



TRAVELERS 

Public Sector Policy Property Programme

POLICY WORDING

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Property Damage Section

Definitions

In this Section the following terms shall have the following meanings

1. Buildings

The word 'Buildings' shall mean the buildings at the Business Premises and includes

- (a) landlord's fixtures and fittings therein and thereon
- (b) outbuildings annexes and extensions
- (c) walls gates fences canopies and signs
- (d) surfaces and foundations of car parks yards forecourts driveways roads pathways pavements lampposts and other fixed street furniture permanent swimming pools hard tennis courts and other fixed hard standing sports and recreation areas including floodlights
- (e) Services
- (f) Foundations
- (g) all Glass including framework alarm strips or fittings and lettering thereon and Sanitary Ware

2. Damage or Damaged

The words 'Damage' or 'Damaged' shall mean for the purposes of this Section loss or destruction of or damage

3. Data

The word 'Data' shall mean facts concepts and/or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which they are legally responsible

4. Fixed Media

The words 'Fixed Media' shall mean Media integral to Computer and Telecommunication Equipment

5. Glass

The word 'Glass' shall mean flat annealed fixed glass toughened and laminated glass illuminated signs and electric light fittings at the Business Premises

6. In Transit

The words 'In Transit' shall mean whilst in the course of a journey by any means including the process of

- (i) loading and unloading

- (ii) temporarily housing during transit for a period of no more than 30 days (excluding storage at rental or under contract for storage packing and/or distribution)

and concluding when the Property has either been placed at the Premises or receipt acknowledged by a consignee

7. Insured Peril(s)

The words 'Insured Peril' shall mean the perils as described herein and which are operative only if stated in the Schedule

8. Machinery Plant and All Other Contents

The words 'Machinery Plant and All Other Contents' shall include

- (a) fixtures and fittings other than landlord's fixtures and fittings and tenants improvements alterations and decorations
- (b) Services but not where insured under Buildings (or where the designation under which such Property appears in the Named Insured's books would require such Property to be insured under Buildings)
- (c) office equipment other than as described in (g) and (h) below
- (d) deeds plans designs documents manuscripts business books and records (other than property and Programs and/or Data described in (g) and (h) below) but only for their value as materials together with the cost of clerical labour expended in reproducing them and not for the value to the Named Insured of the information contained therein for an amount not exceeding £25,000 in respect of any Event
- (e) patterns models and moulds up to the value as materials and the cost of labour to reinstate them in so far as they are not otherwise insured
- (f) directors' partners' Employees' and visitors' pedal cycles tools instruments and other personal effects up to a limit of £500 per person

but not Stock or Money or other Property Insured specified in the Schedule

Additionally where there is not a Computer All Risks Section forming part of this Policy the words 'Machinery Plant and All Other Contents' shall include

- (g) Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media for their value as materials but not Programs or Data) and Ancillary Equipment
- (h) additionally in the event of accidental loss distortion corruption or erasure of Programs and/or Data recorded on Fixed Media and/or Unfixed Media insured by this Section the

Company will pay the costs necessarily and reasonably incurred by the Named Insured in

- (i) the Reinstatement of Programs and /or the Reinstatement of Data but not for the value to the Named Insured of the Data contained therein

and

- (ii) associated documentation and source materials excluding the value to the Named Insured of the information contained therein

for an amount not exceeding £25,000 in respect of any one claim or claims arising from an Event

but not Stock or other Property Insured specified in the Schedule

9. Media

The word 'Media' shall mean solely the materials on which Data and/or Programs are recorded

10. Premises and Business Premises

The word 'Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the 'Premises Code' shown against it

The words 'Business Premises' shall mean those Premises which the Named Insured own occupy or are responsible for

11. Programs

The word 'Programs' shall mean a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the Named Insured or for which they are legally responsible

12. Property and Property Insured

The words 'Property' and 'Property Insured' shall mean as described in the Schedule and Specification forming part of this Section

13. Reinstatement of Data

The words 'Reinstatement of Data' shall mean the reinstatement of Data following accidental loss distortion corruption or erasure of such Data

14. Reinstatement of Programs

The words 'Reinstatement of Programs' shall mean the reinstatement of Programs following accidental loss distortion corruption or erasure of such Programs

15. Rent

The word 'Rent' shall mean periodic payments made to the Named Insured or by the Named Insured for the lease of Buildings

16. Sanitary Ware

The words 'Sanitary Ware' shall mean wash basins lavatory pans or other sanitary fittings at the Business Premises

17. Services

The word 'Services' shall mean above ground and underground telephone gas water and electric installations oil tanks drains sewers piping ducting cables wires and associated control gear and accessories on the Business Premises and extending to the public mains but only to the extent of the Named Insured's responsibility

18. Stock

The word 'Stock' shall mean stock merchandise goods held in trust materials of trade and finished goods which the Named Insured owns or for which the Named Insured is responsible

