



MRL

Tailored Insurance

**Leisure & Sports Equipment Insurance
Policy**

MRL

Tailored Insurance

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Tailored Insurance

The Insurance Contract

This **Policy** is a contract of insurance between **You** and **Us**.

The following are elements for the contract of insurance between **You** and **Us**. Please read them carefully and if they require any amendments please return them to **Your** broker for correction. Keep the **Policy** safe in case **You** need to refer to it.

- **Your Policy;**
- The **Schedule**;
- Endorsements.

It is important that **You**:

- check that the Sections **You** have requested are included in the **Schedule**;
- check that the information **You** have given **Us** is accurate;
- comply with **Your** duties under each Section and the insurance as a whole.

The Agreement

This contract of insurance is between **You** and **Us** (certain **We** at Lloyd's). **We** bind **Ourselves**, and **Our** (Executors and Administrators) for 100% proportion of the risk in the event of loss, destruction or damage as defined herein and not jointly with any others.

We are authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. Registration number 312636.

Other details can be found on the Financial Services Register at www.fca.org.uk

You or **Your** representative can obtain the name of each of **Us** and **Our** respective shares by applying to:
Market Services, Lloyd's, One Lime Street London EC3M 7HA

This insurance is not operative unless the Policy Schedule is signed and dated by and authorised person and is attached to this policy wording

Tailored Insurance

Conformity

In this **Policy** **You** will find that some items can be singular or plural, feminine or masculine. This clause is designed to correct this. Words in the singular shall include the plural and vice versa. Words importing the masculine will import the feminine and the neuter. References to 'a person' will also include any individual, company, partnership, or any other legal entity. References to a statute law also includes all its amendments or replacements.

Information You have given Us

In deciding to accept this **Policy** and in setting the terms and premium, **We** have relied on the information **You** have given **Us**.

You must take care when answering any questions **We** ask by ensuring that all information provided is accurate and complete.

If **We** establish that **You** deliberately or recklessly provided **Us** with false or misleading information **We** will treat this **Policy** as if it never existed and decline all claims.

For example, **We** may:

- treat this **Policy** as if it had never existed and refuse to pay all claims and return the premium paid. **We** will only do this if **We** provided **You** with insurance cover which **We** would not otherwise have offered;
- amend the terms of **Your** insurance. **We** may apply these amended terms as if they were already in place if a claim has been adversely impacted by **Your** carelessness;
- charge **You** more for **Your** **Policy** or reduce the amount **We** pay on a claim in the proportion the premium **You** have paid bears to the premium **We** would have charged **You**;
- cancel **Your** **Policy** in accordance with **Our** Cancellation Rights below.

We or **Your** insurance broker will write to **You** if **We**:

- intend to treat **Your** **Policy** as if it never existed; or
- need to amend the terms of **Your** **Policy**; or
- require **You** to pay more for **Your** insurance.

If **You** become aware that information **You** have given **Us** is inaccurate, **You** must inform **Your** broker as soon as practicable.

How We collect data

You should understand that any information **You** have given **Us** will be processed by **Us**, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims or complaints, if any, which may necessitate providing such information to other parties.

Law and Jurisdiction

You and **We** are free to choose the court jurisdiction applicable to this contract of insurance. Unless specifically agreed to the contrary this contract of insurance will be governed by the laws of England and Wales and the jurisdiction of the courts of England.

Other Parties

A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Sanctions

We shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

Your Duties

You shall:

- a) take all precautions to prevent any **Occurrence** which may give rise to a valid claim under this **Policy**;
- b) take all precautions to comply with all statutory requirements and regulations imposed by any Authority;
- c) as a **Condition Precedent** to **Your** right to be indemnified under this **Policy**, **You** must not waive any **Subrogation** rights against a third party written or prior written consent;
- d) give **Us** immediate notice in writing of any **Occurrence** which may give rise to a valid claim under this **Policy**;
- e) **You** shall also, as a **Condition Precedent** to **Your** right to be indemnified under this insurance, immediately take all steps to prevent further damage or injury arising out of an **Occurrence** at his own expense, such expense shall not be recoverable hereunder.

Information about Words with Special Meanings

Conditions Precedent

There are conditions within the **Policy** that are **Conditions Precedent** to **Our** liability. If **You** breach any of the **Conditions Precedent** this may render **Your** claim null and void or reduce the amount payable or **We** may treat this insurance as though it never existed.

You may find a **Conditions Precedent** applies only to a particular **Policy** Section in which case it will be shown under that Section.

Your Cancellation Rights

Cooling off Period

- **You** have the statutory right to cancel **Your Policy** within 14 days of the purchase or renewal of the contract or the day **You** receive the **Policy** or renewal documentation, whichever is the later.
- **We** will return the premium in full if cancellation occurs within the 14 day period.
- No refund of premium will be given in the event of a claim either in whole or in part.

If **You** wish to cancel **Your** policy after cooling off period

- **You** can cancel the **Policy** at any time, during the first 14 days and the Cooling Off Period terms above apply.
- To cancel the **Policy** after the Cooling Off Period **You** will need to contact **Your** broker who arranged the insurance for **You**.
- **You** are entitled to a return of premium which will be based upon the length of time remaining for the **Period of Insurance**, less a deduction for any administration costs in providing this insurance. The amount is shown in the **Schedule**.
- **You** will be entitled to a refund of any premium paid, subject to a deduction for any time for which **You** have been covered. This will be calculated on a proportional basis for example, if **You** have been covered for six (6) months, the deduction for the time **You** have been covered will be half the annual premium.

If **We** pay any claim, in whole or in part, then no refund of premium will be allowed.

Our Cancellation Rights

We can cancel this insurance by giving **You** thirty (30) days notice in writing.

We will only do this for a valid reason (examples of valid reasons are as follows):

- non payment of premium;
- a change in risk occurring which means that **We** can no longer provide **You** with insurance cover;
- non-cooperation or failure to supply any information or documentation **We** request; or
- threatening or abusive behaviour or the use of threatening or abusive language.

If this insurance is cancelled then, provided **You** have not made a claim, **You** will be entitled to a refund of any premium paid, subject to a deduction for any time for which **You** have been covered. This will be calculated on a proportional basis.

We will either cancel the insurance by contacting **Your** broker who placed the cover for **You** or by sending **You** a letter to **Your** last known address.

The Consumer Insurance (Disclosure and Representations) Act 2012 sets out situations where failure by **You** to provide **Us** with complete and accurate information as **We** require allow **Us** to cancel the **Policy**, sometimes back to its start date and to keep any premiums paid.

Claims Procedure

How to Make a Claim

You must comply with the following conditions. If **You** fail to do so, **We** may not pay **Your** claim, or any payment could be reduced.

As soon as practicable **You** must notify **Your** broker or the claims handling company as noted below:

1. giving full details of what has happened;
2. provide any other required information;
3. forward as soon as practicable, any letter, claim, writ, summons or other legal document **You** receive if a claim for liability is made against **You**;
4. inform the Police as soon as practicable following any loss caused by malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property;
5. not admit liability or offer or agree to settle any claim without **Our** written permission;
6. take all care and necessary measures to reduce the loss to limit any loss, **Damage or Injury**;
7. provide evidence of value or age (or both) if required;
8. retain ownership of **Your** property at all times. **We** will not take ownership of, or accept liability for, any of **Your** property unless **We** agree with **You** in writing in advance to do so;
9. it is **Your** responsibility to prove **Your** loss and retain receipts, photographs and guarantees where practicable.

How We deal with Your claim:

Basis of Settlement

Some Sections of the **Policy** contain the Basis of Settlement that will apply to that particular Section. These will tell **You** how **We** settle any claim. **You** shall not be entitled to abandon any property to **Us**.

Consent

No admission, offer, promise, payment or indemnity shall be made or given by or on **Our** behalf without **Our** written consent. **You** shall give such assistance in dealing with claims and the conduct of legal proceedings arising therefrom, as **We** or **Our** chosen legal advisers and consultants may reasonably require.

Defence of Claims

We may, at **Our** discretion:

- take full responsibility for conducting, defending or settling any claim in **Your** name; and
- take any action **We** consider necessary to enforce **Your** rights or **Our** rights under this insurance.

Fraudulent Claims

If **You**, or anyone acting on **Your** behalf, make a claim knowing it to be false or fraudulent in amount or in any other respect this insurance will become invalid. This means **We** will not pay the false or fraudulent claim, or any subsequent claim.

Other ways We might deal with Your claim

Some Sections may have other details about claims for example:

- reporting, basis of settlement.

You must read them carefully in case there are conditions that **You** must adhere to.

Other Insurance

Sometimes what is covered under one insurance policy may also be covered under another insurance policy. For example, the cover or maybe some of the cover is insured under this **Policy** could also be insured under another policy that **You** have. If it is insured under two or more policies **We** will either pay the full claim and claim half of this back from **Your** other insurance policy. Alternatively, **We** will pay only half of the claim and **You** can claim the other half back from **Your** other insurance policy.

Our Rights after a claim

Upon the happening or discovery of any occurrence **We** may enter and take possession of or require **You** to deliver to **Us** the **Property Insured** which **We** will deal with in a manner without incurring liability or reducing **Our** rights.

We will not pay for damage if **You** or anyone acting on **Your** behalf does not comply with **Our** requirements or hinders or obstructs **Us**.

