is in force an insurance covering the Insured's interest in the property against such Incident and that payment:
 - A) has been made or liability admitted therefor
 - B) would have been made or liability admitted but for a proviso excluding liability for losses below a specified amount
- 2) the Insurer's liability under this Section shall not exceed:
 - A) in respect of Gross Profit 133.3% of the Estimated Gross Profit stated herein and in respect of each other item 100% of the sum insured stated herein
 - B) the sum insured (or limit) remaining after deduction for any other interruption or interference consequent upon any Incident occurring during the same period of insurance unless the Insurer has agreed to reinstate the sum insured (or limit).

Definitions

1 Consequential Loss

'CONSEQUENTIAL LOSS', in capital letters, shall mean loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of accidental loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

2 Defined Peril

'Defined Peril' shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons (other than thieves), earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any vehicle or by goods falling therefrom or by animal.

3 Estimated Gross Profit

The amount declared by the Insured to the Insurer as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance or a proportionately increased multiple thereof where the Maximum Indemnity

Period exceeds 12 months.

4 Gross Profit

The amount by which the Turnover plus the closing stock and work in progress exceeds the value of the opening stock plus the work in progress and the amount of the Uninsured Working Expenses.

5 Incident

Loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

6 Indemnity Period

The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business are affected.

7 Maximum Indemnity Period

The period stated in the schedule.

8 Outstanding Debit Balances

The total amount outstanding in customers' accounts on the last day of the month preceding an Incident adjusted for:

- a) bad debts; and
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Incident) to customers' accounts in the period between the last day of the month preceding the Incident and the date of the Incident; and
- c) any abnormal condition of trade which had or could have had a material effect on the Business so that the adjusted figures shall represent as nearly as practicable those which would have applied at the date of the Incident.

9 Rate of Gross Profit

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

10 Standard Turnover

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

11 Turnover

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

12 Uninsured Working Expenses

As stated in the schedule.

Notes

- 1 To the extent which the Insured is accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.
- 2 For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded.

- 3 The amounts of opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods due provision being made for depreciation.
- 4 The words and expressions used in the definition of Uninsured Working Expenses shall have the meaning attached to them in the Insured's books and accounts.
- 5 Adjustments shall be made to the Rate of Gross Profit and Standard Turnover as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the adjusted figures shall represent as nearly as practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

Clauses

1 Alternative Trading

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

2 Book Debts

In the event of an Incident in consequence of which the Insured is unable to trace or establish the Outstanding Debit Balances in whole or in part due to the Insured the Insurer will pay to the Insured the amount of any loss of Outstanding Debit Balances resulting provided always that:

- a) the amount payable shall not exceed:
 - i) the difference between:
 - 1) Outstanding Debit Balances; and
 - 2) the total of the amounts received or traced
 - ii) the additional expenditure incurred with the Insurer's prior consent in tracing and establishing customers' debit balances after the Incident
 - iii) in total the sum stated in the schedule
- b) it is a condition precedent to the Insurer's liability that:
 - i) the Insured's books of account and other business books and records in which customers' accounts are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use
 - ii) duplicate records are kept in a separate building.

3 New Businesses

For any claim arising from an Incident occurring before the completion of the first year's trading of the Business at the Premises the definitions of Rate of Gross Profit and Standard Turnover shall have the following meanings:

Rate of Gross Profit: the Rate of Gross Profit earned on the Turnover during the period between the date of the commencement of the Business and the date of the Incident

Standard Turnover: the proportional equivalent for a period equal to the Indemnity Period of the Turnover realised during the period between the commencement date of the Business and the date of the Incident.

4 Payments on Account

At the Insurer's discretion payments on account may be made to the Insured during the Indemnity Period but in no case shall any payment exceed the Insurer's liability in respect of reduction in Turnover under each item for the period in respect of which a payment is to be made.

5 Premium Adjustment

The premium is provisional and based upon the Estimated Gross Profit.

Not later than six months after the expiry of each period of insurance the Insured shall supply to the Insurer a declaration confirmed by the Insured's professional accountants of the Gross Profit earned during the financial year most nearly concurrent with the period of insurance.

If any Incident has occurred giving rise to a claim the declaration shall be increased by the Insurer for the purposes of premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Incident.

If the declaration adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months:

- a) is less than the Estimated Gross Profit for the relative period of insurance the Insurer will allow a pro rata return of premium paid on the Estimated Gross Profit but not exceeding 50% of such premium
- b) is greater than the Estimated Gross Profit for the relative period of insurance the Insured shall pay a pro rata addition to the premium on the Estimated Gross Profit.

6 Professional Accountants' Fees

The Insurer will pay reasonable fees payable by the Insured to the Insured's professional accountants for producing any particulars or details contained in the Insured's accounts or other documents which may be required by the Insurer under the conditions of this Section for the purpose of investigating or verifying any claim.

7 Salvage Sale

If following any Incident giving rise to a claim under this Section the Insured holds a salvage sale during the Indemnity Period the cover paragraph shall read as follows:

In respect of reduction in Turnover the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period less the Turnover for the period of the salvage sale shall in consequence of the Incident fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale.

8 Separate Businesses or Departments

For each business or department of the Business for which independent trading results are ascertainable the cover paragraphs a) and b) applicable to Gross Profit and increase in cost of working shall be separately applied.

9 Uninsured Standing Charges

If any standing charges of the Business are not insured having been deducted in arriving at the Gross Profit then in calculating the amount recoverable as increase in cost of working only that proportion of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and uninsured standing charges.

Section B2

Business Interruption 'All Risks'

Estimated Gross Revenue

In the event of any Incident during the period of insurance in consequence of which the Business carried on by you at the Premises be interrupted or interfered with the Insurer will pay to the Insured in respect of each item stated in the schedule the:

- a) loss of Gross Revenue; and
- b) increase in cost of working

and the amount payable as indemnity shall be:

- i) in respect of loss of Gross Revenue the amount by which the Gross Revenue during the Indemnity Period falls short of the Standard Gross Revenue in consequence of the Incident
- ii) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross 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 reduction in Gross Revenue thereby avoided

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

Provided always that:

- 1) at the time of the Incident there is in force an insurance covering the Insured's interest in the property against such Incident and that payment:
 - A) has been made or liability admitted therefor
 - B) would have been made or liability admitted but for a proviso excluding liability for losses below a specified amount
- 2) the Insurer's liability under this Section shall not exceed:
 - A) in respect of Gross Revenue 133.3% of the Estimated Gross Revenue stated herein and in respect of each other item 100% of the sum insured stated herein
 - B) the sum insured (or limit) remaining after deduction for any other interruption or interference consequent upon any Incident occurring during the same period of insurance unless the Insurer has agreed to reinstate the sum insured (or limit).

Definitions

1 Consequential Loss

'CONSEQUENTIAL LOSS', in capital letters, shall mean loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of accidental loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

2 Defined Peril

'Defined Peril' shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons (other than thieves), earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any vehicle or by goods falling therefrom or by animal.

3 Estimated Gross Revenue

The amount declared by the Insured to the Insurer as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months.

4 Gross Revenue

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the premises less the relative cost of purchases and other specific costs as may be applicable to the Business.

5 Incident

Loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

6 Indemnity Period

The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business are affected.

7 Maximum Indemnity Period

The period stated in the schedule.

8 Outstanding Debit Balances

The total amount outstanding in customers' accounts on the last day of the month preceding an Incident adjusted for:

- a) bad debts; and
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Incident) to customers' accounts in the period between the last day of the month preceding the Incident and the date of the Incident; and
- c) any abnormal condition of trade which had or could have had a material effect on the Business so that the adjusted figures shall represent as nearly as practicable those which would have applied at the date of the Incident.

9 Standard Gross Revenue

The Gross Revenue during that period in the 12 months immediately before the date of the Incident which corresponds with the Indemnity Period.

Notes

- 1 To the extent which the Insured is accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.
- 2 For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded.
- 3 Adjustments shall be made to the Standard Gross Revenue as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the adjusted figures shall represent as nearly as practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

Clauses

1 Alternative Trading

If during the Indemnity Period goods are sold or services provided elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on the Insured's behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period.

2 Book Debts

In the event of an Incident in consequence of which the Insured is unable to trace or establish the Outstanding Debit Balances in whole or in part due to the Insured the Insurer will pay to the Insured the amount of any loss of Outstanding Debit Balances resulting provided always that:

- a) the amount payable shall not exceed:
 - i) the difference between:
 - 1) Outstanding Debit Balances; and
 - 2) the total of the amounts received or traced
 - ii) the additional expenditure incurred with the Insurer's prior consent in tracing and establishing customers' debit balances after the Incident
 - iii) in total the sum stated in the schedule
- b) it is a condition precedent to the Insurer's liability that:
 - i) the Insured's books of account and other business books and records in which customers' accounts are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use
 - ii) duplicate records are kept in a separate building.

3 New Businesses

For any claim arising from an Incident occurring before the completion of the first year's trading of the Business at the Premises the definition of Standard Gross Revenue shall have the following meaning:

Standard Gross Revenue: the proportional equivalent for a period equal to the Indemnity Period of the Gross Revenue realised during the period between the date of the commencement of the Business and the date of the Incident.

4 Payments on Account

At the Insurer's discretion payments on account may be made to the Insured during the Indemnity Period but in no case shall any payment exceed the Insurer's liability in respect of reduction in Gross Revenue under each item for the period in respect of which a payment is to be made.

5. Premium Adjustment

The premium is provisional and based upon the Estimated Gross Revenue.

Not later than six months after the expiry of each period of insurance the Insured shall supply to the Insurer a declaration confirmed by the Insured's professional accountants of the Gross Revenue earned during the financial year most nearly concurrent with the period of insurance.

If any Incident has occurred giving rise to a claim the declaration shall be increased by the Insurer for the purposes of premium adjustment by the amount by which the Gross Revenue was reduced during the financial year solely in consequence of the Incident.

If the declaration adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months:

- a) is less than the Estimated Gross Revenue for the relative period of insurance the Insurer will allow a pro rata return of premium paid on the Estimated Gross Revenue but not exceeding 50% of such premium
- b) is greater than the Estimated Gross Revenue for the relative period of insurance the Insured shall pay a pro rata additional premium on the Estimated Gross Revenue.

6 Professional Accountants' Fees

The Insurer will pay reasonable fees payable by the Insured to the Insured's professional accountants for producing any particulars or details contained in the Insured's accounts or other documents which may be required by the Insurer under the conditions of this Section for the purpose of investigating or verifying any claim.

7 Temporary Removal of Documents

Loss resulting from interruption or interference with the Business in consequence of loss or destruction of or damage to office records of any description while temporarily removed in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man shall be deemed by the Insurer to be loss resulting from an Incident.