19. Unfixed Media

The words 'Unfixed Media' shall mean Media (other than Fixed Media and paper records of any description) owned by or leased hired or rented to the Named Insured

20. Working Hours

The words 'Working Hours' shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

Cover

1. General

If during the Period of Insurance the Property Insured described in the Schedule or any part thereof shall be Damaged by an Insured Peril the Company will pay to the Named Insured the value of the Property or the amount of the Damage at the time of the happening of such Damage in accordance with the Basis of Settlement (or as otherwise provided for herein) or at the Company's option reinstate replace or repair such Property or any part thereof provided that the liability of the Company shall in no case exceed in respect of each insured item the Sum Insured for that item in the Schedule or in the whole the Total Sum Insured

2. Temporary Removal

Subject to the limit specified in the Schedule the insurance on Property Insured by this Section at the Premises is covered whilst temporarily away from the Premises within the Territorial Limits during the Period of Insurance for the purposes of renovation repair service or cleaning

This clause does not cover

- (a) Damage to explosive goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records or Money
- (b) Damage to Property resulting from dishonesty fraudulent actions trick or device or other false pretence of any Employee of the Named Insured
- (c) Property more specifically insured under the Optional Extension Clause — Goods in Transit

3. Mortgagee/Freeholder/Lessor

The interest of the mortgagee/freeholder/lessor in the insurance by this Section shall not be prejudiced by any act or neglect of the Named Insured or occupier of any Building hereby insured whereby the risk of Damage is increased without the authority or knowledge of the mortgagee/freeholder/lessor provided the mortgagee/freeholder/lessor shall immediately on becoming aware thereof give notice in writing to the Company and pay an additional premium if required

4. Non-Invalidation

Notwithstanding General Conditions 1 and 2 and 3 the insurance by this Section 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 Named Insured provided that immediately the Named Insured become aware thereof shall give notice to the Company and pay an additional premium if required

5. Workmen

Workmen are allowed in or about any of the Business Premises for the purpose of carrying out minor alterations minor repairs decorations and maintenance without prejudice to this insurance

6. Architects' Surveyors' Legal and Other Fees

The insurance in respect of Property Insured as specified in the Schedule unless insured by a separate item includes an amount in respect of architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement of the Property Insured consequent upon its Damage by an Insured Peril but not for preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such reinstatement and provided that

- (a) unless (b) below applies the Company's liability for Damage and fees shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (b) where there is a specific item in the Schedule for architects' surveyors' legal and other professional fees the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one Event

7. Automatic Reinstatement

In the absence of written notice by the Company or the Named Insured to the contrary within 30 days of notification of any loss then in consideration of the insurance not being reduced by the amount of any loss the Named 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

8. Capital Additions

The insurance on items specified in the Schedule in respect of Buildings and or Machinery Plant and All Other Contents extends to include

- (a) alterations additions and improvements to Property Insured (but not appreciation in value thereof)
- (b) newly acquired and/or occupied property insofar as the same are not otherwise insured anywhere within the Territorial Limits

Provided that

- (i) at any one situation this cover shall not exceed 15% of the Sum Insured under the relevant item or £5,000,000 in the aggregate whichever is the less
- (ii) the Named Insured shall advise the Company as soon as practicable and in any event within 3 months of any such newly acquired and/or occupied property
- (iii) the Named Insured shall pay to the Company any additional premium due

9. Removal of Debris

The insurance by this Section extends to include costs and expenses necessarily incurred by the Named Insured with the consent of the Company in

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

as a result of Damage by an Insured Peril

Provided that

- (i) The Company will not pay for any costs or expenses
 - (a) incurred in removing debris except from the site of such Property Damaged and the area immediately adjacent to such site
 - (b) arising from the pollution or contamination of property not insured by this Section
- (ii) unless (iii) below applies the Company's liability for Damage and removal of debris costs as insured under this cover clause shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (iii) where there is a specific item in the Schedule for removal of debris the Company will pay for costs or expenses incurred in removing debris only to the extent described in such item in the Schedule and the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one Event

10. European Union and Public Authorities Clause (Including Undamaged Property)

Subject to the following special conditions the insurance in respect of Property as specified in the Schedule 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 Union Legislation or
- (b) Building or other regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority or the Company's requirements to replace in accordance with the current LPC Sprinkler Rules the automatic sprinkler installation which already conforms to the 29th Edition of the LPC rules when installed but fails to conform to subsequent amendments to those rules

(hereinafter referred to as the Stipulations) in respect of

- the Damaged Property thereby insured
- undamaged portions thereof

excluding

- (i) the cost incurred in complying with the Stipulations

- (a) in respect of Damage occurring prior to the granting of this extension
 - (b) in respect of loss destruction or damage not insured by the Section
 - (c) under which notice has been served upon the Named Insured prior to the happening of the Damage
 - (d) for which there is an existing requirement which has to be implemented within a given period
 - (e) in respect of Property entirely undamaged by any peril hereby insured against
- (ii) the additional cost that would have been required to make good the Property Damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
 - (iii) 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