We shall have the right at any time to take full control of the investigation, adjustment and settlement of any claim notified and

We may appoint any other person or persons to act on **Our** behalf for such purpose and any settlement agreed either before or after indemnification.

Subrogation

If **We** become liable for any payment for a loss, **We** shall be subrogated to the extent of such payment to all the rights and remedies of **Yours** against any party for such loss and **We** shall be entitled, at **Our** own expense, to sue in **Your** name. **You** shall give **Us** all such assistance in **Your** power as **We** may require to secure **Our** rights and remedies either before or after indemnification.

Arbitration

If there is a dispute between **You** and **Us** this can be settled independently. If a dispute goes to arbitration it is settled by an independent referee who is referred to an Arbitrator who is appointed by **You** and **Us** in accordance with the Statutory provisions being in force at that time. This avoids having to use the courts to settle the dispute. Going to arbitration does not affect **Your** statutory rights.

Complaints Procedure

How to complain

We are dedicated to providing a high quality service and **We** want to ensure that **We** maintain this at all times. If there is an occasion when service does not meet **Your** expectations in the first instance please contact:

The Compliance Officer,
Syndicate 1110 @ Lloyd's
Level 7, Building 1 Minster Court,
Mincing Lane,
London. EC3R 7DD.

In the first instance, **We** will review **Your** complaint and hope to resolve the matter. **We** will investigate the circumstances regarding **Your** complaint and write to **You** within two weeks with **Our** response.

If **You** are not satisfied with **Our** response, or have not heard from them within two weeks, **You** are entitled to refer the matter to Lloyd's. Lloyd's will then conduct a full investigation of **Your** complaint and provide **You** with a written Final Response.

If **You** wish to ask Lloyd's to investigate **Your** complaint **You** may do so by contacting:

Complaints, Lloyd's,
One Lime Street,
London. EC3R 7AA

Email: complaints@lloyds.com
Telephone: +44 (0) 20 7327 5693
Fax: +44 (0) 20 7327 5225
Web: www.lloyds.com/complaints

Please remember that **You** will have to refer **Your** complaint to the Financial Ombudsman Service within 6 months of receiving Lloyd's Final Response.

You may have the right to refer **Your** case to the Financial Ombudsman Service. This also applies if **You** are insured in a Business capacity and have an annual turnover of less than £2 million and fewer than ten staff.

The FOS can be contacted at:

The Financial Ombudsman Service,
Exchange Tower,
London. E14 9SR.

Email: complaint.info@financial-ombudsman.org.uk
Phone: 0800 023 4567/ 0300 123 9123

Making a complaint will not affect **Your** legal rights. If **You** appoint someone to act on **Your** behalf or if **You** ask someone else to act on **Your** behalf **You** should provide **Us** with written authority to allow **Us** to deal with them **You** will pay their costs.

General Definitions

All Other Contents

Includes:

1. **Business** books and records, deeds, documents (including stamps thereon), manuscripts, plans and writings of every description and books (written or printed) including computer and electronic equipment, computer tapes and records, but only for the value of the materials together with the cost of clerical labour and/or computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the **You** of the information contained therein;
2. patterns, models, moulds, plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement;
3. so far as the same are not otherwise insured, **Your** personal property, the property of **Your** partners or directors, **Employees** or visitors but **We** will not pay more than GBP200 for any one item.

The maximum amount **We** will pay is limited to GBP 10,000 in the aggregate during the **Period of Insurance**.

Average (under-insurance)

Each item insured is separately subject to **Average** which means that if at the time of **Damage** the replacement cost as new of the **Property Insured** is greater than the Sum Insured **You** will be responsible for the difference in the value and bear a proportionate share of the **Loss**.

Building(s)

The fixed permanent structure(s) at the **Premises** including landlord's fixtures and fittings, outbuildings and annexes, foundations, yards, gangways, paths, car parks, barriers roads, around and pertaining to the **Premises**.

Unless specifically agreed by the **Us** the **Buildings** must be built of brick, stone or concrete and roofed with slate, tile or concrete and/or are as more particularly described and declared to **Us**.

Business

As stated in the **Schedule** including:

1. The provision and management of canteens, sports, social and welfare and medical organisations for the benefit of **Employees** and first aid fire security and ambulance services.
2. The ownership and routine maintenance and repair of the **Premises** from which the **Business** is conducted.
3. The private work undertaken by any **Employee** for any fellow principal, director or partner or executive of **Yours**.
4. The organisation of charitable events or similar fund raising activities; sponsorship of events, organisations.

Damage

Means accidental physical **Loss** or destruction of or **Damage** to the **Property Insured** or as otherwise defined in the **Policy** or Section.

Excess

The first part of each and every **Loss** which **You** must pay after **Average** is applied.

Denial of Service Attack

Any actions or instruction with the ability to **Damage**, interfere with, or otherwise affect the availability of computer and electronic equipment or Data, including but not limited to the generation of excess traffic into network addresses, the exploitation of system of network weaknesses, and the generation of excess or non-genuine traffic within, between or amongst networks.

Employee

Any person whilst:

- i) engaged under a contract of service or apprenticeship with **You**;
- ii) acting in the capacity of non executive director of **Yours**;
- iii) not under a contract of service or apprenticeship who is, at the requirement of the **You**, supplied to, hired or borrowed by **You** in the course of **Business** and under **Your** control, including but not limited to:
 - a) persons on secondment from another company that is not an **You** under this **Policy**;
 - b) labour masters or persons supplied by them;
 - c) labour only subcontractors;
 - d) self-employed persons;
 - e) drivers or operators of hired-in plant;
 - f) persons engaged under work experience, training, study, exchange or similar schemes;

- g) any officer, member or voluntary helper of the organisations or services in the **Business**;
- h) voluntary workers, helpers and instructors;
- i) persons working under the Community Offenders Act 1978, the Community Offenders (Scotland) Act 1978 or similar legislation;
- j) **Employee(s)** elected on any industry users committee;
- k) outworkers or homeworkers employed under contracts to personally execute any work in connection with **Business** while they are engaged in that work;
- l) any other person defined under Sections 32.-(1), 35.-(2) and 54.-(3)(b) of the National Minimum Wage Act 1998;
- m) prospective **Employees** who are being assessed by the **You** as to their suitability for employment;
- n) any person a Court of Law in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man deems to be an **Employee**.

Equipment

Inflatable play **Equipment**, gaming, amusement machines, snooker or pool table, bingo, casino and other entertainment **Equipment** including but not limited to special lighting and sound **Equipment**, including tapes, records, compact discs and mini discs.

Injury

Means Bodily Injury including death, illness and disease, excluding all allegations of defamation and excluding Injury to feelings sustained during the **Period of Insurance**.

Limit of Indemnity (section 5 and 6)

Our liability will not exceed the sum stated in the **Schedule** including all costs and expenses (other than any limit otherwise stated) and any limit applies to any claim or series of claims arising from any one cause.

Loss / Losses

A potential **Loss**, claimed **Loss**, actual **Loss** or circumstances which may give rise to a claim.

Loss of Data

Physical or electronic or other **Loss** or destruction or alteration or **Loss** of use, whether permanent or temporary, of or **Damage** to Data, of whatsoever nature, in whole or in part, including, but not limited to **Loss of Data** resulting from **Loss** or **Damage** to Computers and Electronic **Equipment** or **Data Storage Materials**, including while stored on **Data Storage Materials**.

Machinery, Plant and Contents

Machinery, plant and contents, fixtures, fittings, furniture, office **Equipment**, tenants' improvements and alterations; telephone, telex, facsimile, computer, ancillary equipment, computer installations and Gaming, Amusement and Entertainment Equipment, tenant's improvements, alterations and decorations, within the **Buildings** all belonging to the **You** or held by **You** in trust for which **You** are responsible but excluding:

- a) landlord's fixtures and fittings;
- b) **Stock**;
- c) **Money**;
- c) Property more specifically insured,

Money

Current legal coins, bank and currency notes, cheques, travellers cheques, national giro payment orders, postal and money orders, current unused postage stamps, national savings stamps and certificates, premium bonds, luncheon vouchers, credit card and debit card vouchers, unused franking machine units, trading stamps, gift tokens, customer redemption vouchers, holiday with pay stamps, bankers' drafts, promissory notes, bonds, securities, bills of exchange, dividend warrants, Value Added Tax (VAT) purchase invoices, travel tickets, letters of credit, or other negotiable instruments.

North America

The United States of America or its territories or possessions, Canada.

Occurrence (other than Section 5 and Section 6)

Any one **Loss** or series of **Losses** arising from one event.

Offshore

From the time of embarkation by an **Employee** on to a conveyance at the point of departure to an **Offshore** rig or **Offshore** platform until disembarkation by the **Employee** from a conveyance onto land upon return from an **Offshore** rig or **Offshore** platform.

Period of Insurance

The period specified in the **Schedule**, which time is taken as Greenwich Mean Time and/or any other period agreed by **Us**.

Policy

- all information provided to the **Us** as part of a proposal for issue/renewal or amendment of the insurance as set out in this document;
- all terms, provisions, exclusions, conditions, sums **You**, and limits of indemnity as set out in this document;

- the **Schedule**, notices and other documents as they arise;
- all endorsements issued and incorporated in this document.