Section B3

Business Interruption 'All Risks'

Estimated Rent Receivable

In the event of an Incident during the period of insurance in consequence of which the Business carried on by the Insured at the premises be interrupted or interfered with the Insurer will pay to the Insured in respect of each item stated in the schedule the:

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

and the amount payable as indemnity shall be:

- i) in respect of loss of Rent Receivable the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable in consequence of the Incident
- ii) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in the Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident

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

Provided always that:

- 1) at the time of the Incident there is in force an insurance covering the Insured's interest in the property against such Incident and that payment:
 - A) has been made or liability admitted therefor
 - B) would have been made or liability admitted but for a proviso excluding liability for losses below a specified amount
- 2) the Insurer's liability under this Section shall not exceed:
 - A) in respect of Rent Receivable 133.3% of the Estimated Rent Receivable stated herein and in respect of each other item 100% of the sum insured stated herein
 - B) the sum insured (or limit) remaining after deduction for any other interruption or interference consequent upon any Incident occurring during the same period of insurance unless the Insurer has agreed to reinstate any sum insured (or limit).

Definitions

1 Consequential Loss

'CONSEQUENTIAL LOSS', in capital letters, shall mean loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of accidental loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

2 Defined Peril

'Defined Peril' shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons (other than thieves), earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any vehicle or by goods falling therefrom or by animal.

3 Estimated Rent Receivable

The amount declared by the Insured to the Insurer as representing not less than the Rent Receivable which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months.

4 Incident

Loss or destruction of or damage to property used by you at the Premises for the purpose of the Business.

5 Indemnity Period

The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business are affected.

6 Maximum Indemnity Period

The period stated in the schedule.

7 Outstanding Debit Balances

The total amount outstanding in customers' accounts on the last day of the month preceding an Incident adjusted for:

- a) bad debts; and
 - b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Incident) to customers' accounts in the period between the last day of the month preceding the Incident and the date of the Incident; and
 - c) any abnormal condition of trade which had or could have had a material effect on the Business
- so that the adjusted figures shall represent as nearly as practicable those which would have applied at the date of the Incident.

8 Rent Receivable

The amount of the rent and other income received or receivable from the letting of and the services rendered at the Premises.

9 Standard Rent Receivable

The Rent Receivable during that period in the 12 months immediately before the date of the Incident which corresponds with the Indemnity Period.

Notes

- 1 To the extent which the Insured is accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.
- 2 For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded.
- 3 Adjustments shall be made to the Standard Rent Receivable as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the adjusted figures shall represent as nearly as practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

Clauses

1 Alternative Trading

If during the Indemnity Period the Business is conducted elsewhere than at the Premises the money paid or payable to you in respect of such other premises shall be brought into account in arriving at the Rent Receivable during the Indemnity Period.

2 Book Debts

In the event of an Incident in consequence of which the Insured is unable to trace or establish the Outstanding Debit Balances in whole or in part due to the Insured the Insurer will pay to the Insured the amount of any loss of Outstanding Debit Balances resulting provided always that:

- a) the amount payable shall not exceed:
 - i) the difference between:
 - 1) Outstanding Debit Balances; and
 - 2) the total of the amounts received or traced
 - ii) the additional expenditure incurred with the Insurer's prior consent in tracing and establishing customers' debit balances after the Incident
 - iii) in total the sum stated in the schedule
- b) it is a condition precedent to the Insurer's liability that:
 - i) the Insured's books of account and other business books and records in which customers' accounts are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use
 - ii) duplicate records are kept in a separate building.

3 New Businesses

For any claim arising from an Incident occurring before the completion of the first year's trading of the Business at the Premises the definition of Standard Rent Receivable shall have the following meaning:

Standard Rent Receivable: the proportional equivalent for a period equal to the Indemnity Period of the Rent Receivable realised during the period between the commencement of the Business and the date of the Incident to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business whether before or after the Incident or which would have affected the Business had the Incident not occurred so that the adjusted figures 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.

4 Payments on Account

At the Insurer's discretion payments on account may be made to the Insured during the Indemnity Period but in no case shall any payment exceed the Insurer's liability in respect of loss of Rent Receivable under each item for the period in respect of which a payment is to be made.

5 Premium Adjustment

The premium is provisional and based upon the Estimated Rent Receivable.

Not later than six months after the expiry of each period of insurance the Insured shall supply to the Insurer a declaration confirmed by the Insured's professional accountants of the Rent Receivable earned during the financial year most nearly concurrent with the period of insurance.

If any Incident has occurred giving rise to a claim the declaration shall be increased by the Insurer for the purposes of premium adjustment by the amount by which the Rent Receivable was reduced during the financial year solely in consequence of the Incident.

If the declaration adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months:

- a) is less than the Estimated Rent Receivable for the relative period of insurance the Insurer will allow a pro rata return of premium paid on the Estimated Rent Receivable but not exceeding 50% of such premium
- b) is greater than the Estimated Rent Receivable for the relative period of insurance the Insured shall pay a pro rata addition to the premium on the Estimated Rent Receivable.

6 Professional Accountants' Fees

The Insurer will pay reasonable fees payable by the Insured to the Insured's professional accountants for producing any particulars or details contained in the Insured's accounts or other documents which may be required by the Insurer under the conditions of this Section for the purpose of investigating or verifying any claim.

Exclusions applicable to Sections A, B1, B2 and B3

Sections A, B1, B2 and B3 do not cover:

- 1** DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of:
 - a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials
 - b) faulty or defective workmanship, operational error or omission, on the part of the Insured or any of his employees
 - c) the bursting by steam pressure of a boiler economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured other than:
 - i) in respect of Section A – a boiler used for domestic purposes only
 - ii) in respect of Sections B1, B2 and B3 – any boiler or economiser on the Premises or a boiler used for domestic purposes only

but this shall not exclude subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded
- 2** DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of:
 - a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insect
 - b) change in temperature, colour, flavour, texture or finish

DAMAGE or CONSEQUENTIAL LOSS consisting of:

 - c) 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
 - d) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates
 - e) CONSEQUENTIAL LOSS caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services

but this shall not exclude:

 - i) such DAMAGE or CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril or from any other accidental loss, destruction or damage
 - ii) subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded
- 3** DAMAGE caused by or consisting of or CONSEQUENTIAL LOSS arising directly from theft or attempted theft:
 - a) not involving:
 - i) breaking into or out of the Buildings of the Premises by forcible and violent means or
 - ii) robbery or attempted robbery committed in the Premises
 - b) to that part of the Buildings of the Premises not occupied by the Insured
 - c) to property on or in any garden yard open place or open sided Building nor, unless specified in the Schedule, any outbuilding
 - d) by any person lawfully on the Premises
 - e) of the fabric of the Buildings

DAMAGE caused by or arising directly or indirectly from theft or attempted theft:

- f) of money, cheques, stamps (including National Insurance stamps) bonds, credit cards or securities of any description
- g) of jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books

but this shall not exclude:

- i) such DAMAGE or CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril or from any other accidental loss destruction or damage
- ii) subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded

4 a) in respect of Section A –

loss or destruction or damage caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Insured, not otherwise excluded, caused by:

- i) pollution or contamination which itself results from a Defined Peril
- ii) a Defined Peril which itself results from pollution or contamination
- iii) sudden, identifiable, unintended and unexpected pollution or contamination which itself results from All Other DAMAGE
- iv) All Other DAMAGE which itself results from sudden, identifiable, unintended and unexpected pollution or contamination

b) in respect of Sections B1, B2 and B3

loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the Insured at the Premises for the purpose of the Business, not otherwise excluded, caused by:

- i) pollution or contamination at the Premises which itself results from a Defined Peril
- ii) a Defined Peril hereby insured against which itself results from pollution or contamination
- iii) sudden, identifiable, unintended and unexpected pollution or contamination at the Premises which itself results from All Other DAMAGE
- iv) All Other DAMAGE which itself results from sudden, identifiable, unintended and unexpected pollution or contamination

subject to a total limit of liability in respect of a) iii) and iv) and b) iii) and iv) in any one Period of Insurance of £25,000

5 DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of subsidence or ground heave of any part of the site on which the property stands or landslip:

a) in respect of land insured hereby unless also affecting a building insured hereby

b) caused by or consisting of:

- i) the normal settlement or bedding down of new structures
- ii) the settlement or movement of made-up ground
- iii) coastal or river erosion
- iv) defective design or workmanship or the use of defective materials

c) which originated prior to the inception of this cover

- d) resulting from:
 - i) demolition, construction, structural alteration or repair of any property or
 - ii) groundwork or excavation
 at the same premises

- 6** DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of acts of fraud or dishonesty but this shall not exclude such DAMAGE or CONSEQUENTIAL LOSS if resulting from a cause which is not otherwise excluded

- 7** DAMAGE caused by or consisting of or CONSEQUENTIAL LOSS arising directly or indirectly from:
 - a) disappearance, unexplained or inventory shortage, misfiling or misplacing of information
 - b) in respect of Sections B1, B2 and B3:
 - i) erasure, loss, distortion or corruption of information on computer systems or other records, programmes or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons
 - ii) other erasure, loss, distortion or corruption of information on computer systems or other records, programmes or software unless resulting from a Defined Peril in so far as it is not otherwise excluded

- 8** in respect of Section A:
 - a) destruction of or damage to a Building or structure caused by its own collapse or cracking in respect of Sections B1, B2 and B3:
 - b) loss resulting from destruction of or damage to a Building or structure used by the Insured at the Premises caused by its own collapse or cracking unless resulting from a Defined Peril in so far as it is not otherwise excluded

- 9** DAMAGE or CONSEQUENTIAL LOSS in respect of:
 - a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust
 - b) property in transit other than whilst at the Premises

- 10** DAMAGE or CONSEQUENTIAL LOSS:
 - a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - b) (other than by fire or explosion) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair

- 11** DAMAGE or CONSEQUENTIAL LOSS caused by:
 - a) freezing
 - b) escape of water from any tank apparatus or pipe
 - c) (other than by fire or explosion) malicious persons not acting on behalf of or in connection with any political organisation
 in respect of any building which is empty or not in use for more than thirty consecutive days

12 DAMAGE in respect of:

- a) money, cheques, stamps, bonds, credit cards or securities of any description
- b) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books

other than such DAMAGE caused by:

- i) a Defined Peril
- ii) theft or attempted theft involving breaking into or out of the buildings of the Premises by forcible and violent means
- iii) robbery or attempted robbery committed in the premises

in so far as it is not otherwise excluded

13 a) in respect of Section A – unless specifically mentioned as insured

- b) in respect of Sections B1, B2 and B3 – unless CONSEQUENTIAL LOSS is caused by a Defined Peril in so far as it is not otherwise excluded:

- i) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
- ii) piers, jetties, bridges, culverts or excavations
- iii) livestock, growing crops or trees

14 DAMAGE to or CONSEQUENTIAL LOSS in respect of 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 other than such damage or in respect of such CONSEQUENTIAL LOSS caused by:

- a) a Defined Peril
- b) theft or attempted theft involving breaking into or out of the Buildings of the Premises by forcible and violent means
- c) robbery or attempted robbery committed in the Premises

in so far as it is not otherwise excluded

15 property which at the time of the happening of DAMAGE is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected

16 a) in respect of Section A any loss or destruction of or damage to land

- b) in respect of Sections B1, B2 and B3 CONSEQUENTIAL LOSS caused by loss or destruction of or damage to land

other than for an amount of any loss of less than £25,000 in total in respect of land to a depth of up to one metre, the Insured's own or for which they are responsible, within the perimeter of the Premises provided that such loss is not otherwise excluded

17 any property more specifically insured by or on behalf of the Insured

18 In respect of Section A, CONSEQUENTIAL LOSS of any kind or description except loss of rent when such loss is included in the cover under Section A.