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Company may in writing 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 Company under this extension not being thereby increased
2. If the liability of the Company under (any item of) this Section apart from this extension shall be reduced by the application of any of the terms and conditions of this Section then the liability of the Company under the extension (in respect of any such item) shall be reduced in like proportion
3. The total amount recoverable under any item of this Section in respect of this extension shall not exceed
 - (a) in respect of the Damaged Property
 - (i) 15% of its Sum Insured
 - (ii) where the Sum Insured by the item applies to Property at more than one Business Premises 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Business Premises where the Damage has occurred been wholly destroyed

- (b) in respect of undamaged portions of Property (other than foundations) 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Business Premises where the Damage has occurred been wholly destroyed

- 4. The total amount recoverable under any item of this Section shall not exceed its Sum Insured
- 5. All the terms and conditions of this Section except in so far as they are varied hereby shall apply as if they had been incorporated herein

11. Glass and Sanitary Ware

Insofar as Glass forming part of Property is insured under this Section the amount payable under the relevant Item of Property Insured shall include the costs incurred in

- (a) any necessary boarding up or temporary glazing pending replacement of broken Glass
- (b) removing and re-fixing window fittings or other obstacles to Glass replacement

In respect of Machinery Plant and All Other Contents insured at the Business Premises where Buildings at such Business Premises are not insured the insurance by this Section extends to include should it be the responsibility of the Named Insured the costs incurred in replacing all fixed Glass on the interior and exterior of the Buildings and any Sanitary Ware together with the costs incurred as provided for in (a) and (b) above

The insurance provided under this Section in respect of Glass and Sanitary Ware shall not apply where the responsibility for such costs has been passed by the Named Insured to a tenant occupying the Building

12. Loss of Metered Water and Gas

The insurance by this Section extends to include loss of metered water or gas arising from Damage by an Insured Peril and not otherwise excluded at the Business Premises resulting in a water or gas charge which the Named Insured is unable to recover from any other party

Provided that

- (a) the extent of such loss is determined by measurement from the Water or Gas Authority meter
- (b) the amount payable is in respect of the excess water or gas charges levied by the Water or Gas Authority but shall not exceed £15,000 in respect of any one Event and £75,000 in any one Period of Insurance
- (c) in establishing the amount of such excess charges in paragraph (a) above account shall be made of historic metered usage adjusted as necessary to provide for circumstances in the

Business affecting usage during the relevant period

13. Fire Extinguishing Expenses and Alarm Re-setting Expenses

The insurance by this Section extends to include the costs incurred by the Named Insured in

- (a) recharging replenishing or replacing fire extinguishing appliances
- (b) recharging of gas extinguishing installations including but not limited to FM200 Argon Inergen and CO2 gas extinguishing installations
- (c) refilling sprinkler tanks where costs are metered
- (d) replacing sprinkler heads in automatic sprinkler installations
- (e) resetting fire and intruder alarms and closed circuit television systems

rendered necessary as a result of Damage to Property Insured caused by fire at the Business Premises for which liability is admitted under this Section

14. Keys Clause

(Applicable only if Insured Peril 4 operative)

The insurance by this Section extends to include the reasonable cost of replacement locks or lock mechanisms and keys in respect of doors and windows necessary to maintain the security of the Business Premises and safes and strongrooms contained in the Business Premises

- (a) resulting from any accidental loss
- (b) where there is reasonable evidence that such keys have been copied by an unauthorised person

The Company's liability is limited to £10,000 any one claim or claims arising from an Event

15. Theft Damage to Buildings

(Applicable only if Insured Peril 4 operative)

When Buildings at the Business Premises are not insured by this Section cover extends to include the cost of repairing Damage to the Buildings caused by theft or attempted theft provided the Named Insured is legally liable for such cost and the Damage aforesaid is not otherwise insured

16. Landscaped Gardens

The insurance by this Section shall extend to include the cost of restoring any Damage done to landscaping at the Business Premises caused by the emergency services in entering the Business Premises as a result of any Damage to Property Insured at the Business Premises for an amount not exceeding £15,000 in respect of all claims arising during the Period of Insurance

17. Inadvertent Omission to Insure

The Named Insured having intended to insure with the Company all buildings within the Territorial Limits and the Named Insured's belief is that all such property is insured if hereafter any building shall be found to have been inadvertently omitted the Company will deem such property to be insured within the terms of this Section as if it were insured under the Property Insured item in respect of Buildings subject to payment of the required premium in respect of such property as from the inception of this Section or from the date of the Named Insured's interest in the buildings if erected or purchased after the inception of this Section