Premises

The occupied by the **You** and its environs within the perimeter of the land for the purpose of the **Business** including any portion or portions of the **Premises** used or leased to or by persons connected to the **Business** at the address(es) specified in the **Schedule**

Property Insured

Tangible real property being **Your** property or that for which **You** are responsible in connection with the **Business** described in the **Schedule**.

Rent

Money paid or payable in respect of the **Buildings**, provided always that cover will only apply if all or any part of the **Building** is unfit for occupation and then the amount payable will not exceed the amount due in respect of the period necessary for reinstatement.

Schedule

Schedule that includes the names and address of the **You**, the premium and other variables to this **Policy**. **Schedules** may be re-issued from time to time where each successor overrides the earlier document.

Stock

- **Stock** and materials in trade, including work in progress, at the **Premises**, **Your** property for which **You** are held in trust for which the **You** are responsible excluding property more specifically insured.
- tobacco, cigars, cigarettes and wines and spirits

Sums Insured

The amounts specified as a **Sum Insured** in the **Schedule**.

Territorial Limits

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

We / Us / Our / Ourselves

Syndicate 1110

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 and Electronic Equipment** or Data, whether involving self-replication or not, including, but not limited to trojan horses, worms and logic bombs.

You/Your

- i) the company or other organisation including any subsidiary companies of the **You** that are in existence at the inception date of the insurance and have been declared to the **Us** until such time as they may be sold or otherwise disposed (but not excluding any liabilities incurred prior to disposal), and;
- ii) the person or people shown as **You** in the **Schedule**, or the steward, permanently living in the **Premises** and their domestic partner and members of their family (or families) who are permanently living with them;
- iii) including in either case the legal or personal representatives of the **You** in respect of any claim under this **Policy** incurred on behalf of the **You**.

General Conditions

Additional Insureds

Subject to **Our** prior agreement this **Policy** will extend to include Additional Insured's who have an insurable interest in the **Property Insured** provided that there is no increase in the Sum Insured and or Limits of Liability as stated in the **Schedule**.

Alteration

This **Policy** shall be avoided if there is any alteration in the **Business** or in the **Premises** or property therein or in any other circumstances whereby:

- the risk of **Loss**, destruction or **Damage** is materially increased;
- the **Your** interest ceases except by will or operation of law; or
- the **Business** is wound up or carried on by a liquidator administrator or receiver or permanently discontinued;

unless such alteration is agreed by **Us** in writing.

Discharge of Liability

We may at any time at **Our** absolute discretion pay to **You** the amount of the Limit of Indemnity (after deduction of any sums already paid as **Damages**) or any lesser amount for which any claim may be settled and on payment **We** will relinquish conduct and control of the claims except for recoverable expenses of litigation.

We will be under no further liability in connection with these claims except (but subject always to the Limit of Indemnity) for other costs and expenses incurred with its written consent in respect of matters prior to the date of such payment.

Health & Safety Programme

It is a Condition Precedent that:

- a) **You** shall have and maintain in place a written health and safety programme and shall undertake health and safety risk assessments as required by applicable health and safety legislation and regulation from time to time;
- b) to the extent that **You** are not required by law or regulation to carry out formal risk assessments or maintain a written health and safety **Policy** the **You** shall nevertheless have in place and communicate to its **Employees** an appropriate health and safety **Policy** and generally take all steps as may reasonably be necessary to mitigate health and safety risk in the workplace;
- c) in all cases the **You** shall ensure that adequate and appropriate health and safety training is provided to its **Employees** and other staff;
- d) **You** shall comply with any common risk requirements that may be issued to the **You** by the **Us** from time to time;
- e) **You** shall provide copies of any risk assessments or reports or health and safety **Policy** within 30 days of **Our** request.

Identification

Unless otherwise stated any word or expression to which a specific meaning has been attached in any part of this **Policy** shall bear the same meaning wherever it may appear and will be read as one contract.

Insolvency

This Insurance does not cover any **Loss** arising out of, contributed to, by, or resulting from the **Your** bankruptcy, insolvency, liquidation, winding up, administration or arrangement with creditors or insufficient funding.

Involuntary Betterment

In the event that new property of like kind and quality is not obtainable following **Damage**, property which is as similar as possible to that which has sustained **Damage** and which is capable of performing the same function shall be deemed to be new property of like kind and quality and in no event shall this be considered as a betterment except that **We** liability shall not exceed the limit of liability shown in the **Schedule**.

Lenders Interests

We note the interest of mortgagees, bankers, lenders and others with an insurable interest in the **Property Insured**.

Licensed Premises

It is a Condition Precedent to liability that the **You** shall take all reasonable steps to implement and maintain in force the control measures stated in the relevant operating **Schedule** required by the Local Authority to comply with current legislation.

Limits of Liability

The Limit(s) of Liability shall apply in excess of any applicable **Excess** and shall not be increased by any extension, endorsement or amendment to this **Policy** unless the increase is specified in the extension, endorsement or amendment.

Local Authority Licence

It is a Condition Precedent to liability that the **You** shall obtain the necessary Local Authority Licence(s) to conduct the **Business** and take all reasonable steps to implement and maintain in force any and all control measures stated in the relevant operating **Schedule** in order to comply with the regulations. Further if such licence is withdrawn or revoked then this Insurance shall terminate with immediate effect.

Non-Invalidation

This insurance shall not be invalidated by any inadvertent act, omission or alteration by the **You** whereby the risk of **Damage** is increased unknown to and or beyond the **Your** control provided that as soon as **You** become aware **You** give **Us** notice and pay any additional premium as **We** may require.

Precautions

You shall take all necessary precautions:

- for the safety of the **Property Insured**;
- in checking the credentials of the **Employee You** engage;
- for ensuring compliance with all regulatory and other obligations imposed by any authority;

and shall take all reasonable steps to prevent any **Occurrence** which may give rise to a claim under this **Policy**.

Salvage

All salvages, recoveries and payments recovered or received subsequent to a claim settlement under this **Policy** shall be applied as if recovered or received prior to the settlement and all necessary made. Unless otherwise agreed in writing between the **You** and **Us** all salvage shall remain **Our** property.

Statutory References

In this **Policy** all references to statutory provisions or regulations shall be construed as references to those provisions or regulations as amended or updated from time to time.

General Exclusions

This **Policy** does not cover **Loss Damage** liability or cost consisting of or in consequence of:

Biological or Chemical Materials Exclusions

It is agreed that this insurance excludes **Loss, Damage**, cost or expense of whatsoever nature caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

Electronic Date Recognition Exclusion (EDRE)

This **Policy** does not cover any **Loss, Damage**, cost, claim or expense, whether preventative, remedial or otherwise, arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer **Equipment** or non-computer **Equipment**, whether Your property or not; or
- b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer **Equipment** or non-computer **Equipment**, whether Your property or not or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Loss, Damage**, cost, claim or expense.

Electronic Data Exclusion

Notwithstanding any provision to the contrary within the **Policy** or any endorsement thereto, it is understood and agreed as follows:-

This **Policy** does not insure **Loss, Property Damage**, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or **Loss** of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the **Loss**.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled **Equipment** and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such **Equipment**.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Date Recognition Clause

This **Policy** excludes any liability, **Loss**, destruction, **Damage**, cost, claim, expense or indirect and or consequential **Loss** of whatever nature caused by, consisting of arising from or relating to:

- a) any actual or alleged failure or inability of any Computer **Equipment** whether or not owned by or in the possession of the **You**:
 - i) to correctly recognise or to correctly process (including but not limited to capture save retain calculate compare interpret record retrieve sequence read store manipulate write to media determine distinguish convert transfer or execute) Date/Time Material;

Or

- ii) to correctly recognise or to correctly process (including but not limited to capture save retain calculate compare interpret record retrieve sequence read store manipulate write to media determine distinguish convert transfer or execute) any data or information as a result of the treatment of any Date/Time Material by such **Equipment** or by any command or instruction which is or has been programmed or in any other manner entered into it.
- b) any actual or alleged failure to provide or inadequacy of any services whether provided by the **You** or any other person or persons due to any actual or alleged failure or inability described at paragraph (A) above
any advice consultation design evaluation inspection installation maintenance alteration repair replacement or supervision provided or done by the **You** or for or on behalf of the **You** to determine rectify or test for any potential or actual problem described at paragraph (A) above
For the purpose of this Clause:
 - i) Computer **Equipment** means:
 - a) computer hardware, including microprocessors
 - b) computer application software
 - c) computer operating systems or related software
 - d) computer networks
 - e) microprocessors (computer chips) not part of any computer system
 - f) any other computerised or electronic **Equipment**
 - g) any other **Equipment** which contains uses or relies upon in any manner any of the items listed at a) to f) above.
 - ii) Date/Time Material means dates times or data or information or command or instruction that in any manner depends upon is contingent upon is derived from or incorporates any date or time irrespective of the manner by which it is stored recorded or entered

This clause does not apply to any sections covering Employers Liability.

Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the **Policy** or any endorsement thereto, it is understood and agreed as follows:-
Should electronic data processing media **You** by this **Policy** suffer physical **Loss** or **Damage** **You** by this **Policy**, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such **Loss** or **Damage**, including the cost of reproducing any Electronic Data contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed GBP10,000 any one **Loss**, incurred by the **You** in recreating, gathering and assembling such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this **Policy** does not insure any amount pertaining to the value of such *Electronic Data* to **You** or any other party, even if such *Electronic Data* cannot be recreated, gathered or assembled.