Section C

'Money'

In the event of physical loss or destruction of or damage to:

- a) 'Money'
- b) safes or strongrooms which normally contain 'Money' caused by theft or attempt thereof
- c) any case, bag or waistcoat when such is used for the carriage of 'Money'
- d) franking machines the property of the Insured or for which the Insured is responsible caused by theft or attempt thereof

occurring within the limits of Great Britain, Northern Ireland, the Channel Islands and the Isle of Man the Insurer will indemnify the Insured against such loss, destruction or damage provided that the liability of the Insurer in respect of any Item Insured shall not exceed the specified Limit of Liability shown in the Schedule.

Provided always that:

- a) the Insurer's liability in respect of 'Money' in transit by post (insured under Item B.3) shall be limited to £25 per packet while in transit by unregistered post
- b) whenever the office, room or area in which a safe or strongroom containing 'Money' is situated becomes unattended:
 - i) such safe or strongroom is securely lockedand
 - ii) all keys to such safe or strongroom are removed from the premises or kept on the person of the Insured or an authorised employee
- c) the Insured shall keep a complete account of 'Money' in transit and on the premises and shall deposit such record in a secure place other than in a safe or strongroom containing the 'Money'.

Definitions

1 Money

'Money' shall mean cash, bank and currency notes, postal orders, cheques, banker's drafts, bills of exchange, unused units in postage stamp franking machines, postage stamps, revenue stamps, National Savings certificates, National Insurance stamps, stamped or franked National Insurance cards, Holiday-with-Pay stamps, Premium Savings Bonds, luncheon vouchers, trading stamps, Phonocards (excluding Phonocards held in stock for resale), credit card sales vouchers, consumer redemption vouchers and gift tokens accepted by the Insured and VAT purchase invoices, all pertaining to the Business and belonging to or the responsibility of the Insured.

2 Business Hours

'Business Hours' shall mean any time when the Insured or the Insured's directors or employees with responsibility for 'Money' are in the Insured's premises for the purpose of the Insured's Business.

Exclusions

This Section does not cover:

- 1 losses in excess of:
 - a) £100 from any unattended vehicle
 - b) £250 from any amusement or vending machine
- 2 loss, destruction or damage caused by or due to:
 - a) the dishonest acts of any person in the employ or service of the Insured not discovered within fourteen days of the actual occurrence thereof
 - b) clerical or accounting errors.

Extension

Personal Accident (Malicious Attack)

If whilst engaged in the Insured's Business any person (called 'the Assured') shall sustain bodily injury arising from malicious attack or assault or attempt thereof by any person stealing or attempting to steal 'Money' insured by this Section then the Insurer will reimburse the Insured in respect of payment to the Assured or his/her legal personal representative as the case may require of the sum or sums set out in the Table of Benefits.

Table of Benefits

If bodily injury as defined shall be the sole and immediate cause of:

1	Death	£10,000
2	Loss of a limb or limbs and/or loss of an eye or eyes	£10,000
3	Permanent total inability to attend to any occupation or business	£10,000
4	Temporary total inability to attend to the usual occupation or business	The Assured's normal weekly wage or salary not exceeding £100 per week.

Provided always that:

- 1 No Benefit shall be payable until the entire amount thereof has been ascertained and agreed.
- 2 The Insurer shall not be liable under Benefit 4 to pay for a longer period than 104 weeks in respect of any one accident.
- 3 If the Insurer is satisfied that the inability is permanent Benefit 3 shall become payable when Benefit 4 is exhausted. The Insurer shall not otherwise be liable to pay more than one Benefit in respect of the same accident. In no case shall more than one Benefit be payable in respect of the same period of time.
- 4 Benefit shall only be payable provided death or loss occurs or disablement commences within twenty four months of the date of injury.

If the Assured as a result of a malicious attack or assault or attempt thereof shall sustain loss or damage to clothing or personal effects the Insurer will indemnify the Insured in respect of payment made to the Assured to the extent of the loss or damage so sustained but not exceeding in respect of any one such Assured the sum of £250.

Definitions applicable to the Personal Accident (Malicious Attack) Extension

1 Bodily injury

Accidental injury not including sickness, disease or any naturally occurring condition or degenerative process or any gradually operating cause.

2 Loss of limb

Total loss by physical separation at or above the wrist or ankle or permanent total loss of use of an entire hand, arm, foot or leg.

3 Loss of eye

Permanent and total loss of sight:

- a) in both eyes if the Assured's name is entered on the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist
- b) in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen Scale. (This means that the Assured would see at 3 feet what should be seen at 60 feet).

4 Usual occupation

The occupation of the Assured as shown in the Insured's records at the date of the bodily injury.

Section D

Goods In Transit

In the event of:

- a) loss of or damage to:
 - i) Property whilst in or on any road Vehicle operated by the Insured or hauliers or by parcel post or by rail
 - ii) tarpaulin sheets and ropes whilst being carried on any road Vehicle operated by the Insured
 - iii) Personal Effects limited to £250 in total for any one event whilst in any Vehicle operated by the Insured
- b) expenses reasonably incurred in:
 - i) the transfer of Property to another Vehicle and the delivery to the original destination or return to the place of despatch necessitated by fire, collision or overturning of any road Vehicle operated by the Insured
 - ii) the reloading on to any road Vehicle operated by the Insured of any Property which has fallen from such Vehicle
 - iii) the removal of debris and site clearance consequent upon the destruction of or damage to Property
 - iv) breaking up or dismantling the property
- c) sue and labour costs falling to be paid by the Insured

the Insurer will indemnify the Insured against such loss or damage or expenses or costs occurring whilst in transit within the Territorial Limits

Provided that:

- i) the Insurer may at their option indemnify the Insured by payment or by repair, reinstatement or replacement
- ii) the liability of the Insurer in respect of any one Item Insured shall not exceed the specified Limit of Liability.

Definitions

1 In Transit

'In Transit' shall mean being carried from the time the Property is lifted to the time it is unloaded at its destination including:

- a) loading and unloading
- b) the use of recognised 'roll-on, roll-off' vehicle ferries provided no unloading or re-loading of the Vehicle is involved
- c) whilst temporarily housed on or off the Vehicle in the course of the said carriage but excluding any dismantling, installation, erection or testing.

2 Property

'Property' shall mean goods belonging to the Insured or for which the Insured is responsible all pertaining to the Business.

3 Vehicle

'Vehicle' shall mean a mechanically driven conveyance including trailers whether attached or temporarily detached from the Vehicle during the course of the transit.

4 Personal Effects

'Personal Effects' shall mean personal belongings of the Insured's drivers or attendants excluding money, credit cards, radios, cassette players, televisions or jewellery.

5 Working Hours

'Working Hours' shall mean the whole period during which the Vehicle is being worked by its driver.

6 Territorial Limits

'Territorial Limits' shall mean anywhere in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man or the Republic of Ireland including transits there between.

Security provisions applicable solely in respect of vehicles operated by the Insured

These are only operative if shown in the Schedule

- 1 Whenever a Vehicle operated by the Insured and carrying Property is unattended it shall be protected as follows:
 - a) in Working Hours all doors and windows and other means of access shall be securely fastened and locked
 - b) in Working Hours all doors and windows and other means of access shall be securely fastened and locked and the alarm and immobiliser approved by the Insurer shall be switched on and made fully operational
 - c) at all times out of Working Hours:
 - i) all doors and windows and other means of access shall be securely fastened and locked
 - ii) AND either garaged in a securely locked building of substantial construction or placed in a compound which has secure walls and/or fences and securely locked gates or in a guarded security park
 - d) at all times out of Working Hours:
 - i) all doors and windows and other means of access shall be securely fastened and locked
 - ii) AND either garaged in a securely locked building of substantial construction or placed in a guarded security park
 - e) at all times out of Working Hours all doors and windows and other means of access shall be securely fastened and locked and the alarm and immobiliser approved by the Insurer shall be switched on and made fully operational
 - f) at all times out of Working Hours:
 - i) all doors and windows and other means of access shall be securely fastened and locked and the alarm and immobiliser approved by the Insurer shall be switched on and made fully operational
 - ii) AND either garaged in a securely locked building of substantial construction or placed in a compound which has secure walls and/or fences and securely locked gates or in a guarded security park
 - g) at all times out of Working Hours:
 - i) all doors and windows and other means of access shall be securely fastened and locked and the alarm and immobiliser approved by the Insurer shall be switched on and made fully operational
 - ii) AND either garaged in a securely locked building of substantial construction or placed in a guarded security park
- 2
 - a) Whenever a Vehicle operated by the Insured is carrying Property it shall be kept under constant guard throughout the whole period of transit by a person duly authorised by the Insured
 - b) Whenever a Vehicle operated by the Insured is carrying Property within the boundary of the M25 it shall be kept under constant guard by a person duly authorised by the Insured.

Exclusions

This Section does not cover:

- 1 claims in respect of or arising out of:
 - a) depreciation, delay, inadequate documentation, CONSEQUENTIAL LOSS
 - b) wear and tear, breakdown of refrigeration, defective packing, mildew, vermin, contamination
 - c) the carriage of explosives or other dangerous goods
 - d) the carriage of livestock, gold or silver articles, precious metals or stones, jewellery, watches, furs, wines, spirits, tobacco, cigars and cigarettes, radios, television sets, video recorders, tape recorders and the like, non-ferrous metals and scrap, coins, money, stamps, stamp collections, bonds, securities and computers unless specifically agreed and endorsed in the Schedule to this Section
 - e) loss from a soft topped, open topped, open sided or curtain sided vehicle or trailer caused by theft or attempted theft (unless the vehicle or trailer is stolen at the same time) or storm
- 2 containers, trailers or demountable vans or the like
- 3 any consequence of riot, strike or civil commotion occurring outside Great Britain the Channel Islands and the Isle of Man, confiscation, nationalisation requisition destruction or damage by any government or local authority.