Provided that

- (a) at any one situation the Company's limit of liability under this cover clause shall not exceed £5,000,000 any one Event
- (b) such insurance will be for Damage by the Insured Perils stated in the relevant Property Insured Schedule
- (c) at any one situation the limit of liability under this cover clause shall for the purpose of the Underinsurance Condition be added to the Sum Insured on the item of Property Insured in respect of Buildings to which the building relates or in the case of Reinstatement Day One Basis to the Declared Value
- (d) the insurance under this cover clause shall not apply in respect of buildings situate outside of the Territorial Limits
- (e) the insurance under this cover clause shall not apply in circumstances where the Cover Clause 8 Capital Additions applies
- (f) the Named Insured shall undertake and complete a full and thorough review of their buildings portfolio at least once a year to check that insurance has been placed with the Company for all buildings and in respect of any omission discovered the Named Insured shall immediately advise the Company

18. Temporary Removal (Deeds and Documents) Clause

This Section insofar as it applies to deeds and other documents (including stamps thereon) manuscripts plans and writings of every description and books (written and printed) and Unfixed Media on which Data and/or Programs are recorded at the Premises extends to cover such property whilst temporarily removed from the Premises anywhere within the Territorial Limits provided that the Company's limit of liability under this cover clause shall not exceed £25,000 any one Event

19. Other Interested Parties

The interest of other parties in this insurance is noted it being understood that in the event of loss the nature and extent of such other interest will be disclosed to

the Company by the Named Insured in the event of a claim against this Section

It is agreed that where work is carried out at any Business Premises insured by this Section under Clause 22(c) of the JCT Standard form of Building Contract or any similar contract then the contractor and others named in the contract are deemed to be joint insured under this section to the extent required by the contract provided that the Named Insured shall inform the Company as soon as practicable and accept additional terms as the Company may require

20. Loss Prevention and Mitigation Expenditure

The insurance by this Section extends to include the costs and expenses reasonably incurred by the Named Insured in

- (a) preventing or mitigating Damage to Property Insured in the event of imminent Damage by an Insured Peril
- (b) preventing or mitigating further Damage by an Insured Peril to Property Insured after in consequence of actual Damage to Property Insured by an Insured Peril

Provided that

- (i) the impending Damage was not reasonably foreseeable earlier and would be the natural outcome if such costs and expenses were not incurred and
- (ii) the costs and expenses so incurred did prevent or mitigate the Damage
- (iii) the Company's limit of liability under this cover clause shall not exceed in respect of all claims arising during the Period of Insurance 10% of the sum insured on the specific Building or other Property Insured the subject of the loss reduction expenditure and £100,000 in the aggregate during the Period of Insurance

21. Drains and Gutters

The insurance by this Section extends to include costs and expenses necessarily incurred by the Named Insured in clearing drains sewers and gutters the property of the Named Insured or for which they are responsible at Business Premises following Damage to Property Insured by an Insured Peril

Provided that the Company's liability for Damage and such costs shall not exceed in total the Sum Insured in respect of the relevant insured item of Property Insured at the Business Premises

22. Alternative Accommodation

Notwithstanding anything contained in this Section insofar as it is the responsibility of the Named Insured as lessor to any lessee the insurance by this Section in respect of Property Insured being Buildings comprising private dwelling houses bungalows maisonettes flats and their domestic outbuildings and garages extends to include the reasonable additional

cost of comparable alternative accommodation (including kennelling costs for pets) necessarily incurred by the lessee of such Buildings in the event of their being uninhabitable due to Damage by an Insured Peril but only in respect of the period necessary for Reinstatement as defined in the Reinstatement Basis of Settlement

Provided that

- (a) the Business Premises are not insured in respect of loss of rent receivable under the Business Interruption Section
- (b) the Company's liability under this cover clause shall not exceed in the aggregate in respect of all claims during the Period of Insurance at any one situation 20% of the Sum Insured applicable to the Buildings of the Business Premises so Damaged

23. Theft of Building Parts

In respect of Damage by Insured Peril 4 where operative the cover provided by this Section shall extend to include Damage caused by forcible and violent theft or attempted theft of an external part of the building at the Business Premises and or anything attached to it

Provided that

- (a) the building and or property attached to it sustaining such Damage is insured by this Section in respect of Insured Peril 3
- (b) the cover provided by this clause 23 of the Cover shall not apply in respect of
 - (i) any building that has been unoccupied for a period of more than thirty consecutive days at the time such Damage occurs
 - (ii) any building that has scaffolding erected to the outside of the building at the time when such Damage occurs
- (c) the Company's liability under this clause 23 of the Cover shall not exceed £100,000 any one Event and in any one Period of Insurance
- (d) the Named Insured shall be responsible for the first £2,500 in respect of each claim or claims arising from an Event or the Deductible shown in the Schedule (whichever is the greater amount)