Electronic Risks

We will not indemnify the **You** for **Damage**, or **Loss** or interruption or interference caused by or contributed to by, , distortion, erasure, corruption, or alteration of electronic data from any cause whatsoever (including, but not limited to, Virus or Similar Mechanism, hacking or Denial of Service Attack) or loss of use, reduced functionality, cost, expense of whatsoever nature resulting therefrom regardless of any other cause or event contributing concurrently or in any other sequence to the **Loss**.

Industries Seepage, Pollution and Contamination Clause

This Insurance does not cover any liability for:

1. **Injury** or **Loss** of, **Damage** to, or **Loss** of use of property caused by seepage, pollution or contamination, provided always that this paragraph shall not apply to liability for **Injury** or **Loss** of or physical **Damage** to or destruction of tangible property, or **Loss** of use of such property **Damaged** or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the Period of this Insurance.
2. The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.
3. Fines, penalties, punitive or exemplary damages.

This Clause shall not extend this insurance to cover any liability which would not have been covered under this insurance had this Clause not been attached.

Micro-Organism Exclusion

This **Policy** does not insure any **Loss**, **Damage**, Claim, cost expense or other sum arising out of or relating to mould, mildew, fungus, spores or other micro-organism of any type, nature or description including, but not limited to, any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- a) **Damage** to **Property Insured**;
- b) any contingency or cause whether or not contributing concurrently or in any sequence;
- c) any **Loss** of use occupancy or functionality ;
- d) any action required including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation or steps taken to address medical or legal concerns.

This exclusion supersedes and replaces any provision either in whole or in part in this **Policy** that provides insurance for these matters.

Nuclear Energy Risks Exclusion

This agreement shall exclude Nuclear Energy Risks whether such risks are written directly and/or by way of reinsurance and/or via Pools and/or Associations.

For all purposes of this agreement Nuclear Energy Risks shall mean all first party and/or third party insurances or reinsurances (other than Workers' Compensation and Employers' Liability) in respect of:-

- a) All on the site of a nuclear power station.
Nuclear Reactors, reactor **Buildings** and plant and **Equipment** therein on any site other than a nuclear power station.
- b) All Property, on any site (including but not limited to the sites referred to in (a) above) used or having been used for:-
 - (i) The generation of nuclear energy; or
 - (ii) The Production, Use or Storage of Nuclear Material.
- c) Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- d) The supply of goods and services to any of the sites, described in (a) to (c) above, unless such insurances or reinsurances shall exclude the perils of irradiation and contamination by Nuclear Material.
Except as undernoted, Nuclear Energy Risks shall not include:-
 - (i) Any insurance or reinsurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in (a) to (c) above (including contractors' plant and **Equipment**);
 - (ii) Any Machinery Breakdown or other Engineering insurance or reinsurance not coming within the scope of (i) above;

Provided always that such insurance shall exclude the perils of irradiation and contamination by *Nuclear Material*.

However, the above exemption shall not extend to:-

- (1) The provision of any insurance or reinsurance whatsoever in respect of:-
 - (a) Nuclear Material;
 - (b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
- (2) The provision of any insurance or reinsurance for the undernoted perils:-
 - Fire, lightning, explosion;
 - Earthquake;
 - Aircraft and other aerial devices or articles dropped therefrom;
 - Irradiation and radioactive contamination;
 - Any other peril **Y**ou by the relevant local Nuclear Insurance Pool and/or Association;in respect of any other Property not specified in (1) above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

Definitions

Nuclear Material means:-

- (i) Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and
- (ii) Radioactive Products or Waste.

Radioactive Products or Waste means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

Nuclear Installation means:-

- (i) Any Nuclear Reactor;
- (ii) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
- (iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

Nuclear Reactor means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

Production, Use or Storage of Nuclear Material means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

Property shall mean all land, **Buildings**, structures, plant, **Equipment**, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

High Radioactivity Zone or Area means:

- (i) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and
- (ii) For non-reactor Nuclear *Installations*, any area where the level of radioactivity requires the provision of a biological shield.

Pre-existing

We shall not indemnify the **You** against any circumstances which is in any way connected with or related to an **Occurrence** or events or circumstances whether of a continuous, intermittent or of a repeated exposure which had occurred or commenced or existed prior to the start of the **Period of Insurance**.

Pyrotechnics

We will not indemnify the **You** for **Loss** or claims arising out of the use of fireworks or other pyrotechnics including without limitation stage effects.

Radioactive Contamination Exclusion

This **Policy** does not cover:

- (a) **Loss** or destruction of or **Damage** to any property whatsoever or any **Loss** or expense whatsoever resulting or arising therefrom or any indirect and or consequential **Loss**
- (b) any legal liability of whatsoever nature caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

Sonic Bang Exclusion

Notwithstanding anything to the contrary contained herein this Insurance does not cover **Loss**, destruction or **Damage** occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic, supersonic or hypersonic speeds.

Terrorism Exclusion

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes liability for **Loss**, **Injury**, **Damage**, cost or expense of whatsoever nature caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the **Loss**.

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

This endorsement also excludes **Loss**, **Injury**, **Damage**, cost or expense of whatsoever nature caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If **We** allege that by reason of this exclusion, any **Loss**, **Injury**, **Damage**, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the **You**.

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

Other than arising out of terrorism other than to the extent that an indemnity is deemed to be required in accordance with any law relating to compulsory insurance of **Employees** in which case **We** total liability to pay **Damages** and Costs and Expenses shall not exceed GBP5,000,000 in respect of any one claim or series of claims against the **You**.

War Civil War Exclusions

Notwithstanding anything to the contrary contained herein this **Policy** does not cover **Loss** or **Damage** occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or **Damage** to property by or under the order of any government or public or local authority.

Tailored Insurance

Section 1 - Property Damage

We will indemnify You for **Damage** to the **Property Insured** at the **Premises** described in the **Schedule** during the **Period of Insurance** subject otherwise to the limits, terms, conditions and exclusions of this **Policy**.

The maximum We will pay under Section 1 in any one **Period of Insurance** will not exceed:

- a) the **Sum Insured** on each item; or
- b) the Total **Sum Insured**; or
- c) any other maximum amount payable or **Sum Insured** stated in the **Schedule**.

The maximum We will pay for any one Claim is:

- a) for any item the **Sum Insured** stated in the **Schedule** or as amended by each Section;
- b) in the aggregate the total **Sum Insured**.

Definitions *(You should also refer to the General Definitions).*

The following definitions apply to Section 1 and keep the same meaning wherever they appear below unless an alternative definition is stated to apply. In the case of any conflict between the definitions in this Section and the General Definitions the definitions in this Section shall prevail.

Damage

Means accidental and unforeseen direct physical **Loss** or destruction of or **Damage to Property Insured**.

Defined Peril

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 (to the extent specified in the Theft Extension) earthquake, storm, flood, escape of water or oil from any tank apparatus, pipe or appliance (but not sprinkler leakage), falling trees, impact, underground fire.

Extensions

Architects' and Other Fees

Unless more specifically insured, the insurance provided by this Section on **Buildings** shall include an amount in respect of architects', surveyors', consulting engineers' and other fees necessarily and reasonably incurred in the reinstatement of such **Property Insured** consequent upon **Damage**, but not for preparing any claim. The maximum We shall pay is up to GBP50,000 in the aggregate during the **Period of Insurance**.

Capital Additions

The insurance provided by this Section on **Buildings** shall include in so far as the same are not otherwise insured are in addition to the **Sum Insured** stated in the **Schedule** being:

- any newly acquired or newly erected **Buildings** anywhere within the **Territorial Limits**
 - alterations, additions and improvements to **Buildings**
- but excluding appreciation in value

provided always that where Proviso I of Reinstatement (Day One Basis) is not applicable You shall advise Us

- i) as soon as practicable of any such newly acquired and/or newly erected property; and
- ii) every six months of any such alterations, additions and improvements.

At any one **Premises** this additional insurance shall not exceed 10 per cent of the relevant **Sum Insured** or GBP10,000 in the aggregate, whichever is the less.

You shall pay the appropriate additional premium required from inception of such additional insurance whereupon this Extension shall be fully reinstated.

Contract Price

In respect only of goods sold but not delivered for which You are responsible and which are subject to a sale contract which, following **Damage**, is cancelled by reason of its conditions wholly or to the extent of the **Damage**, Our liability shall be based on the contract price.

For the purpose of this insurance the value of all goods to which this clause could apply in the event of **Damage** shall also be ascertained on this basis.

Debris Removal

Unless more specifically insured this Section includes the costs and expenses necessarily incurred by **You** with **Our** consent in removing from the site of such **Damaged Property Insured** or the area immediately adjacent to such site:

- a) debris, dismantling and/or demolishing, shoring up or propping the portion or portions of the **Property Insured Damaged** and cleaning and/or clearing drains, sewers and/or gutters, **Your** property or for which **You** are responsible;
- b) extraneous materials from machinery, plant and or **Equipment** whether or not such machinery, plant and/or **Equipment** has been **Damaged**.

The liability of the **We** for such costs and expenses under a) and b) above will not exceed GBP100,000 in the aggregate during the **Period of Insurance** or such other amount stated in the **Schedule** cover extends to include site cleaning following **Damage**, decontamination and/or decommissioning of property, whether **Damaged** or not, subject to a limit of GBP25,000 any one **Loss**.