Special conditions

1 Reasonable Care

The Insured shall exercise due care in the selection and supervision of employees, take all reasonable precautions for the safeguarding and protection of the Property and maintain in good order all Vehicles operated and all locking and other protective devices. Any alarm or immobiliser system shall be serviced and maintained by a qualified person and no alterations to the system shall be made without the approval of the Insurer.

2 Condition of Average (Underinsurance)

If the value of the Property contained in any one package or Vehicle and/or trailer and/or container or if the total value at risk at any one location shall at the time of loss or damage thereto exceed the Limit of Liability stated in the Schedule the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly.

Excess

Where an excess is shown in the Schedule to this Section the Insured shall bear such amount in respect of each and every loss after the application of any Condition of Average (Underinsurance).

Section E

Specified Items 'All Risks'

In the event of loss of or damage to the Property Insured occurring within the Territorial Limits specified in the Schedule the Insurer will indemnify the Insured against such loss or damage at their option by payment or by repair, reinstatement or replacement but in no circumstances shall the liability of the Insurer exceed in respect of each Item the Sum Insured thereon or the intrinsic value thereof whichever is the less.

Exclusions

This Section does not cover:

- 1 DAMAGE arising from wear and tear or occasioned by moth or vermin or any process of heating, drying, cleaning, dyeing, alteration or repair to which the Property Insured is subjected
- 2 depreciation or electrical or mechanical breakdown
- 3 DAMAGE arising from any act of dishonesty committed or connived at by any person in the employ or service of the Insured
- 4 breakage of china, glass, marble, earthenware or scratching or bruising of furniture, household or musical goods unless caused by accident to the vessel or conveyance in which such property is being carried
- 5 loss of or damage to deeds, bonds, coins, money, securities, stamp collections, plans, patterns, designs, documents of title, contracts or other documents, business books or manuscripts or computer records unless described in the Specification of Property Insured
- 6 loss of any liquid by leakage from the receptacle in which it is contained
- 7 confiscation destruction or detention by Customs or other Authorities
- 8 in respect of petrol and/or oil installations:
 - a) DAMAGE resulting from flood or atmospheric or climatic conditions other than lightning or hail
 - b) loss of use of the installation or loss of petrol, oil or other Contents thereof
- 9 in respect of cycles:
 - a) loss of or damage to lamps, tyres or accessories unless the cycle itself is lost or damaged at the same time
 - b) DAMAGE whilst being used for racing or pacemaking
- 10 DAMAGE contributed to, caused by or arising from riot, strike or civil commotion occurring outside Great Britain, the Channel Islands and the Isle of Man.

Special condition applicable to Section E

Condition of Average (Underinsurance)

If at the time of the happening of any loss or damage the Sum Insured in respect of the property so lost or damaged shall be less than the intrinsic value of such property the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss or damage accordingly.

Clause applicable to Section E

Index Linking

Where so indicated in the Schedule to this Section the sum insured will be adjusted during the Period of Insurance in accordance with fluctuations in suitable indices of cost.

In the event of loss the sums insured will continue to be adjusted in accordance with fluctuations in the indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

The premium will remain unchanged during the Period of Insurance but at each renewal the premium will be calculated on the revised sum insured.

Definition

Damage

'DAMAGE' in capital letters shall mean loss or destruction of or damage to the Property Insured.

Excess

Where an excess is shown in the Schedule to this Section the Insured shall bear such amount in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance).

Section F

Employers' Liability

If any person under a contract of service or apprenticeship with the Insured shall sustain any bodily injury or disease caused during any Period of Insurance and arising out of and in the course of his employment by the Insured in the Business the Insurer will indemnify the Insured against all sums for which the Insured shall be liable in respect of any claim for damages for such injury or disease settled or defended with the consent of the Insurer.

The Insurer will in addition pay claimants' costs and expenses and be responsible for all costs and expenses incurred with the consent of the Insurer in defending any such claim for damages.

The limit of Liability under this Section in respect of any one claim against or by the Insured or series of claims against or by the Insured arising out of one cause is stated in the Schedule.

Extensions

1 Work Overseas

The insurance by this Section shall not apply to nor include liability in respect of any bodily injury or disease caused elsewhere than in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands but this exclusion shall not apply to employees temporarily employed elsewhere provided that the contract of service or apprenticeship was entered into in the aforesaid countries.

2 Definitions of Employee

For the purpose of this Section:

- a) any labour master or labour only subcontractor or persons supplied by any of them
- b) self employed persons
- c) persons under work experience schemes
- d) any person hired or borrowed by the Insured from another employer

working for the Insured in connection with the Business shall be deemed to be employed by the Insured under a contract of service or apprenticeship.

3 Indemnity to Directors and Employees

Where specifically requested to do so by the Insured the Insurer will indemnify any director or employee of the Insured in respect of claims made against such director or employee subject to the terms and limitations of the Section.

4 Indemnity to Principal

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Section being brought or made against any Public or Local Authority or other Principal the Insurer will indemnify the said Public or Local Authority or other Principal against such claim and/or any costs, charges and expenses in respect thereof.

5 Solicitors' Fees

The Insurer will also pay solicitors' fees incurred with their consent for:

- a) representation at any Coroner's Inquest or Fatal Inquiry in respect of any death
- b) defending in any Court of Summary Jurisdiction any proceedings in respect of any act or omission causing or relating to any event

which may be the subject of indemnity under this Section.

6 Additional Activities

The Business shall include the provision and management of canteen, social, sports and welfare organisations for the benefit of the Insured's employees and fire, ambulance and security services.

7 Private Work

This Section applies to private work carried out by employees of the Insured for any director and/or executive of the Insured.

8 Indemnity to First Aid & Medical Teams

This Section extends to indemnify any person under a contract of service or apprenticeship with the Insured whilst acting as a member of the Insured's first aid or medical arrangements (but excluding medical practitioners) in respect of liability for damages and legal costs to any other person under a contract of service or apprenticeship with the Insured resulting from treatment given in connection with any bodily injury or disease sustained by such person and arising out of and in the course of the employment of such person by the Insured.

9 Health & Safety at Work Act 1974

This Section subject to its terms and limitations extends to indemnify the Insured or any director or employee of the Insured in respect of legal fees or expenses including the costs of appeal against conviction reasonably incurred by the solicitor or firm of solicitors engaged with the Insurer's consent to act for or on behalf of the Insured or any director or employee in his defence against a criminal charge brought under:

- a) Sections 36 or 37 of the Health and Safety at Work Act 1974 in respect of an offence as defined in Section 33 of the said Act
- b) Article 34 of the Health and Safety at Work (Northern Ireland) Order 1978 in respect of an offence as defined in Article 31 of the said Order

committed or alleged to have been committed during the Period of Insurance including costs of prosecution awarded against such director or employee or the Insured arising from such proceedings.

Provided always that:

- a) this Extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- b) the Insurer will be under no liability:
 - i) where the Insured or any director or employee is insured by any other policy
 - ii) where the criminal charge is in respect of any deliberate or intentional criminal act of the Insured or any director or employee
 - iii) in respect of legal fees and expenses which the Insured or any director or employee may be ordered to pay by a court of criminal jurisdiction in respect of the deliberate or intentional criminal act or omission of the director or employee
 - iv) in respect of fines or penalties of any kind or the costs of appeal against Improvement or Prohibition notices
 - v) for any part of the cost of any investigation or inquiry other than a solicitor's investigation restricted to a criminal charge as above defined
- c) The Insured or any director or employee shall give to the Insurer immediate notice of any summons or other process served upon the Insured or any director or employee and of any event that may give rise to proceedings against the Insured or any director or employee.

Clause

1 Terrorism Limitation Clause

The limit of liability payable under this Section in respect of any claim against or by the Insured or series of claims against or by the Insured arising directly or indirectly from terrorism shall be £5,000,000.

- a) any act or preparation in respect of action or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto and which:
 - i) involves violence against one or more persons
 - ii) involves damage to property
 - iii) endangers life other than that of the person committing the action
 - iv) creates a risk to health or safety of the public or a section of the public
 - v) is designed to interfere with or to disrupt an electronic system
- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

In any action or suit or other proceedings where the Insurer alleges that by reason of this Exclusion cover is not provided under this Policy the burden of proving that cover is provided under this Policy will be upon the Insured.

Section G

Public and Products Liability

The Insurer agrees to indemnify the Insured (subject to the terms, limitations and conditions herein contained) in respect of all sums which the Insured shall become legally liable to pay as compensation for:

Definitions

1 The Business

The Business shall include in addition to those activities specified in the Schedule:

- a) maintenance of property and premises owned or occupied by the Insured
- b) the provision and management of canteen, social, sports and welfare organisations for the benefit of Employees of the Insured
- c) first aid, security, fire and ambulance service
- d) private work carried out within the Territorial Limits by an Employee of the Insured for any director or senior executive of the Insured
- e) participation in exhibitions within the Territorial Limits.

2 Employee

Employee shall mean:

- a) any person under a contract of service or apprenticeship with the Insured
- b) any labour master or labour only subcontractor or persons supplied by any of them
- c) any self employed person
- d) any person hired or borrowed by the Insured working for the Insured in connection with the Business.

3 Personal Injury

Personal Injury shall include illness.

4 Products

Products shall mean any commodities or goods or any thing (including packaging, containers and labels) sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of the Insured or any structure constructed, erected or installed or contract work executed by or on behalf of the Insured in the course of the Business of the Insured.

5 The Territorial Limits

The Territorial Limits shall mean:

Sub-section 1

- a) anywhere within the limits of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- b) manual and non-manual work carried out during temporary visits anywhere in the world (other than the United States of America or Canada) and
- c) non-manual work carried out during temporary visits to the United States of America or Canada
- d) in respect of the liability arising out of the ownership or use of any Vessel, the Territorial Limits stated in Section H.

Sub-section 2

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

6 Vessel

Vessel shall mean any craft as described in the Schedule including its hull, machinery, boats, gear, equipment and ship's tools as would normally be sold with the craft.

Sub-section 1 Public Liability

- a) accidental death of or accidental Personal Injury to any person other than an Employee where such death or Personal Injury arises out of and in the course of the employment
- b) accidental loss of or accidental damage to material property
- c) accidental obstruction, accidental trespass, accidental nuisance, accidental interference with pedestrian, road, rail, air or waterborne traffic, accidental invasion of the right of privacy or accidental interference with any right of air, light, water or way
- d) wrongful arrest or false imprisonment

occurring during the currency of this Policy within the Territorial Limits in connection with the Business of the Insured.