24. Trace and Access

The insurance by this Section extends to include costs necessarily and reasonably incurred with the consent of the Company in locating the source of any escape of water from any fixed domestic water services or heating installation or escape of fuel oil including subsequent repair to walls floors or ceilings provided that

- (a) the insurance under this clause 24 of the cover shall not apply in respect of the cost of repairs to any fixed domestic water services or heating installation
- (b) the Company's limit of liability under this clause 24 of the cover clause shall not exceed £25,000 in respect of any one Event and £100,000 in any one Period of Insurance

Insured Perils

The following Insured Perils apply only if stated in the Schedule

1. Fire lightning explosion earthquake but excluding Damage
 - (a) to that part of the Property caused by its own spontaneous fermentation or heating or its undergoing any heating or any process involving the application of heat
 - (b) caused by the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Named Insured
2. Aircraft or other aerial devices or articles dropped therefrom excluding Damage by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
3. Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons excluding
 - (a) Damage arising from confiscation requisition or destruction by order of the government or any public authority
 - (b) Damage arising from cessation of work
 - (c) Damage by theft or attempted theft directly caused by malicious persons not acting on behalf of or in connection with any political organisation
4. Theft or attempted theft of Property Insured
 - (a) from the buildings (but not grounds) at the Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days
 - (b) away from the Premises (where the insurance so provides) in the following circumstances
 - (i) from or on an unattended vehicle or trailer during Working Hours where all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property has been placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and additionally if out of Working Hours such vehicle or trailer is garaged in a securely closed and locked building or compound
 - (ii) from or on an unattended soft topped open topped or open sided vehicle or trailer where also involving theft of the vehicle or trailer
 - (iii) where Property is otherwise left unattended (which term shall mean that the Named Insured or any person to whom the Named Insured has entrusted the Property Insured into their care custody and control is unable to exercise control over or otherwise unable to influence events affecting the Property) where contained in a locked building of substantial construction or in a secure locked room
5. Accidental escape of water from any automatic sprinkler installation excluding Damage resulting from explosion earthquake or heat caused by fire
6. Breakage or collapse of radio and television receiving aerials aerial fittings and masts
7. Escape of oil from any fixed oil fired heating system including any resulting loss of oil
8. Impact by any road vehicle or animal
- 9A. Storm excluding Damage
 - (a) caused by
 - (i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
 - (ii) inundation from the sea

whether resulting from storm or otherwise
 - (b) resulting from frost subsidence ground heave or landslip
 - (c) to fences gates and moveable property in the open
- 9B. Storm or flood excluding Damage
 - (a) attributable solely to change in water table level
 - (b) resulting from frost subsidence ground heave or landslip
 - (c) to fences gates and moveable property in the open
 - (d) resulting from escape of water from any tank apparatus or pipe
10. Escape of water from any tank apparatus or pipe excluding Damage caused by water discharged or leaking from any automatic sprinkler installation
11. Subsidence or ground heave or landslip of any part of the site on which the Property stands subject to the Special Condition below and excluding Damage

- (a) to yards car parks roads pavements walls gates and fences and any similar or other property outside the confines of any building within the Business Premises to the extent that such property is insured unless also affecting a building within the same Business Premises insured
- (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
 - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (c) which originated prior to the inception of this insurance
- (d) resulting from
 - (i) demolition construction structural alteration or repair of any Property
 - (ii) groundworks or excavation
 at the same Premises
- (e) the Deductible stated in the Schedule and which shall apply to each separate Premises as ascertained after the application of any Underinsurance Condition

Special Condition

In so far as this insurance relates to Damage caused by or consisting of subsidence ground heave or landslip this Section shall be avoided if the risk of such Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

12. Any other accidental breakage of Glass and Sanitary Ware excluding Damage
- (a) by any of the Insured Perils listed in 1-11 whether included in the Cover or not or by any of the causes expressly excluded from these Insured Perils
 - (b) to items already cracked at the start of the Period of Insurance
 - (c) resulting from alterations or repair to the Premises
 - (d) consisting of scratching or chipping

- (e) to Glass which is bent tinted stained and fired or special glass unless specifically noted by the Company

13. Any other accidental cause excluding Damage

- (a) by any of the Insured Perils listed in 1-12 whether included in the Cover or not or by any of the causes expressly excluded from these Insured Perils
- (b) to a building or structure caused by its own collapse or cracking
- (c) to that part of the Property resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
- (d) caused by or consisting of
 - (i) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - (ii) faulty or defective workmanship operational error or omission on the part of the Named Insured or any Employee

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded

- (e) (i) caused by or consisting of
 - (a) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity or action of light
 - (b) change in temperature colour flavour texture or finish
 - (c) the freezing solidification or inadvertent escape of molten material

but this shall not exclude

- A. such Damage as described in paragraphs (e)(i)(a) to (e)(i)(c) above which itself results from another cause not otherwise excluded
- B. other subsequent Damage which itself results from a cause not otherwise excluded