Provided always that this Extension excludes cover for any costs or expenses:

- i) arising from pollution or contamination of property not **You** by this **Policy**;
- ii) of temporary boarding-up of windows as part of a claim for breakage of glass.

Deterioration of Stock

This Section includes **Damage** to foodstuffs being **Your** property held in trust for which **You** are responsible and up to GBP2,500 in respect of any one **Loss** or such other limit set out in the **Schedule** whilst contained in refrigerating units, by deterioration, contamination or putrefaction caused by or arising from:

- a) accidental leakage or refrigerant or refrigerant fumes from the unit;
- b) rise or fall in temperatures as a result of:
 - i) the breaking, distortion or burning out of any part of the unit arising from mechanical or electrical defects in the unit occurring whilst the unit is being used under normal working conditions;
 - ii) non-operation of the thermostatic or automatic controlling devices forming part of the unit;
 - iii) accidental failure of the public electricity supply not occasioned by the deliberate act of any supply company;

This does not cover **Damage** caused by or resulting from:

- i) failure of the electricity supply services which do not exceed thirty consecutive minutes;
- ii) failure of the electricity supply services due to the deliberate act of any supply company unless performed for the sole purpose of safeguarding life or protecting any part of the supply company systems or, any scheme of rationing not necessitated solely by **Damage** to the supply company's generating or supply **Equipment**;
- iii) wear and tear, deterioration or gradually developing flaws or defects in the unit or incorrect setting of thermostats and automatic controls
- iv) the use of a refrigerating machine over ten years old unless specifically agreed by the **We** in writing;
- v) **Damage to Stock** which is passed its Sell by Date or Best Before date.

It is a Condition Precedent to any liability under this Extension that there is in force a planned maintenance program for the servicing of the refrigerating machine at regular intervals (as recommended by the manufacturer) by the manufacturer or a competent refrigeration engineer and that a proper record is kept. Any defects arising during the **Period of Insurance** must be addressed immediately. Should any defect arise the **We** must be notified immediately.

Further, the **We** shall not be liable for the first GBP100 of each and every claim.

European Union and Public Authorities (Including Un-Damaged Property)

Subject to the following special conditions the insurance by this Section extends to include such additional cost of Reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of:

- a) European 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 (hereafter referred to as "the stipulations") in respect of:
 - the lost, destroyed or **Damaged** property thereby **You**;
 - **un-Damaged** portions thereof;

but 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 this **Policy**;
 - iii) under which notice has been served upon **You** prior to the happening of the **Damage**;
 - iv) for which there is an existing requirement which has to be implemented within a given period;
 - v) in respect of property entirely **un-Damaged** by any insured risk.
- b) 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;
- 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 Applicable to European Union and Public Authorities (Including Undamaged Property) only

- i) In the event that Reinstatement of the sprinkler installation in the **Damaged** portion of the **Premises** to the current Sprinkler Rules necessitates provision of water supply equipment and such equipment also serves the sprinkler installation in undamaged portions of the **Premises** a proportionate contribution will be agreed.
- ii) The work of Reinstatement must be commenced and carried out without delay and in any case must be completed within twelve months after the **Damage** or within such further time as the **We** may allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to **Your** liability under this extension not being thereby increased.
- ii) If **Your** liability 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 **Your** liability under the extension (in respect of any such item) shall be reduced in like proportion
- iv) The total amount recoverable under any item of the **Policy** in respect of this Extension shall not exceed 15% of its **Sum Insured** where the **Sum Insured** by the item apply to property at more than one **Premises** 15% of the total amount for which the **We** would have been liable had the **Property Insured** by the item at the **Premises** where **Damage** has occurred been wholly destroyed.
- v) The total recoverable under any item of the **Policy** shall not exceed GBP100,000 in the aggregate during the **Period of Insurance**
- vi) 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.

Emergency Services Damage

This Section includes **Damage** to lawns gardens playing surfaces and landscaped areas car parks private roads and pathways at the **Premises** caused by emergency service vehicles while attending an incident involving **Damage** for which the **We** has accepted a claim under this Section up to a maximum of GBP5,000 in any one **Period of Insurance**.

Fire Extinguishment Expenses

This Section includes the cost of replacing and/or replenishing extinguishment materials expended by **You** in attempts to extinguish or minimise **Loss** by fire up to a maximum of GBP 5,000 in any one **Period of Insurance**.

Hours Clause

Applicable to Locations situated within the atmospheric disturbance limits.

The term "**Loss Occurrence**" as used in this clause means one or more occurrence, catastrophe, calamity, disasters or casualties arising out of or following on one event, except that wherever a **Loss Occurrence** involving any one of the under mentioned perils (either separately or in conjunction with other perils) then as regards such under mentioned perils, the term "**Loss Occurrence**" shall mean:

- a) All **Losses** resulting from **Damage** arising from riots, strikes and civil commotion during a continuous period of SEVENTY TWO (72) hours within the limits of any one town, city or village and such additional **Losses** occurring beyond such period of SEVENTY TWO (72) hours but during the continued occupation of the **Premises** by strikers provided such occupation commenced during the said period of SEVENTY TWO (72) hours.
- b) All **Losses** arising from earthquake, seaquake, tidal wave, tsunami and/or volcanic eruption during a continuous period of ONE HUNDRED AND SIXTY EIGHT (168) hours.
- c) In respect of tornado, cyclone, typhoon, hurricane, windstorm, rainstorm or hailstorm the term "each and every **Loss**" means all **Losses** caused by tornadoes, cyclones, typhoons, hurricanes, windstorm, rainstorms or hailstorms which arise during a continuous period of NINETY SIX (96) hours arising from the same atmospheric disturbance.
- d) All **Losses** arising from flood during a continuous period of Forty Eight (48) hours.
- e) In respect of any other catastrophe all **Losses** occurring during a continuous period of SEVENTY TWO (72) hours arising from the same catastrophic event.

You may choose the date and time when any such period of consecutive hours commences and if any catastrophe is of greater duration than the above periods, **You** may divide that catastrophe into two or more '**Loss Occurrences**', provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual **Loss**.

For flood **Loss Occurrences** only one such period of Forty Eight (48) consecutive hours shall apply with respect to one event.

Metered Water

This Section includes the charges for which **You** are responsible and unable to recover, in respect of **Loss** of metered water, but only if **You** maintain a record of readings from the water company meter at intervals of not more than sixty days.

The amount payable in respect of any one **Premises** is limited to such excess water charges demanded by the Water Authority and resulting from the accidental escape of water from pipes apparatus or tanks in consequence of **Damage** but excluding charges resulting from **Damage**.

We liability will not exceed GBP 5,000 in the aggregate during the **Period of Insurance**.

Other Locations

The **Property Insured** by this Section shall include in so far as such property is not otherwise insured:

- **Stock** in any **Building** within the **Territorial Limits** not occupied by **You** subject to a total value of GBP10,000 in all and a limit of GBP5,000 at any one location

- **All Other Contents** while temporarily removed from the **Premises** in any **Building** not occupied by **You** within the **Territorial Limits** subject to a limit of 25% of the **Sum Insured**.

For the purposes of the Theft Extension below in so far as it applies to this Extension, persons employed within any above mentioned **Building** shall be deemed to be **Employees**.

Plate Glass

Even if the **Buildings** at the **Premises** are not insured under this Section **We** will indemnify the **You** in respect of:

- a) breakage of fixed glass in windows and doors of the **Building**, including frames, the cost of boarding up pending replacement, and of sanitary ware;
 - b) **Loss** or **Damage** to signs, contents of display windows, including neon signs and fascias at, on, or in the **Premises**;
- provided that:
- i) **You** are liable for the cost of repair or replacement;
 - ii) there will be no Indemnity under this provision in respect of:
 - a. fixed glass and fixed sanitary ware, which is broken or **Damaged** at the commencement of this insurance, or in any **Unoccupied Building**;
 - b. any canopies on the **Premises**.

Replacement Locks

This Section extends to include the costs necessarily incurred:

- for the replacement of locks at the **Premises** following theft or **Loss**;
- following attempted theft of keys from the **Premises** or from the home of any director, partner or **Employee** authorised by **You** to hold such keys.

We will pay up to GBP1,000 for any one **Loss** excluding the first GBP100 of each and every **Loss**.

Transfer of Interest Clause

If at the time of **Damage** to any **Building** **You** have contracted to sell the **You** interest in such **Building** and the sale has not been but shall be later completed, the purchaser, on the completion of the purchase shall be entitled to the benefit of this **Policy** so far as it relates to such **Damage** without prejudice to the **Your** rights and **We** liabilities under this Section 1 up to the date of completion or the end of the **Period of Insurance** whichever is the sooner. Provided there is no other insurance covering the same risk.

Specified Items

In the event of any of the **Property Insured** referred to in the **Schedule** as "Specified Items" whilst at the **Premises** or elsewhere within the **Territorial Limits** being accidentally lost, **Damaged** the **We** will pay **You** the value of such **Property Insured** provided that **Our** liability shall not exceed GBP5,000 in the aggregate during the **Period of Insurance**.