The liability of the Insurer under this Section for all compensation payable by the Insured to any claimant or number of claimants in respect of any one occurrence or all occurrences of a series arising out of one original cause shall not exceed the Limit(s) of Indemnity.

Exclusions applicable to Sub-section 1

The indemnity granted by this Sub-section shall not apply to or include:

- 1 liability arising from the ownership or possession or use by or on behalf of the Insured of any mechanically propelled vehicle or mobile plant
 - a) which is licensed for road use or
 - b) for which compulsory motor insurance or security is required or
 - c) which is more specifically insured

Provided always that this Exclusion shall not apply in respect of

- a) liability not more specifically insured under any other policy arising during the act of loading or unloading mechanically propelled vehicles or mobile plant or the bringing to or the taking away of a load from such vehicle or such plant
 - b) the use of any mechanically propelled vehicle or mobile plant solely as a tool of trade unless more specifically insured or unless compulsory motor insurance or security is required
 - c) the unauthorised movement on the Insured's premises or contract site of any mechanically propelled vehicle or mobile plant unless more specifically insured or unless compulsory motor insurance or security is required
- 2 liability arising from the ownership or possession or use by or on behalf of the Insured of craft designed to travel through air or space, hovercraft
 - 3 liability arising from Products after they have ceased to be in the custody or control of the Insured other than food or beverages for consumption on the premises of the Insured or at any other premises where the Insured is carrying on the Business
 - 4 loss of or damage to that part of any property upon which the Insured or any servant or agent of the Insured is or has been working where the loss or damage is the direct result of such work

- 5 loss of or damage to property belonging to the Insured or held in trust by or borrowed, rented, leased or hired for use by the Insured but this Exclusion shall not apply to:
 - a) the personal effects (including vehicles and their contents) of directors, employees and visitors
 - b) buildings or their contents temporarily occupied by the Insured for the purpose of carrying out work therein or thereon
 - c) premises (or fixtures and fittings therein) hired, rented, leased or lent to the Insured other than such loss or damage if liability is assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement
- 6 liability arising out of any trial or demonstration of any Vessel whilst afloat unless Extension 16 is stated in the Schedule to be operative
- 7 liability arising out of the delivery of a customer's Vessel, under the Vessel's own power, unless stated in the Schedule
- 8 liability arising out of towage or shifting other than of another Vessel
- 9 liability arising out of the towage or shifting of any Vessel while afloat outside a radius of five miles of the premises stated in the Schedule unless stated in the Schedule
- 10 liability for loss of or damage to any Vessel whilst being transported by road outside a radius of five miles of the premises stated in the Schedule unless otherwise stated in the Schedule
- 11 liability for loss of or damage to any Vessel under construction, in the course of assembly, during fit-out or at any time prior to sale or handing over
- 12 liability arising from the ownership or possession or use by or on behalf of the Insured of any power operated lift, elevator, hoist, crane, or mechanically propelled vehicle or trailer attached thereto unless stated in the Schedule
- 13 liability arising out of any salvage operation including associated towage
- 14 liability for loss of or damage to any trailer or craft kept thereon left in the custody or control of the Insured unless such trailer is immobilised and securely locked with an anti-theft device in addition to the normal method of attachment
- 15 liability for loss of or damage to any outboard motor attached to craft in the custody or control of the Insured unless such outboard motor is securely locked with an anti-theft device in addition to the normal method of attachment
- 16 liability arising from any activity involving persons being pulled by any Vessel
- 17 the first amount stated in the Schedule as the excess of compensation payable for loss of or damage to material property in respect of any one occurrence or all occurrences of a series arising out of one original cause.

Sub-section 2 Products Liability

- a) accidental death of or accidental Personal Injury to any person other than an Employee where such death or Personal Injury arises out of and in the course of the employment
 - b) accidental loss of or accidental damage to material property
- occurring during the currency of this Policy within the Territorial Limits and caused by Products.

The liability of the Insurer under this Section for all compensation payable by the Insured in respect of all such death or such Personal Injury and such loss of or such damage to such material property occurring during any one Period of Insurance shall not exceed the Limit(s) of Indemnity.

Exclusions applicable to Sub-section 2

The indemnity granted by this Sub-section shall not apply to or include:

- 1 replacing, reinstating, rectifying, recalling or guaranteeing the performance of any Products
- 2 liability arising from any Products:
 - a) which at the time of the contract of sale or supply are knowingly
 - i) sold or supplied for use in craft designed to travel through air or space
 - ii) exported to the United States of America or Canada
 - b) in the custody or control of the Insured.

Exclusions to Section G

The indemnity granted by this Section shall not apply to or include:

- 1 liability in respect of liquidated damages or fines or penalties which attaches solely because of a contract or agreement
- 2 liability arising out of survey, inspection, condition report or valuation or professional advice given by the Insured for a fee or in circumstances where a fee would normally be charged
- 3 any Associated or Subsidiary Company of the Insured or Branch Office or Representative of the Insured with Power of Attorney domiciled elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- 4 exemplary, vindictive or punitive damages awarded by any Court of Law outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Extensions

1 Legal Costs

In addition to the indemnity provided by Sub-sections 1 and 2 of this Policy the Insurer will indemnify the Insured in respect of all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with the consent of the Insurer.

Provided always that in the event of the Insurer exercising their right under the Discharge of Liability (Clause No 1) to pay to the Insured in connection with any claim or series of claims the amount of the Limit(s) of Indemnity (after deduction of sums already paid as compensation in respect of such claim or claims or other relevant claims) or any lesser amount for which such claim or claims can be settled the Insurer relinquishes the conduct and control of and shall be under no further liability in connection with such claim or claims then the Insurer's liability for such legal costs is limited to those costs and expenses incurred prior to the time of such payment.

2 Additional Benefit

The Insurer will pay the costs incurred with their consent for:

- a) representation at any Coroner's Inquest or Fatal Inquiry in respect of any death
- b) defending in any Court of Summary Jurisdiction any proceedings in respect of any act or omission causing or relating to any event

which may be the subject of indemnity under this Section.

3 Health and Safety at Work, Act 1974 – Legal Defence Costs

The Insurer will indemnify the Insured or at the request of the Insured any director or Employee of the Insured against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of the Health & Safety at Work Act 1974 or the Health & Safety at Work (Northern Ireland) Order 1978 or any regulations made thereunder committed or alleged to have been committed during the Period of Insurance including:

- a) costs of prosecution awarded against the Insured or any director or Employee of the Insured
- b) legal costs and expenses incurred with the consent of the Insurer in an appeal against conviction arising from such proceedings.

Provided always that the Insurer shall not be liable under this Extension for the payment of fines and penalties of any kind or the cost of appeal against improvement or prohibition notices.

4 Food Safety Act – Legal Defence Costs

The Insurer will indemnify the Insured or at the request of the Insured any director or Employee of the Insured against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of Food Safety Act 1990 or any regulations thereunder committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with the consent of the Insurer in an appeal against conviction arising from such proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of the Insured's Business as within defined
- b) this Extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- c) the Insurer shall not be liable under this Extension:
 - i) where the Insured, director or Employee is insured by any other policy of insurance
 - ii) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of the Insured, director or Employee
 - iii) in respect of legal costs and expenses which the Insured, director or Employee may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of the Insured, director or Employee
 - iv) in respect of fines or penalties
 - v) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined
- d) the Insured, director or Employee shall give to the Insurer immediate notice of any summons or other process served upon the Insured, director or Employee and of any event that may give rise to proceedings against the Insured, director or Employee.

5 Personal Representatives

In the event of the death of the Insured the indemnity provided by this Section shall apply to any personal representative of the Insured in respect of liability incurred by the Insured.

Provided always that such personal representatives shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy.

6 Indemnity to Directors and Employees

In the event of any claim in respect of which the Insured named in the Schedule hereto would be entitled to receive indemnity under this Section being brought or made against:

- a) any director or Employee of the Insured
- b) any officer, member or Employee of the Insured's social, sports or welfare organisations or first aid, security, fire or ambulance services

the Insurer will indemnify such person if the Insured so requests against such claim and/or any costs, charges and expenses in respect thereof.

Provided always that:

- a) such person is not entitled to indemnity under any other insurance
- b) such person shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- c) the Insurer shall not be liable under this Extension unless the Insurer has the sole conduct and control of all claims.

7 Personal Liability Overseas

At the request of the Insured this Section shall apply to the personal liability:

- a) of any director or Employee of the Insured or any member of the family of such director or Employee accompanying such director or Employee during temporary visits anywhere in the world in connection with the Business of the Insured
- b) of any member of Sports and Social Clubs operating in connection with the Business of the Insured engaged in club activities.

Provided always that:

- a) this Extension shall not apply to liability more specifically insured under any other insurance
- b) any person indemnified under this Extension shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- c) the Insurer shall not be liable under this Extension unless the Insurer has the sole conduct and control of all claims.

8 Indemnity to Principal

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Section being brought or made against any Public or Local Authority or other Principal the Insurer will indemnify the said Public or Local Authority or other Principal against such claim and/or any costs, charges and expenses in respect thereof.

Provided always that the Insurer shall not be liable under this Extension unless the Insurer has the sole conduct and control of all claims.

9 Libel and Slander

The indemnity provided by Sub-section 1 of this Policy extends to indemnify the Insured in respect of legal liability to pay compensation and claimants costs and expenses in respect of claims made against the Insured during the Period of Insurance arising from any act of libel or slander committed or uttered in good faith by the Insured during the Period of Insurance in the course of the Business.

Provided always that:

- a) the indemnity granted by this Extension shall apply solely to the Insured's in-house and trade publications
- b) the liability of the Insurer under this Extension shall not exceed £250,000 in any one Period of Insurance.

10 Defective Premises Act 1972

The Insurer will indemnify the Insured against liability at law incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises which have been disposed of by the Insured.

Provided always that the Insurer shall not be liable under this Extension:

- a) for the cost of remedying any defect or alleged defect in the said premises
- b) in respect of liability more specifically insured under any other insurance.

11 Cross Liabilities

Where this Policy is issued in the joint names of more than one party it will indemnify each party in the same manner as if a separate Policy had been issued to each of them.

12 Contingent Motor Liability (Non-Owned Vehicles)

The Insurer will indemnify the Insured named in the Schedule and no other for the purpose of this Extension in respect of legal liability for accidental death of or accidental Personal Injury to any person and/or accidental loss of or accidental damage to property as within defined arising out of the use of any motor vehicle not the property of nor provided by the Insured and being used in connection with the Business.