- (ii) consisting of breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates but this shall not exclude

- (a) such Damage as described which itself results from another cause not otherwise excluded
 - (b) subsequent breakdown or derangement to surrounding property not forming part of the same machine apparatus or equipment
 - (c) other subsequent Damage which itself results from a cause not otherwise excluded
- (iii) consisting of joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers super heaters pressure vessels or any range of steam and feed piping in connection therewith but this shall not exclude
- A. such Damage as described which itself results from another cause not otherwise excluded
 - B. other subsequent Damage which itself results from a cause not otherwise excluded
- (f) caused by the impact of any watercraft

Conditions

1. Fire Precautions (applicable only if the devices described therein are installed at the Business Premises)

The Named Insured shall ensure that in respect of

- 1. Fire Break Doors and Shutters**
all fire break doors and shutters will be kept closed (except during working hours) and will be maintained in efficient working order
- 2. Fire Extinguishing Appliances**
all fire extinguishing appliances will be regularly inspected and maintained in efficient working order
- 3. Fire Alarm Installations and Automatic Sprinkler Installations**

the Named Insured shall

- (a) take all reasonable steps to
 - (i) prevent frost and other damage to the installations
 - (ii) subscribe to an annual maintenance contract to ensure the automatic sprinkler and fire alarm installation (internal and external) are in operational condition
 - (iii) maintain ready access to the water supply control facilities
- (b) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (c) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (d) make a test every week for the purpose of ascertaining that the Alarm Gong is in working order and that the Stop Valves controlling the individual water supplies and the Installation(s) are fully open
- (e) make quarterly or half-yearly tests if required by the Company to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- (f) make a test at least once a week for the purpose of ascertaining the condition of (i) Brigade connection and (ii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

N.B. 1 - As regards (i) where the Fire Brigade has given a written undertaking to carry out this test the Named Insured's responsibility will be confined to requirement (ii)

N.B. 2 - Where the circuit concerned in (i) is not continuously monitored the aforesaid test is to be carried out every weekday (weekends and public holidays excepted)

- (g) make a test every weekday (weekends and public holidays excepted) for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit

N.B. 3 - Where the circuit between the alarm switch and the control unit is continuously monitored or the circuit is such that one break of wires will not prevent an alarm signal being transmitted (e.g. a ring circuit) this test need not be made

- (h) remedy promptly any defect revealed by the above tests
- (i) give notice to the Company in relation to any automatic sprinkler installation if
 - (i) its water supply be turned off
 - (ii) it becomes inoperative from any cause except for the purpose of testing maintenance or repair
- (j) display at each sprinklered storage area a notice of the terms agreed with the Company which specifies
 - (i) the description of the goods which may be stored
 - (ii) the maximum height of storage
 - (iii) the minimum permitted clearance between goods stored and the sprinkler deflectors

and comply with the terms of the notice

If alterations or repairs to the automatic sprinkler installation become necessary to ensure its full and effective operational capability the Company may at its option suspend any cover which is granted against Damage to the Property Insured by Insured Peril 5 where operative until the alterations or repairs have been carried out and approved by the Company

2. Theft Precautions — Business Premises
The Named Insured shall ensure that

- 1) all security devices (other than Intruder Alarm) including locks fastenings shutters and other methods of securing access to the Business

Premises are in full and effective operation and keys removed from the Business Premises whenever same is closed for business

- 2) where the Company have required an Intruder Alarm to be installed or if an Intruder Alarm is already installed on the Business Premises
 - (a) the Intruder Alarm must be maintained in an efficient and operational condition at all times and in accordance with its installation specification or as otherwise approved by the Company
 - (b) a maintenance service contract with the installation company or as otherwise approved by the Company must be in force and the maintenance company immediately advised of any apparent defect in the Intruder Alarm or its signalling
 - (c) the Intruder Alarm shall be put into full and effective operation at all times in respect of 24 hour designated circuits and otherwise the Business Premises must not be left unattended unless
 - (i) the Intruder Alarm is put into full and effective operation including where the equipment permits any central station to which the Intruder Alarm is connected acknowledging the setting signal
 - (ii) the Intruder Alarm is regularly tested and is in full and efficient working order
 - (d) immediate written notice shall be given to the Company if the Named Insured receives from the Police or security organisation warning of a possible or intended withdrawal of response to calls from the Intruder Alarm or of a reduced response level

The insurance provided under this Section does not cover Damage caused by theft or attempted theft from the Business Premises other than by robbery or attempted robbery where Police response to alarm activation is withdrawn unless written agreement has been obtained from the Company that such insurance remains operative

The words 'Intruder Alarm' include detection devices sensors detection circuit control and processing equipment power supplies audible and remote signalling including ancillary telecommunication systems