This insurance excludes **Loss** or **Damage** caused by or consisting of theft or any attempt thereat arising whilst any vehicle belonging to or under **Your** control and containing the **Property Insured** is left unattended unless:

- a) all doors have been securely locked;
- b) all windows and other openings securely and adequately fastened;
- c) any immobiliser and any alarm fitted to the said vehicle have been correctly set to operate;
- d) all keys have been removed;
- e) after the last **Business** transit of the day until collected by the driver for the next **Business** transit, the vehicle is housed in a securely locked Building of substantial construction or a compound which has secure walls and/or fences and securely locked gates.

In respect of original and/or copy transparencies, positives, negatives, scans, plates or artwork, value is deemed to be the cost of the plates or materials together with the cost of labour expended in reproducing such property but excluding any costs incurred in re-shooting the original artwork.

We will not be liable for the first GBP250 (or any greater amount stated in the **Schedule**) of any **Loss**.

Temporary Removal

This section extends to include **Property Insured** (other than **Stock** or merchandising if insured) is covered whilst temporarily removed for cleaning renovation, repair or other similar purposes whilst at any other Premises or whilst in transit within the **Territorial Limits**.

The amount recoverable will not exceed the amount which would have been recovered had the **Damage** occurred at **Your Premises**.

Excluding property:

- a) left in motor vehicles;
- b) held by **You** in trust;
- c) **Damage** in excess of 25% of the **Sum Insured** applicable to each item of **Property Insured** or GBP 50,000 whichever is the less.

Temporary Removal (Documents)

The insurance by this Section extends to include deeds, all other documents (including stamps on them) and computer records within the **Territorial Limits**, for an amount not exceeding 10% of their value when temporarily removed from the **Premises**

Theft

It is a Condition Precedent that for all items with a **Sum Insured** in excess of GBP5,000:-

- a) all final exit doors to the **Premises** must have 5 lever mortice deadlocks to BS 36211. All other doors within the storage **Premises** are to be locked internally with key operated locking bars, close shackle padlocks or 6 inch barrel bolts top and bottom;
- b) if the **Premises** include a garage with an up and over door this door must be secured with a hasp and staple firmly embedded to an anchoring point on the floor or to the brickwork and/or the up and over door frame;
- c) the **Premises** must be constructed of brick, stone, slate or concrete and roofed with slate or tile or the **Buildings** are modern industrial units constructed of steel framed metal clad walls and roof, or metal storage containers, unless otherwise agreed by **Us**;
- d) all external windows to the **Premises** must be secured with key operated locks or fixed shut;
- e) any trailer left parked whilst in transit to or from the **Premises** of a customer hiring the **Equipment** must be securely hitched to the towing vehicle. The vehicle must be immobilized and alarmed and the trailer must be fitted with hitch locks and/or wheel clamps to prevent movement;
- f) any inflatable **Equipment** in unattended vehicles or trailers or the like between the hours of midnight and 7am must be kept within a locked and secure **Building** and compound or in situ at a venue to which the **You** has been contracted to work and where any secure **Building** or compound is either unavailable or impractical to use;

For all items with a **Sum Insured** value of below GBP 5,000 it is a Condition Precedent to liability that:-

- a) items be stored within a locked **Building** fitted with a minimum of a closed shackle padlock;
- b) if the storage **Premises** include a garage with an up and over door this door must be secured with a hasp and staple firmly embedded to an anchoring point on the floor or to the brickwork and/or the up and over door frame;
- c) all external windows of the storage **Premises** must be secured with key operated locks or fixed shut;
- d) any trailer left parked whilst in transit to or from the **Premises** of a customer hiring the **Equipment** must be securely hitched to the towing vehicle. The vehicle must be immobilized and alarmed and the trailer must be fitted with hitch locks and/or wheel clamps to prevent movement;
- e) any inflatable **Equipment** in unattended vehicles or trailers or the like between the hours of midnight and 7am must be kept within a locked and secure **Building** and compound or in situ at a venue to which the **You** has been contracted to work and where any secure **Building** or compound is either unavailable or impractical to use.

Trace and Access

This Section extends to include costs necessarily and reasonably incurred with **Our** consent in locating the source of any escape of water from any fixed water services, heating installation or fuel oil used for domestic purpose only including the repair to walls, floors or ceilings necessary as a direct result of the location work.

We will not be liable :

- a) for the cost of repairs to any fixed domestic water services or heating installation; or
- b) for any amount in excess of GBP2,000 during any one **Period of Insurance**.

Subsidence

This Section extends to include;

- a) any **Building** which stands on made-up ground, over mine-workings, or on any site at which there has been any previous occurrence of subsidence, ground heave or landslip;
- b) loss, destruction or damage commencing prior to the granting of cover under this extension or resulting from coastal or river erosion or from any building, demolition or excavation works at the **Premises**

Property in the open

This section extends to include theft and malicious damage to unattended **Equipment** for a period of up to 24 hours whilst on hire. The **Equipment** must be located within a secured area or garden where members of the public are unable to access without express permission.

For the purposes of this extension, secured will mean wooden or palisade fencing.

Our liability under this clause shall not exceed GBP2,500 any one claim but subject to an **Excess** of GBP 100 any one claim.

Cover exclude any devices used to inflate **Equipment** such as blowers and fans.

Vermin and insects

This Section extends to include **Damage** caused vermin and insects to **Equipment** whilst stored at the **Premises** with a locked **Building**. The **Equipment** must be inspected weekly for **Damage**.

Our liability under this clause shall not exceed GBP1,000 any one claim but subject to an **Excess** of GBP 100 any one claim.

Exclusions

Section 1 does not cover **Damage** caused by or consisting of:

- 1.1 inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, or **Damage** to any property resulting from its own faulty or defective design or materials;
 - 1.2 faulty or defective workmanship, operational error or omission, on **Your** part or any **Employees** but only in respect of the work in progress or that part of the property being worked upon;
 - 1.3 explosion, failure or collapse of a boiler (but not a boiler used for domestic purposes only) economiser or other vessel, machine, apparatus or pipework at the **Premises** in which internal pressure is due to steam only belonging to or under **Your** control;
 - 1.4 joint and nipple leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels of any range of steam, and feed piping in connection therewith;
 - 1.5 pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds but this shall not exclude subsequent **Damage** which itself results from a cause not otherwise excluded;
 - 1.6 corrosion, rust, wet or dry rot, shrinkage, evaporation, reduction in weight, dampness, dryness, marring, scratching, vermin or insects;
 - 1.7 change in temperature, colour, flavour, texture or finish;
 - 1.8 theft or attempted theft other than to the extent provided by Theft Extension to this Section;
 - 1.9 mechanical or electrical breakdown or failure or derangement including but not limited to overrunning, overheating or short-circuiting.
Excluding:
 - a) such **Damage** resulting from a cause not otherwise excluded which itself results from a **Defined Peril** or from any other accidental **Loss**, destruction or **Damage**;
 - b) subsequent **Damage** which itself results from a cause not otherwise excluded;
 - 1.10 pollution or contamination but this shall not exclude destruction of or **Damage** to the **Property Insured**, not otherwise excluded, caused by:
 - a) pollution or contamination which itself results from a **Defined Peril**;
 - b) a **Defined Peril** which itself results from pollution or contamination;
 - 1.12 normal settlement or bedding down of new structures;
 - 1.13 acts of fraud or dishonesty (other than to the extent provided by Theft Extension of this Section);
 - 1.14 disappearance or unexplained;
 - 1.15 or revealed during inventory or stocktaking;
 - 1.16 misfiling or misplacing of information;
 - 1.17 movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - 1.18 **Property Insured** in Transit other than as provide for as a **Temporary Removal**;
 - 1.19 vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - 1.20 **Property Insured** in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection;
 - 1.21 land, piers, jetties, bridges, culverts or excavations;
 - 1.22 livestock, growing crops or trees;
 - 1.23 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;
 - 1.24 any property more specifically insured by or on **Your** behalf;
 - 1.25 economic and/or indirect and or consequential **Loss** or **Damage** of all kind or description except **Loss** of **Rent** when such **Loss** is included in the cover under this Section;
 - 1.26 or happening through or in consequence of riot or civil commotion occurring in Northern Ireland;
 - 1.27 **Damage** to any marquee caused by wind, rain, hail, sleet or snow, flood or dust, or any damage caused during the erection and dismantling of any marquee
- 2 **Damage** to any **Property Insured** caused by fire resulting from its undergoing any heating process or any process involving the application of heat (other than by fire or explosion) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.
3. **Damage** in respect of any **Building** which is empty or not in use or **Unoccupied** due to:
- 3.1 frost or freezing;
 - 3.2 escape of water from any tank, apparatus, pipe or automatic sprinkler system;

- 3.3 riot, civil commotion, malicious **Damage** or vandalism;
- 3.4 theft or theft **Damage**.
4. **Damage to:**
- 4.1 jewellery, precious stones, bullion, furs, curiosities;
- 4.2 glass (other than by fire or explosion), china, earthenware, marble or other fragile or brittle objects;
- 4.3 computers and data processing equipment.
5. The amount of **Excess** specified in the **Schedule** to this **Policy** in respect of each separate **Premises** as ascertained after the application of any condition of **Average** (underinsurance).
6. **Losses** arising, , out of:
- a) **Loss** of, alteration of, or **Damage** to;
- or
- b) a reduction in the functionality, availability or operation of a computer system, hardware, programme, software, data, information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether **Your** property or not, are excluded hereon unless arising out of one or more of the following perils: fire, explosion, aircraft or vehicle impact, falling objects.