Provided always that the Insurer shall not be liable under this Extension:

- a) in respect of loss of or damage to such vehicle or to goods conveyed therein or thereon
- b) for accidental death of or accidental Personal Injury to any person and/or accidental loss of or accidental damage to material property arising whilst such vehicle is being driven by the Insured or by any person who to the knowledge of the Insured or his 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.
- c) in respect of liability more specifically insured under any other insurance
- d) in respect of liability arising outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

13 Data Protection Act

The Insurer will indemnify the Insured against liability at law incurred by the Insured under Section 13 of the Data Protection Act 1998 in connection with personal data as defined in the said Act held by the Insured.

Provided always that the Insurer shall not be liable for:

- a) the payment of fines and penalties
- b) the cost of replacing, reinstating, rectifying or erasing any personal data.

14 Court Attendance costs

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

- a) any director or partner of the Insured £250
- b) any employee £100

15 Consumer Protection Act 1987 – Legal Defence costs

The Insurer will indemnify the Insured or at the request of the Insured any director or Employee of the Insured against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of Part 11 of the Consumer Protection Act 1987 or any regulations made thereunder committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with the consent of the Insurer in an appeal against conviction arising from such proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of the Insured's Business as within defined
- b) this Extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- c) the Insurer shall not be liable under this Extension
 - i) where the Insured, director or Employee is insured by any other policy of insurance
 - ii) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of the Insured, director or Employee
 - iii) in respect of legal costs and expenses which the Insured, director or Employee may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of the Insured, director or Employee
 - iv) in respect of fines or penalties
 - v) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined
 - vi) unless the Insurer has the sole conduct and control of all claims
- d) The Insured, director or Employee shall give to the Insurer immediate notice of of any summons or other process served upon the Insured, director or Employee and of any event that may give rise to proceedings against the Insured, director or Employee

16 Trials or Demonstrations of any Customer's Vessel

Applicable only where stated in the Schedule.

The Insurer will indemnify the Insured under Sub-sections 1a) and 1b) in respect of liability arising from any Vessel owned by a customer whilst on a trial trip or demonstration.

Provided always that such trial trips are carried out:

- a) within a radius of ten miles of the premises stated in the Schedule or any other premises where the Insured is carrying on the Business within the Territorial Limits
- b) at a speed not exceeding forty five knots
- c) for periods not exceeding four hours any one trial
- d) on Vessels not exceeding the length limit stated in the Schedule.

Provided always that:

- a) these Extensions are subject to the terms, limitations and conditions of the Policy insofar as they can apply
- b) the total liability of the Insurer to pay compensation shall not exceed the Limit(s) of Indemnity.

Clauses

1 Discharge of Liability

The Insurer may at any time pay to the Insured in connection with any claim or series of claims the amount of the Limit(s) of Indemnity (after deduction of sums already paid as compensation in respect of such claim or claims or other relevant claims) or any lesser amount for which such claim or claims can be settled and upon such payment being made the Insurer relinquishes the conduct and control of and be under no further liability in connection with such claim or claims other than the payment of costs and expenses incurred prior to the time of such payment.

2 Moorings Clause

All moorings must be thoroughly examined at least once a year and a full record of such inspections prepared and made available on request.

3 Pollution Clause

This Section excludes all liability in respect of Pollution or Contamination other than caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

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

For the purpose of this Clause 'Pollution or Contamination' shall be deemed to mean:

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

4 Surveys and Inspections Clause

The Insurer may at any time through a duly authorised representative examine the premises, and the Insured shall be bound to give them every facility for so doing. In the event that such examination shall identify any defect or deficiency the Insurer shall notify the Insured of the particulars of such defect or deficiency and shall give the Insured a specified time in which to remedy the same.

5 Terms of Business Clause

Any estimate, tender, indemnity, agreement, contract and acceptance whether verbal or in writing given, prepared or issued by the Insured shall incorporate or draw attention to the terms of business currently sponsored by the British Marine Federation or other such Terms of Business as may have been approved by the Insurer.

6 Terrorism Limitation Clause

The limit of liability payable under this Section in respect of any claim against or by the Insured or series of claims against or by the Insured arising directly or indirectly from terrorism shall be £5,000,000.

- a) any act or preparation in respect of action or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto and which:
 - i) involves violence against one or more persons
 - ii) involves damage to property
 - iii) endangers life other than that of the person committing the action
 - iv) creates a risk to health or safety of the public or a section of the public
 - v) is designed to interfere with or to disrupt an electronic system
- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

In any action or suit or other proceedings where the Insurer alleges that by reason of this Exclusion cover is not provided under this Policy the burden of proving that cover is provided under this Policy will be upon the Insured.

7 Use of Heat Clause

It is a condition precedent to the liability of the Insurer under this Section that the following precautions are complied with on each occasion of the use or application of heat (as defined below) by or on behalf of the Insured taking place elsewhere than on the Insured's own premises.

Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers.

- 1) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a hull, bulkhead, deck, floor, wall or partition, the opposite side of the hull, bulkhead, deck, floor, wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material.
- 2) At least two adequate and appropriate portable fire extinguishers, in proper working order, must be kept in the immediate area of the work being undertaken and used immediately smoke or smouldering or flames are detected.
- 3) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered.
- 4) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use.
- 5) A person must be appointed by the Insured to act as an observer to watch for signs of smoke or smouldering or flames.

Sub- paragraph 5) does not apply to the application of heat by means of blow lamps, blow torches, hot air guns or hot air strippers.

Use of asphalt, bitumen, tar, pitch or lead heaters.

The heating must be carried out in the open in a vessel designed for the purpose and, if carried out on a roof, the vessel must be placed on a non-combustible heat insulating base.

Endorsements

Applicable only where stated in the Schedule.

1 Annual Programme of Events Condition

It is a condition of this Section that the Insured's annual programme of events be forwarded to the Insurer prior to each renewal.

2 Bonfire and Firework Party Condition

It is a condition precedent to all liability of the Insurer that the Insured advises the Insurer of any bonfire or firework party organised by the Insured not less than 14 days before the event and that the Insured adheres to DTI guidelines for the organisers of bonfire and fireworks parties.

3 Buoyancy Aid Warranty

Warranted that a buoyancy aid is worn by any person using a Vessel.

4 Kill-cord Warranty

Warranted that the kill-cord, if fitted to any Vessel, is used whilst the vessel is in operation.

6 Licence Warranty

Warranted that when any Vessel is used for the carriage of passengers the required licence is held and the conditions thereof are complied with.

7 Marine Coastguard Agency (MCA) Licence Warranty

Warranted that the required MCA licence is held and all conditions thereof are complied with.

8 Member to Member Extension

The Insurer will indemnify any officer or member of the Insured in respect of their legal liability to any other officer or member arising out of their activities as a club member, but excluding any liability arising out of the use or navigation of any watercraft not covered under Section H.

Provided always that:

- a) such person is not entitled to indemnity under any other insurance
- b) such person shall as though they were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- c) the Insurer shall not be liable under this Extension unless the Insurer has the sole conduct and control of all claims.

9 Owner skipper warranty

Warranted that the owner or owner's skipper is in charge at all times when the vessel is in use.

10 Rescue Craft Warranty

Warranted that a rescue Vessel is on the water and in attendance at all times when any other Vessel is in use.

11 Royal Yachting Association (RYA) and Adventure Activity Licencing Authority (AALA) Warranty

Warranted that the Insured is RYA approved and licenced under the AALA regulations.

12 Royal Yachting Association (RYA) Warranty

Warranted that the Insured is RYA approved.

13 Skipper Warranty

Warranted a director or employee with a minimum of 3 years experience of skippering a similar vessel on board and in charge whilst the Vessel is in use.

14 Watercraft Exclusion

This Section excludes liability arising from the ownership or use of any watercraft not insured under Section H.

Section H

Marine Hull Material Damage

In the event of loss of or damage during the Period of Insurance to the Vessel directly caused by:

- a) external accidental means, fire and explosion, malicious acts, piracy and barratry
- b) accidents in loading, discharging and handling cargo, stores, gear, equipment, machinery or fuel
- c) latent defects in the Vessel but excluding the cost of replacing, repairing or renewing the defective part
- d) the negligence of any person but excluding:
 - i) the cost of making good any defect in repair, maintenance or alteration work carried out for the account of the Insured resulting from either negligence or breach of contract
 - ii) the cost of remedying a fault or error in design or construction or attributable to betterment or alteration in design or construction
- e) theft of the entire Vessel or any trailer if insured hereunder provided that any trailer has been immobilised or fitted with an anti-theft device whilst left unattended
- f) theft of any outboard motor if attached to the Vessel providing it is securely locked with an anti-theft device in addition to its normal method of attachment
- g) theft of machinery including outboard motors, gear and equipment following forcible entry into the Vessel or place of storage or following forcible removal of fixed gear and equipment from the exterior of the Vessel

the Insurer will pay to the Insured the amount of the damage or at the Insurer's option reinstate or replace such property or any part of it.

In the event of a Total Loss or constructive Total Loss the Insurer will either pay the Agreed Value of the Vessel or provide a replacement Vessel of a similar age, size and type even if the appearance and condition of the Vessel is not the same. In the event of loss of or damage to outboard motors and unspecified boats, the maximum amount payable shall be the market value of the item at the time of loss or damage.

No deduction in respect of new material replacing old will be made except in respect of sails, protective covers, canopies and side screens, running rigging, batteries, outboard motors and unspecified boats or items identified as obsolete or for which parts or a replacement are no longer available or legally compliant.

The amount payable in respect of claims for unrepaired damage shall be the reduction in the market value of the Vessel at the time of the damage, but not exceeding the reasonable cost of repair or replacement. In no case shall the Insurer be liable for unrepaired damage in the event of a subsequent Total Loss.

Definitions

1 Agreed Value

Agreed value shall mean the amount stated in the Schedule as the Sum Insured which represents the value of the Vessel as declared by the Insured and agreed by the Insurer.

2 In Commission

In commission shall mean when the Vessel is fitted out and ready for use.

3 Laid Up Out of Commission

Laid up out of commission shall mean when the Vessel is not fitted out or available for use.

4 Total Loss

Total loss shall mean when the Vessel is irretrievably lost or destroyed. A constructive Total Loss is when the cost of replacement or repair exceeds the Sum Insured.

5 Vessel

Vessel shall mean any craft as described in the Schedule including its hull, machinery, boats, gear, equipment and ship's tools such as would normally be sold with the craft including any additional items stated in the Schedule.

Warranties

1 Territorial Limits Warranty

Warranted not navigating outside the territorial limits stated in the Schedule.

2 Hire or Charter Hire Warranty

Warranted to be used solely for the purposes stated in the Schedule and not for hire, charter hire or reward.

3 Permitted Use Warranty

Warranted that the Vessel is not used for anything other than the permitted use stated in the Schedule.