3. Underinsurance

The Sum Insured by each item of this Section is declared to be separately subject to an Underinsurance Condition The Underinsurance Condition applicable is dependant upon which Basis of Settlement applies and is detailed therein

4. Unoccupancy

The Named Insured shall notify the Company in writing as soon as is reasonable when any Building or part thereof becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when an unoccupied Building or part thereof becomes occupied

5. Explosion

In respect of any vessel machinery or apparatus or its contents belonging to or in the custody or control of the Named Insured for which they are responsible cover against destruction or damage thereto caused by an explosion originating therein is subject to a policy or other contract providing an inspection service that complies with the statutory regulations applying in respect of such vessel machinery or apparatus

6. Claims Conditions

(a) Contracting Purchaser's Interest

If at the time of Damage the Named 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 otherwise insured against such Damage by him or on his behalf) shall be entitled to benefit under this Policy without prejudice to the rights and liabilities of the Named Insured or the Company until completion

(b) Subrogation Waiver

In the event of a claim arising under this Section the Company agrees to waive any rights remedies or relief to which they might become entitled by subrogation against any company

(i) standing in the relation of parent to subsidiary to the Named Insured

(ii) standing in the relation of subsidiary to parent to the Named Insured

(iii) which is a subsidiary of a parent company of which the Named Insured is a subsidiary

in each case as defined by current legislation

(c) Contract Price

In respect only of goods sold but not delivered for which the Named Insured is responsible and with regard to which under the conditions of the sale the sale contract is cancelled by reason of Damage either wholly or in part the liability of the Company shall be based on the contract price and for the purpose of the Underinsurance Condition the value of all goods to which this Clause would in the event of Damage be applicable shall be ascertained on the same basis

(d) Reinstatement

If any Property is to be reinstated or replaced by the Company the Named Insured shall at his own expense provide all such plans documents books and information as may reasonably be required. The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured.

(e) Company's Rights following a Claim

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Company's rights under this Policy enter take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner.

No Property may be abandoned to the Company whether taken possession of by the Company or not.

7. Designation

Where necessary the item heading under which any Property is insured shall be determined by the designation under which such Property appears in the Named Insured's books.

8. Programs and Data

The Named Insured shall

- (a) take all reasonable precautions to prevent accidental loss distortion corruption or erasure of Programs and/or Data
- (b) in respect of Programs maintain a backup copy of the current version at a location other than the respective Premises where the Media on which the Programs are recorded is situated
- (c) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Premises where the Media on which the Data is recorded is situated

Basis of Settlement

The amount payable for each Item of Property stated in the Schedule will be in accordance with one of the following Basis of Settlements defined below for which a Code is shown beside that Item in the Schedule or the Company at its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

1. Indemnity — Code: INDTY

Subject to the following Special Provision the Company will pay the value of the Property at the time of its Damage or the amount of such Damage whichever is the lesser

Special Provision

- (a) **Underinsurance Condition**
If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the total value of the Property covered within such Sum Insured the amount payable by the Company in respect of such Damage will be proportionately reduced and the Insured considered to be their own insurer for the difference

2. Reinstatement — Code REINS

Subject to the following Special Provisions the basis upon which the amount payable in respect of the Property Insured is to be calculated will be Reinstatement of the Property Damaged

For this purpose Reinstatement means

- (a) the rebuilding or replacement of Property sustaining Damage which provided the liability of the Company is not increased may be carried out
- (i) in any manner suitable to the requirements of the Named Insured
 - (ii) upon another site
- (b) the repair or restoration of Property Insured lost or damaged

in either case to a condition equivalent to or substantially the same as but not better than or more extensive than its condition when new

Special Provisions

- (a) **Repairs and Restoration**
The liability of the Company for the repair or restoration of Property Insured sustaining Damage in part only shall not exceed the amount which would have been payable had such Property been entirely destroyed
- (b) **Underinsurance Condition**
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 Insured covered by any Item to which

this Basis applies exceeds its Sum Insured at the commencement of Damage the amount payable by the Company will not exceed that proportion of the amount of such Damage which the said Sum Insured compares to the total cost of reinstating the whole of such Property Insured at that time

(c) Alternative Basis of Payment

Even where this Reinstatement Basis of Settlement applies the amount payable will be in accordance with the Indemnity Basis

- (i) unless reinstatement commences and proceeds without unreasonable delay
- (ii) until the cost of reinstatement has been incurred
- (iii) if the Property at the time of its loss or damage is insured by any other insurance taken out by or on behalf of the Named Insured which is not written on the same basis of reinstatement as defined

3. Day One Reinstatement — Code: DAY 1

Subject to the following Special Provisions the basis on which the amount payable for the Property Insured Damaged will be calculated is the same as the Reinstatement Basis of Settlement except that special provision 2(b) Underinsurance Condition is restated as follows