Special Conditions

Basis of Settlement for Inflatable Equipment

Where the item is not more than one year old, claims will be settled on the basis of the full cost of replacement with that of similar specification without any deduction for wear tear and depreciation.

Where item is more than one year old claims will be settled on the basis of market value at the time of **Damage** taking in to account wear tear and depreciation.

Designation

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

Reinstatement (Applicable only if shown in the **Schedule**)

The basis upon which the amount payable in respect of **Buildings, Machinery, Plant and Contents** is to be calculated shall be the reinstatement of the property lost, destroyed or **Damaged**.

For this purpose Reinstatement shall mean:

- i) the rebuilding or replacement of property lost or destroyed which, provided **Our** liability is not increased, and to a condition equal to but not better or more extensive than its condition when new, and may be carried out in any manner suitable to **Your** requirements upon another site;
- ii) 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.

Reinstatement Special Provisions

- a) Each item of **Buildings** under this **Policy** is declared to be separately insured subject to the following condition of **Average**.
- b) If at the time of **Damage** the sum representing 85% of the cost which would have been incurred in Reinstatement if the whole of the **Building** had been destroyed, exceeds the **Sum Insured** thereon at the breaking out of any fire or at the commencement of any **Loss** or **Damage** to such property by any other cause hereby insured against, then **You** shall be considered as being **Your** own insurer for the difference between the **Sum Insured** and the sum representing the cost of Reinstatement and the whole of the **Buildings** and shall bear a rateable proportion of the loss accordingly.
- c) No payment beyond the amount which would have been payable in the absence of this Extension shall be made:
 - i) unless reinstatement commences and proceeds without unreasonable delay;
 - ii) until the cost of reinstatement shall have been actually incurred;
 - iii) if the **Building** at the time of its **Damage** shall be insured by any other insurance effected by or on **Your** behalf which is not upon the same basis of reinstatement.
- d) **Our** liability for the repair or restoration of the **Damaged Building** in part only shall not exceed the amount which would have been payable had such **Building** been wholly destroyed.
- e) Where by reason of a) b) or c) above no payment is to be made beyond the amount which would have been payable, if this clause had not been incorporated the rights and liabilities of **Us** and **You** in respect of the **Damage** will be subject to the terms and conditions of Section 1, including any condition of average as if this clause had not been incorporated.

Reinstatement of the Sum Insured

In the absence of written notice from **Us** or **You** the **Sums Insured** will not be reduced by the amount of any **Damage** and **You** will continue to be liable for the full premium until the **Policy** expires.

Rent

The insurance provided by this Section for **Rent** applies only if any of the **Building** or any part thereof is unfit for occupation in consequence of its destruction or **Damage**. 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. The maximum **We** will pay is stated in the **Schedule**.

Unoccupied Buildings

Whenever any of the **Buildings** insured by this **Policy** become unoccupied for more than 30 consecutive days, or when a previously occupied become re-occupied:

- a) Within 24 hours of a **Building** becoming unoccupied **You** or **Your** agent must ensure that:
 - i) all water supply systems are drained and electrical and gas and fuel supplies are switched off;
 - ii) all letterboxes and ground floor windows are sealed;
 - iii) all combustible material not forming part of the Landlord's fixtures and fittings are removed from inside the **Buildings**;
 - iv) all reasonable precautions are taken to secure the **Buildings** against unauthorised entry.
 - v) **You** and/or **Your** agent shall visit the unoccupied **Premises** weekly and shall ensure that i) to iv) continue to be effective throughout the period of un-occupancy;
 - vi) any defects revealed by these inspections shall be remedied immediately;
- b) Throughout the period of un-occupancy the cover provided by this **Policy** is limited to the following perils:
 1. Fire:
 - i) fire consequent upon explosion;
 - ii) explosion consequent upon Fire on the **Premises You**;
 - iii) explosion of domestic boilers and/or gas used for domestic purposes or for heating and/or lighting.
 2. Lightning;
 3. Explosion but excluding;
 - i) **Damage** by explosion (other than **Damage** by fire resulting from explosion) from the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machines or apparatus in which internal pressure is due to steam only and belonging to or under **Your** control;
 - ii) **Damage** to vessels, machinery or apparatus or their contents resulting from their explosion;
 4. Aircraft and other aerial devices or articles dropped from them;
 5. Earthquake shock, fire caused by earthquake or subterranean fire.
- c) **You** shall give **Us** notice and details of the new occupant in writing and agree to pay a suitable additional premium paid if required.

Workmen

Workmen are allowed in and about the **Premises** for the purpose of making new erections or alterations, repair, decoration, plant installation, general maintenance and the like up to a contract value of GBP5,000 without prejudice to the terms and conditions of this Section and of the **Policy**.

Conditions Precedent

In respect of Section 1, It is a Condition Precedent for liability that:

Deep Frying and Cooking Equipment

- a) all Deep Frying and Cooking Equipment is installed, operated and maintained in accordance with the manufacturer's instructions;
- b) all Deep Frying and Cooking Equipment is fitted with a thermostat which prevents the temperature of fat or oil exceeding 205 degrees Centigrade (401 degrees Fahrenheit);
- c) where a separate high temperature safety thermostat is fitted, this is set to a temperature of no greater than 230 degrees Centigrade (450 degrees Fahrenheit);
- d) all Deep Frying and Cooking Equipment including flues and extract system ducting is kept from contact with and not in close proximity to combustible material including any such material within or forming part of the **Buildings**;
- e) all extraction hoods, canopies, canopy exhaust plenums, filters and grease traps are thoroughly cleaned over the entire internal and external areas by the removal of all greasy and oily deposits and other waste materials every month;
- f) the entire internal area of all flues and extraction ducting, including extraction motors and fans, are thoroughly cleaned, by the removal of all greasy and oily deposits and other waste materials, at least every six months.
A written record of all such cleaning including details of any contractors employed together with invoices for such work is kept at an alternative location.
If the entire internal area of all flues and extraction ducting, including extraction motors and fans, have not been so cleaned within six months prior to the inception of this insurance or the addition of this condition, then they must be cleaned within 30 days following the inception of this insurance or the additional of this condition, and at least every twelve months thereafter;
- g) suitable fire extinguishers and/or blankets are kept in the frying and cooing area and **Employees** are trained in their use;
- h) no Deep Frying and Cooking Equipment is left unattended while the heat source is operating nor for a period of twenty minutes after the heat source has been switched off.

For the purpose of this condition, Deep Frying Equipment means Equipment used for frying by immersing in fat or oil.

External Storage

All combustible materials including but not limited to **Stock**, packaging, pallets, waste, waste skips or bins stored at the **Premises** are stored away from any **Buildings** (with a minimum of ten metres separation from any **Building**.)

Fire Break Doors Shutters and Fire Escapes, Fire Extinguishing Appliances and other Fire Fighting Equipment.

You shall ensure that the requirements of The Regulatory Reform (Fire Safety) Order 2005 or any amendments thereto are applied throughout the **Period of Insurance**.

Heating

You shall not use portable heating appliances of any kind other than in office areas. All such appliances must at all times have a valid PAT testing certificate and must be turned off and unplugged when not in use or when the area is not manned.

Heating and Lagging

All water tanks, apparatus or pipes shall have been adequately lagged by a qualified plumber and or heating apparatus in the **Premises** shall be controlled by thermostatic switches set to activate the heating system whenever the temperature at the coolest point in the **Building** drops to 4 C.

Hot Work Permits

Before the use of a naked flame or other heat source or oxyacetylene, electric arc or similar welding, cutting, grinding or other spark emitting **Equipment** is used by any person (whether a third party contractor, an **Employee** or other) at the **Premises** (other than in connection with **Your** trade processes) **You** will;

- procure that a hot work permit in the form set out in Loss Prevention Recommendation RC7 or any subsequent amendment thereto published by the Fire Prevention Authority, is completed jointly by the person responsible for carrying out the work and **Your** safety officer (or nominated person);
- procure that the precautions and systems of work shown on the designated hot work permit are complied with;
- provide copies of any hot work permit to **Us** upon request and
- **You** shall incorporate any additional terms or requirement or conditions to such hot work permit as **We** may require.

Electrical Testing

- a) The electrical installations at the **Premises** shall be installed, inspected and tested in accordance with IET Wiring Regulations, British Standard Requirements for Electrical Installations BS7671 ("the Regulations") (or any subsequent amendments thereto) by an NICEIC, NAPIT or ECA registered electrical contractor and a certificate or inspection report issued.
- b) Inspection of the electrical installation shall be carried out as prescribed by the Regulations or as specified in any previous certificate or inspection report (whichever is the shortest) and the first such inspection shall be carried out no later than the expiry of the prescribed interval since the date of the last inspection carried out immediately before the commencement of the **Period of Insurance**.
- c) All observations, requirements and recommendations arising from an inspection shall have been or (in relation to future inspections) shall be acted upon as soon as practicable provided always that in the case of a Code 1 recommendation (requiring urgent attention) action shall be taken immediately upon receipt of the inspector's advice and without delay to remedy the observed deficiency or to take other appropriate action.
- d) **You** shall produce a certificate confirming the above to **Us** within a period of 30 days of being so requested.