Extensions

1 Grounding

This insurance covers reasonable costs necessarily incurred in inspecting the Vessel following grounding even if no damage is found.

2 Pollution Hazard

This insurance includes loss of or damage to the Vessel directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Insurer is liable under this Section, provided such act of governmental authority has not resulted from want of due diligence by the Insured, the owners or managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Masters, officers, crew or pilots will not to be considered owners within the meaning of this Extension should they hold shares in the Vessel.

Exclusions

This Section does not cover:

- a) motors, electrical machinery and equipment, batteries and their connections, (but not shaft and propeller) unless caused by malicious acts, sudden accidental incursion of water into the Vessel, dropping off and falling overboard of outboard motor(s), fire in store ashore, theft as in e), f) and g) above, handling accidents as in b) above, stranding, sinking from a peril insured against, fire on board the Vessel, collision or the Vessel being in contact with any external substance (including ice) other than water
- b) sails, protective covers, canopies and side screens split by the wind or blown away unless as a result of the Vessel stranding or being in contact with any external substance (including ice) other than water or as a result of damage to spars to which sails are bent
- c) loss or damage to consumable stores, the Vessel's own moorings or fishing gear, or cargo
- d) wear and tear, (deterioration from use or gradual deterioration)
- e) depreciation, or loss in value following repair
- f) any Vessel's boat not permanently marked with the name of the parent Vessel
- g) loss or damage in respect of fire or explosion where the Vessel is fitted with inboard machinery and the maximum design speed exceeds 20 m.p.h. or 17 knots unless it is equipped with automatic fire extinguishing apparatus in the engine compartment.

Clause

1 Excess Clause

The Insured has agreed to bear the first loss up to the amount stated in the Schedule in respect of each claim except in the case of Total Loss of the Vessel.

Endorsements

Applicable only where stated in the Schedule.

1 Exhibition Cover

This insurance includes any Vessel owned by the Insured whilst on exhibition and in transit thereto and therefrom.

This insurance excludes scratching, bruising, denting and claims for repainting occurring in transit or during loading or unloading.

2 Increased Excess for Underwater Gear

It is agreed that the excess is doubled in respect of claims for loss or damage to the Vessel's propulsion, stability and steering equipment that is under the water.

3 Licence Warranty

Warranted that when the Vessel is used for the carriage of passengers, the required licence is held and the conditions thereof are complied with.

4 Marine Coastguard Agency (MCA) Licence Warranty

Warranted that the required MCA required licence is held and all conditions thereof are complied with.

5 Outboard Retaining Clamps Clause

Clause f) is deleted and the following is substituted:- f)) theft of any outboard motor if attached to the Vessel provided it is securely locked with a purpose manufactured anti-theft device which prevents retaining bolts/clamps being undone in addition to its normal method of attachment.

6 Owner/Skipper Warranty

Warranted that the owner or owner's professional skipper is in charge at all times when the Vessel is in use.

7 Reduced Excess

It is agreed that the excess is reduced to £150 in respect of claims for loss or damage to any outboard motor or Vessel's boat.

8 Skipper Warranty

Warranted a director or employee with a minimum of 3 years experience of skippering a similar vessel on board and in charge whilst the Vessel is in use.

9 Trailer Wheel Clamp Clause

Clause e) is deleted and the following is substituted:- e) theft of the entire Vessel or any trailer if insured hereunder provided that theft of the Vessel whilst on a trailer itself is only covered if the trailer has been fitted with and securely locked with a purpose manufactured wheel clamp whilst left unattended.

10 Transit Clause

This insurance includes road, rail or transit on a 'roll-on, roll-off' vehicle ferry within the limits of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man including loading and unloading but excluding scratching, bruising, denting and claims for repainting.

11 Trials and Demonstrations

This insurance includes trials or demonstrations to prospective purchasers within the operative limits stated in the Schedule.

Section I

Defective Title of Vessels

The Insurer will indemnify the Insured if there is not good title to any Vessel in respect of:

- a) the reasonable expected sale price of any Vessel owned by the Insured and not sold
- b) the sale price of any Vessel that the Insured has sold
- c) the commission or fee received in the case of any Vessel that the Insured has sold for which the Insured has acted as an agent

if either:

- i) the true owner proves a valid claim for the return of the Vessel or its value or
- ii) the purchaser proves a valid claim for damages

during the Period of Insurance within the Territorial Limits provided that the liability of the Insurer shall not exceed in respect of any one claim the purchase price of the Vessel or the Sum Insured stated in the Schedule whichever is the lesser nor in the aggregate in respect of all claims during the Period of Insurance the Sum Insured stated in the Schedule.

Definitions

1 Territorial Limits

Territorial Limits shall mean anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

2 Vessel

Vessel shall mean any watercraft including its hull, machinery, boats, gear, equipment and ship's tools that would normally be sold with it.

Warranty

1 Bill of Sale and Finance Agreements

Warranted that the Insured will obtain the relevant bill of sale and establish details of any finance agreement affecting any Vessel and ensure it is discharged.

Conditions

1 Boatmark Ltd Scheme

If the Insured is a subscriber to the Boatmark Ltd scheme the Insured will make the appropriate inquiry of Boatmark Ltd or their appointed agent in respect of any Vessel bought or sold.

2 Record Keeping

The Insured will keep accurate written records of the purchase transaction for any second hand Vessel.

3 Payments

Payment for any Vessel purchased or allowances for part exchange, given by the Insured, must be by cheque, banker's draft or money transfer or by credit given by the Insured against a new purchase.

4 Ownership Declaration

The Insured will obtain from the vendor of any Vessel, prior to purchasing or agreeing to purchase it, a signed declaration that the vendor is the true owner and that there are no outstanding charges on the Vessel.

Clause

1 Excess Clause

The Insured shall bear the amount shown in the Schedule in respect of each claim.

Section J

Terrorism

In the event of:

- a) DAMAGE by Terrorism to property insured under Applicable Sections
- b) CONSEQUENTIAL LOSS stated in the schedule(s) to Section B1, B2 and B3

the Insurer will pay to the Insured as set out in A and B below:

- i) in respect of a) above the value of the property at the time of DAMAGE or the amount of such DAMAGE or at the Insurer's option indemnify the Insured by reinstatement, replacement or repair provided always that the Insurer's liability will not exceed:

- 1) in the whole the total sum insured
- 2) in respect of any item its sum insured
- 3) any other limit of indemnity stated in the schedule

at the time of the DAMAGE to any provision for reinstatement under Applicable Sections

- ii) in respect of b) above the amount of any CONSEQUENTIAL LOSS following DAMAGE to property used by the Insured at the premises for the purposes of the Business provided always that:

- 1) insurance is in force covering the Insured's interest in the property at the premises against such DAMAGE; and
- 2) payment has been made or liability admitted for such DAMAGE or would have been made for such DAMAGE but for a proviso excluding liability for losses below a certain amount.

The Insurer's liability will not exceed in the whole the total sum insured or in respect of any item its sum insured or any other limit of indemnity stated in the schedule at the time of the DAMAGE.

- A) In the event that Her Majesty's Government or Her Majesty's Treasury or any successor relevant authority issue a certificate certifying an event or occurrence to have been Terrorism or in the event that Her Majesty's Government or Her Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence to have been Terrorism and that refusal is reversed by the decision of a validly constituted tribunal we will provide cover for DAMAGE and/or CONSEQUENTIAL LOSS if requested by the Insured proximately caused by such Terrorism provided always that:

- a) such DAMAGE and/or CONSEQUENTIAL LOSS occurs in England, Wales or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987 and not Northern Ireland, the Isle of Man or the Channel Islands
- b) in any action suit or other proceedings where we allege that any DAMAGE or CONSEQUENTIAL LOSS resulting from DAMAGE is not covered by this Section the burden of proving that such DAMAGE or CONSEQUENTIAL LOSS is covered will fall upon the Insured

- c) the insurance effected by this Section excludes any loss whatsoever:

- i) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities whether war be declared or not, civil war, rebellion, revolution, insurrection or military or usurped power
- ii) directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from DAMAGE to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether property of the Insured or not where such DAMAGE is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack including CONSEQUENTIAL LOSS directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

- d) the insurance effected by this Section excludes:
- i) any type of property which has been specifically excluded under any Applicable Section
 - ii) any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor
- e) save for the exclusions listed in provisos c) and d) above no other exclusions in Applicable Sections will apply. All the other terms and conditions of the said Sections including but not limited to any excess or deductible to be borne by you will apply to the insurance effected by Section A) of this Section except for:
- i) any long term undertaking applying
 - ii) any terms which provide for adjustments of premium based upon declarations on expiry or during the period of insurance contained in Applicable Sections
 - iii) any extension of premises to locations outside England and Wales and Scotland.
- B) In the event that Her Majesty's Government or Her Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence to have been Terrorism and such refusal is upheld by the decision of a validly constituted tribunal Applicable Sections are amended as follows:
- a) The exclusion in respect of Terrorism will not apply in respect of such event or occurrence providing such DAMAGE and/or CONSEQUENTIAL LOSS occurs in England, Wales or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987 and not Northern Ireland, the Isle of Man or the Channel Islands.
- Save for a) above the terms and conditions of Applicable Sections will apply.

Definitions

1 Applicable Sections

Sections A, B1, B2, B3 and E

2 Denial of Service Attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems including but not limited to the generation of excess network traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

3 Hacking

Unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data.

4 Nuclear Installation

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

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

5 Nuclear Reactor

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

6 Terrorism

Any act or 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.

7 Virus or Similar Mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations whether involving self-replication or not including but not limited to trojan horses, worms and logic bombs.

General conditions

1 Material facts

You must tell us if any of the information on which this insurance is based changes. Failure to do so may result in your insurance no longer being valid and claims not met. If in doubt about any change you should disclose it. If your policy is amended as a result of any change, we will be entitled to vary the premium and terms for the rest of the period of insurance. You should keep a record (including copies of letters) of all information supplied to us in connection with this insurance.

2 Reasonable Care

The Insured shall take all reasonable steps to:

- a) protect the Property Insured
- b) comply with statutory enactments Bye-Laws and any other obligations and Regulations imposed by any authority
- c) employ only competent employees
- d) prevent accidents
- e) maintain all ways, works machinery and plant in sound condition.

In the event of the discovery of any defect or danger the Insured shall forthwith cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.

3 Warranties

Every warranty to which this Policy or any item thereof is or may be made subject shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Policy. Non-compliance with any such warranty in so far as it increases the risk of DAMAGE shall be a bar to any claim in respect of such DAMAGE provided that whenever this Policy is renewed a claim in respect of DAMAGE occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period.

4 Alteration

If a change of circumstance after the commencement of the insurance increases the risk of loss injury or damage or the Insured's interest ceases except by will or operation of law this Policy will be voidable unless the Insurer has agreed in writing to accept such alteration.