If at the time of Damage the Declared Value of the Property Insured covered by such Item is less than the cost of reinstatement at the time cover on this Basis is taken out then the Company's liability for the Damage will not exceed that proportion of the Damage which the Declared Value bears to such cost of reinstatement

Special Provisions

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company
- (b) Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for
- (i) Removal of Debris
 - (ii) Professional Fees
 - (iii) complying with Public Authority Requirements
- (c) At the commencement of each Period of Insurance the Insured will notify the Company of the Declared Value of the Property Insured by

each item In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance

- (d) The Declared Value for each item of Property insured in accordance with this Basis of Settlement is the amount shown in the brackets below the Sum Insured in respect of each item on the Property Damage Specification
- (e) In the event of loss the liability of the Company in respect of Property insured in accordance with this Basis of Settlement will not exceed
 - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Schedules

or

 - (ii) if special provision 2(c) of the Reinstatement Basis (the Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedules

Underinsurance Condition

If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the Insurable Amount the amount payable by the Company in respect of such Damage will be proportionately reduced

4. Rent — Code: RENT

In respect of Rent of Buildings which suffer Damage the Company will pay

- (a) if the loss relates to rent receivable by the Named Insured and where insured by the relevant item in the Schedule
 - the actual reduction in rent received solely in consequence of the Damage but not reduction in rent once the Building or portions of the Building become fit for occupation
- (b) if the loss relates to rent payable by the Named Insured and where insured by the relevant item in the Schedule
 - the amount of rent which continues to be payable by the Insured in respect of the Building or portions of the Building which are unfit for occupation in consequence of the Damage

but the Company's liability will be limited to the loss suffered within the period of rent insured (as specified in the Schedule) which commences from the date of the Damage

Subject to the following Provisions**Insurable Amount**

For the purpose of the Underinsurance Condition the Insurable Amount is the annual rent receivable or the annual rent payable at the commencement of the Period of Insurance such amount to be proportionately increased to correspond with the period of rent insured where that period exceeds twelve months

Exclusions

The insurance provided under this Section does not cover

1. Damage caused by pollution or contamination but this shall not exclude Damage to Property Insured not otherwise excluded caused by
 - (a) pollution or contamination which itself results from any of Insured Perils 1-11 hereby insured against
 - (b) any of the Insured Perils 1-11 hereby insured against which itself directly results from pollution or contamination
2. Damage to Property Insured in or on soft topped open topped or open sided vehicles or trailers (to the extent that the insurance by this Section would otherwise apply) if caused by
 - (a) storm tempest water hail frost or snow
 - (b) malicious persons when the vehicle or trailer is left unattended out of Working Hours
3. Damage caused by or consisting of
 - (a) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
 - (b) disappearance unexplained or inventory shortage misfiling or misplacing of information
4. Damage in respect of any Building (and or to property within) which is unoccupied for a period of more than thirty consecutive days other than Damage caused by any of the Insured Perils 1 and 2 hereby insured against subject to the following Special Condition

Special Condition

Notwithstanding General Condition 1 it is a condition precedent to liability under the Policy that

- (a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows shall be fitted with good quality locks
- (b) all services to be disconnected other than limited services required for security guards fire and burglar alarms unless otherwise agreed by the Company in writing
- (c) all letter boxes shall be sealed to prevent insertion of material
- (d) perimeter fences walls and gates shall be kept complete and maintained

- (e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage
 - (f) vegetation surrounding such unoccupied buildings shall be kept down
 - (g) the Business Premises shall be inspected thoroughly internally and externally at least once every seven days (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay
5. Damage in respect of
 - (a) Money
 - (b) Stock In Transit unless specifically mentioned as insured by this Section
 6. Damage in respect of
 - (a) vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - (b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - (c) land piers jetties bridges culverts or excavations
 - (d) livestock growing crops or trees or other growing vegetationunless specifically mentioned as insured by this Section
 7. 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
 8. loss distortion corruption or erasure of Programs and/or Data recorded on Media unless such accidental loss distortion corruption or erasure of Programs and/or Data itself results from other Damage to Property Insured and is not otherwise excluded
 9. any property more specifically insured by or on behalf of the Named Insured
 10. consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this Section

11. Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000
- (a) correctly to recognise any date as its true calendar date
 - (b) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - (c) to capture save retain or correctly process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after such date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from any of the Insured Perils 1 2 3 4 7 8 9 and 10 hereby insured against where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure

12. Damage to any Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media) and Ancillary Equipment Programs and Data where there is a Computer All Risks Section forming part of this Policy
13. Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from any of the Insured Perils 1 5 and 10 hereby insured against
14. Damage to Property outside the Territorial Limits (where the insurance on any Property Insured item so applies) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America
15. Damage in respect of jewellery precious stones precious metals bullion furs curiosities works of art or rare books unless specifically mentioned as insured by this Section