5 Fraud

If any claim under this Policy is in any respect fraudulent or if any fraudulent means be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

6 Cancellation

This insurance may be cancelled by the insurer at any time subject to 30 days notice to the insured or by mutual agreement, when a pro rata daily return of premium shall be made calculated on the annual premium charged. Subject always to a minimum retained premium of £50.

7 Arbitration

Provided that liability for a claim has been admitted any dispute as to the amount to be paid shall be referred to an arbitrator who shall be appointed by the parties in accordance with the statutory provisions in force at the time and the making of an award shall be a condition precedent to any right of action against the Insurer.

8 Legal Representatives

In the event of the death of the Insured the Insurer will indemnify the Insured's legal personal representatives in respect of liability at law previously incurred by the Insured provided they observe, fulfil and be subject to the Terms, Conditions and Limitations of the Policy insofar as they can apply.

9 Premium Adjustment

If any part of the premium is calculated on estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Insurer to inspect such record. The Insured shall within one month from the expiry of each Period of Insurance furnish to the Insurer such particulars and information as the Insurer may require. The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject always to the minimum premium stipulated.

10 Claims Procedures

a) On the happening of any event which could give rise to a claim you must notify, us or your insurance intermediary, as soon as reasonably possible. Our claims department telephone number is **01273 863400**. You will need to tell us:

- your company name
- the nature and cause of the loss or damage
- any relevant telephone numbers and/or addresses

You must:

- i) as soon as reasonably possible notify the Police in respect of any loss or damage by theft or attempted theft or by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances and malicious persons
- ii) as soon as reasonably possible forward to the Insurer any writ or summons issued against the Insured by a third party
- iii) take action to minimise the loss or damage and to avoid interruption or interference with the Business and to prevent further damage or injury
- iv) at his own expense and within:
 - a) seven days of loss or damage caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons
 - b) thirty days of expiry of the Indemnity Period in respect of Sections B1, B2 and B3
 - c) thirty days of any other loss or damage interruption or interference with the Business or injury or disease

supply full details of the claim in writing to the Insurer together with any evidence and information that may be reasonably required by the Insurer for the purpose of investigating or verifying the claim and (if demanded) a statutory declaration of the truth of the claim and any matters connected therewith

b) No settlement, admission of liability, payment or promise of payment shall be made to a third party without the consent of the Insurer.

11 Insurer's Rights

The Insurer shall:

a) be entitled to take over the defence or settlement of any claim made upon the Insured by any other party and the Insured shall give all assistance as may be reasonably required by the Insurer

- b) have the right to enter the premises where the loss or damage has occurred and to keep possession of any of the Property Insured and to deal with the salvage in a reasonable manner but the Insured shall not be entitled to abandon any property to the Insurer
- c) be entitled to take benefit of any rights of the Insured against any other party before or after the Insured has received indemnification under this Policy and the Insured shall give all assistance as may be reasonably required by the Insurer
- d) at its option indemnify the Insured by payment, reinstatement, replacement or repair in respect of any property lost or damaged or part thereof. If the Insurer elects to reinstate or replace any property they shall not be bound to reinstate or replace 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 of the Items insured more than the sum insured thereon.

12 Contribution

If in the event of a loss, damage or liability under this Policy there shall be in force any other insurance providing cover against such claim:

- a) the liability of the Insurer shall be limited to its rateable proportion of such claim
- b) but which is subject to any provision excluding it from ranking concurrently with this Policy either in whole or in part or from contributing rateably to the claim then the liability of the Insurer shall be limited to such proportion of the claim as the sum insured bears to the value of the property.

13 Payment by Instalments

If you have elected to pay your policy annually, but failed to pay your premium:

- we may refuse your claim or take the balance of any outstanding premium due to us from any claim payment we make to you. This may mean that we fulfil our obligations to any claim against your policy by a third party, but seek full recovery of any sum made under your policy, directly from you. This may include the instruction of solicitors or other recovery agents; and
- we may cancel your policy by sending you seven days' written notice to your last known address. This does not affect our right to collect any outstanding premium from you.

If you have elected to pay your policy monthly, but you have defaulted on a monthly payment, we further reserve the right to cancel your policy in the event that there is a default in instalment payments due under any associated Consumer Credit Agreement. However, we will send you a letter to your last known address and give you 14 days' notice to pay the premium. If you fail to pay or choose to cancel your policy, your refund will be used to pay any sums due under any associated Consumer Credit Agreement.

14 Contractual right of renewal

If you pay the premium to us using our Direct Debit insurance scheme, we will have the right (which we may not use) to renew the policy each year and continue to collect premiums using this method. We may vary the terms of the policy (including the premium) at renewal. If you decide that you do not want us to renew the policy, as long as you tell us before the next renewal date, we will not renew it.

Our right to renew this policy does not affect the cancellation condition detailed on pg 63 condition 6.

15 Law and jurisdiction

Your policy is governed by the law that applies to where you reside within the United Kingdom. If there is any disagreement about which law applies, English law will apply. You agree to submit to the exclusive jurisdiction of the courts of England and Wales. Unless agreed otherwise, we will communicate to you in English.

General exclusions

This Policy does not cover:

1 Civil Commotion in Northern Ireland

DAMAGE or CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of Civil Commotion

2 Date Related Performance and Functionality (Not Applicable to Section F)

loss, destruction or damage, CONSEQUENTIAL LOSS, additional expenditure or extra expenses, legal liability or other fees, costs, disbursements, awards or other expenses of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

- a) the way in which any Data Processing System responds to or deals with or fails to respond to or fails to deal with any true calendar date
- b) any Data Processing System responding to or dealing in any way with
 - i) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates
 - ii) any data not denoting a calendar date or dates as if such data denoted a calendar date or dates

whether such Data Processing System is the property of the Insured or not and whether operating before during or after the Year 2000 but in respect of all insurances other than Public Liability or Products Liability this shall not exclude subsequent loss destruction or damage or CONSEQUENTIAL LOSS, additional expenditure or extra expenses (not otherwise excluded) which itself results from a Defined Peril otherwise covered by this Policy.

Definitions

For the purposes of this Exclusion, the following special meanings shall apply:

'Data Processing System' shall mean any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

'Defined Peril' shall mean 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, theft or attempted theft, earthquake, subterranean fire, storm, tempest, flood, escape of water from any tank apparatus or pipe, impact by any vehicle or by goods falling therefrom or animal.

3 Electronic Risks

- a) DAMAGE caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible including but without limitation any information or programs or software and whether the property is insured or not
- b) CONSEQUENTIAL LOSS directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

but this will not exclude DAMAGE or CONSEQUENTIAL LOSS which results from a Defined Peril including the acts of thieves but excluding the acts of malicious persons which do not involve physical force or violence

Definitions

For the purposes of this Exclusion the following special meanings shall apply

'Denial of Service Attack' shall mean any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems including but not limited to the generation of excess network traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

'Hacking' shall mean unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data.

'Virus or Similar Mechanism' shall mean program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations whether involving self-replication or not including but not limited to trojan horses, worms and logic bombs.

4 Nuclear and War Risks, Government or Public Authority and Sonic Bangs

loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any CONSEQUENTIAL LOSS or any 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 properties of any explosive nuclear assembly or nuclear component thereof
- c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation confiscation requisition seizure or destruction by the government or any public authority
- d) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

5 Terrorism

Applicable only to Sections A, B1, B2, B3, E and H

loss, DAMAGE, CONSEQUENTIAL LOSS, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with:

- a) any act or preparation in respect of action or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto and which:
 - i) involves violence against one or more persons
 - ii) involves damage to property
 - iii) endangers life other than that of the person committing the action
 - iv) creates a risk to health or safety of the public or a section of the public
 - v) is designed to interfere with or to disrupt an electronic system
- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above.

In any action or suit or other proceedings where the Insurer alleges that by reason of this Exclusion cover is not provided under this Policy the burden of proving that cover is provided under this Policy will be upon the Insured.

Our Complaints procedure

We value the opportunity to investigate concerns you may have about our service. We are committed to handling complaints fairly, thoroughly and promptly.

In the first instance, if you have a complaint about your policy or claim, you should contact the insurance advisor acting for you, or you can contact us directly.

If your complaint is about:

- your policy, please call us on 01273 863400
- a claim, please call us on 01273 863450

Or if you prefer, you may write to us. The address to use is:

Navigators and General
PO Box 848
Brighton
BN1 3GQ

You may contact The Financial Ombudsman Service (FOS) at any stage of your complaint. Your legal rights will not be affected.

Next steps if you are not happy with the response provided

We are dedicated to our customers and seek to do what is right, however, sometimes we may not be able to reach an agreement with you. If this is the case, and you remain dissatisfied once you have received our response to your complaint, we will refer your complaint to our Customer Relations Team for a separate review. The Customer Relations Team will contact you to let you know they have received your complaint and when their review is complete, they will provide you with a final response on behalf of Zurich. The Customer Relations Team contact details are as follows:

The Zurich Centre
3000a Parkway
Whiteley
Fareham
Hampshire
PO15 7JY

You can telephone on: 0845 850 6559

Or e-mail: customer_relationsukgi@uk.zurich.com

The Financial Ombudsman Service (FOS)

If we are unable to resolve your complaint to your satisfaction within eight weeks, or if you remain dissatisfied following receipt of our final response letter, you can ask the FOS to formally review your case. You must contact the FOS within six months of our final response.

The FOS contact details are as follows:

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

You can telephone on: 0845 080 1800

Or e-mail: complaint.info@financial-ombudsman.org.uk

This is a free and impartial service and will not affect your legal rights.

The FOS can help with most complaints if you are:

- a private individual
- a business with an annual turnover of less than £1,000,000
- a charity with an annual turnover of less than £1,000,000
- a trustee of a trust with a net asset value of less than £1,000,000.

If you are unsure whether the FOS will look at your complaint please contact them directly for further information.

You are entitled to contact the FOS at any stage of your complaint.

Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Compulsory Insurance is covered in full. Non-compulsory insurance is protected in full for the first £2,000 and then 90% of any amount above £2,000. Further information is available at www.fscs.org.uk or by contacting the FSCS directly on 0207 892 7300.

Navigators and General is a trading name of Zurich Insurance plc.
Underwritten and administered by Zurich Insurance plc.

A public limited company incorporated in Ireland. Registration No. 13460. Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland. UK Branch registered in England and Wales Registration No. BR7985.
UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Authorised by the Irish Financial Regulator and regulated by the Financial Services Authority for the conduct of UK business.
These details can be checked on the FSA's register by visiting their website www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Communications may be recorded or monitored to improve our services and for security and regulatory purposes.