Portable Appliance Testing

- a) At commencement of the **Period of Insurance** all portable electrical appliances used by **You** or on **Your** behalf are safe for continued use and shall continue to be so during the **Period of Insurance**.
- b) An inspection of portable electrical appliances shall be carried out by an NICEIC, NAPIT or ECA registered electrical contractor in accordance with the IET "Code of Practice for In-Service Inspection and Testing of Electrical Equipment" and otherwise in accordance with any applicable HSE guidelines or regulation, such inspections to be carried out at least annually and otherwise at prescribed intervals or as recommended by the Health and Safety Executive.

Intruder and Fire Alarm

It is a Condition Precedent with regard to any intruder and or fire alarm specified and required by **Us** installed in the **Premises** **You** will:

- a) ensure the alarm system is installed in accordance with the manufacturer's specification and any other specifications of the **We** and no alteration or variation of the system or any structural alteration to the **Premises** which would affect the system will be made without the prior written consent of the **We**;
- b) ensure that the intruder and or fire alarm is in full and efficient working order at all times and regularly serviced under the manufacturer's maintenance contract and any other maintenance requirements of the **We**;
- c) notify the **We** forthwith of any defects that arise in such alarm systems, procure that such defects are remedied as soon as is practicable and notify the **We** forthwith once such defects are remedied;
- d) ensure that the intruder alarm is tested and fully set whenever the alarmed portion of the **Premises** is closed for **Business** or not attended by **You** or any competent adult authorised by **You** to be responsible for the security of the **Premises**;
- e) ensure that the fire alarm is tested at least weekly and continually set in active mode;
- f) notify **Us** immediately of any disconnection or failure of, or downgrading of police or fire brigade response to the system likely to leave any area unprotected;

- g) ensure that there are available keyholders notified to all appropriate services, including police, fire service and the alarm maintenance company.

We will not be liable for **Damage** caused by fire, explosion, subterranean fire and theft subsequent to **You** receiving a written notification from an intruder and/or fire alarm company that the maintenance is suspended or from the relevant police authority or fire brigade that alarm signals from the **Premises** will no longer be answered.

Cover provided by this Section will not be invalidated by any defect in the said systems due to circumstances beyond **Your** control arising after the systems have been properly set, and provided that the foregoing Conditions Precedent have been satisfied.

Maintenance Agreements

You will ensure that **You** have in force throughout the **Period of Insurance** sprinkler installations and fire extinguishers maintenance agreements with the manufacturers or installers, that all defects or other problems arising are rectified as soon as practicable.

Cover provided by this Section will not be invalidated by any defect in the said appliances due to circumstances beyond **Your** control.

Minimum Security

- 1) All final exit doors are secured as follows;
 - a) Solid wood timber doors – by mortice deadlocks having five or more levers or confirming to BS3621 with matching boxed striking plate;
 - b) aluminium doors – by cylinder mortice lock operating a swinging lock bolt;
 - c) PVCu doors – by key operated multi-point locking devices having three or more locking points. The first closing leaf of double leaf doors must be fitted internally with bolts top and bottom.
- 2) All other external doors and internal doors leading to common areas or other **Premises** must be secured:
 - a) by the means set out in a); or
 - b) by key operated security bolts fitted top and bottom.

Protection Maintenance

All security devices provided for the protection of the property shall be maintained in good working order at all times and shall be brought into use at all times when the **Premises** are closed for **Business** or left unattended. **You** agree that no such protection shall be withdrawn or varied without **Our** prior written consent.

Oily Rags and General Cleaning

Throughout the **Period of Insurance** all oily and greasy cleaning waste and wipes must be kept in metal receptacles with hinged metal lids and removed from the **Premises** each week. .

Roof Maintenance

Any **Building** with a flat roof, or part flat roof is to be inspected at least once every two years by a qualified builder or property surveyor and any defect identified by that inspection be repaired as soon as practicable.

Any guttering shall be checked for blockages or defects by a competent person at inception or renewal and at six monthly intervals thereafter and any remedial action required to be implemented immediately.

A record of all inspections shall be made and retained by **You**.

Smoking Materials

The **Premises** shall at the close of business daily be checked for smoking materials, such material shall be placed for disposal in a metal-lidded metal container with the contents of ashtrays and other smoking material receptacles. The contents of these containers are not to be mixed with other combustible materials. The management shall ensure that this is being done by the appropriate liaison with the **Employee(s)** assigned to the task and ensure that appropriate records are kept.

Sprinkler Leakage

Sprinkler installations shall be subject to and maintained in accordance with maintenance agreements with the manufacturers or installers and that all defects or other problems arising are rectified as soon as practicable.

In respect of sprinkler leakage cover the following additional conditions apply:

- a) **You** shall at all times take steps to prevent frost and other **Damage** to the sprinkler installation in so far as **Your** responsibility extends to maintain the installation together with the automatic external alarm signal in efficient working order;
- b) in the event of any discharge or leakage **You** shall do and permit to be done all things practicable whether by removal or otherwise to save and protect the property;
- c) whenever it is the intention to make any changes, repairs or alterations to the installation **You** shall give written notice to **Us** and obtain **Our** permission in writing, before proceeding;
- d) access to the **Buildings** and **Premises** is allowed at all times for the purposes of inspection and any defects in the condition of the installation must be repaired as soon as practicable. **We** retain the option to suspend sprinkler leakage cover until the defects have been remedied and approved by **Us**.

Statutory Requirements

You shall comply with all statutory requirements concerning the inspection of machinery and equipment.

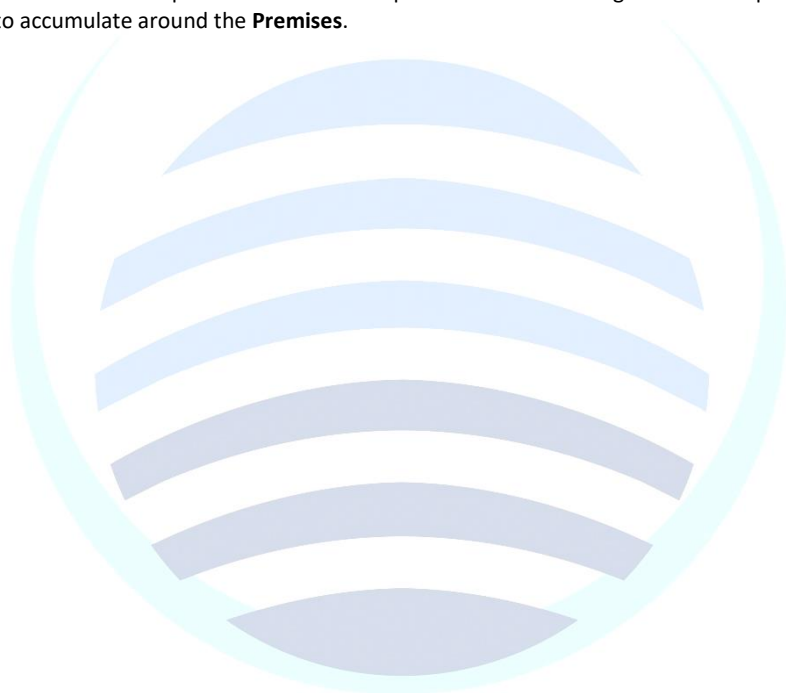
Sprinkler Installations

Property Insured being protected by an automatic sprinkler installation in accordance with details lodged with the **We**, the **You** shall ensure that the undernoted work is carried out;

- 1) the said installation shall be maintained in full working order during the currency of this insurance;
- 2) a test shall be made every week for the purpose of ascertaining that the alarm is in working order and that the stop valves controlling the water supplies of the installation are fully open;
- 3) any defect whether revealed by such tests or otherwise shall be remedied immediately;
- 4) notice shall be given immediately to the **We** should the water supplies be turned off or the sprinkler installation be rendered inoperative from any cause.

Waste

Waste and any other trade refuse shall be kept in closed metal receptacles outside working hours or swept up daily and removed from the **Premises** and not allowed to accumulate around the **Premises**.



MRL

Tailored Insurance

Section 2 - Business Interruption

Insuring Clause

For each item of Section 2 **We** will indemnify **You** for interruption to or interference with the **Business** as a result of **Damage** occurring during the **Period of Insurance**.

Provided that:

- a) such interruption to or interference is in consequence of **Damage** insured by Section 1 of the **Policy** to **Buildings** or other Property used by **You** in course of the **Business** at the **Premises**;
- b)
 - i) payment shall have been made or liability admitted under Section 1
 - ii) payment would have been made or liability admitted under Section 1But for the operation of an **Excess**;
- c) the maximum **We** will pay for any one claim is:
 - i) for any single item the **Sum Insured** or Limit of Indemnity stated in the **Schedule** or as amended by each Section; and
 - ii) in the aggregate the Total Sum Insured.

Definitions *(Also refer to the Definitions in this Policy)*

The following definitions apply to Section 2, and shall keep the same meaning wherever they appear below unless an alternative definition is stated to apply. In the case of any conflict between the definitions in this Section and the **Policy** Definitions the definitions in this Section 2 shall prevail.

The words and expressions used in the definitions will, where applicable, have the meaning usually attached to them in **Your** books and accounts.

Annual Revenue

The **Revenue** during the twelve months immediately before the date of the **Damage**

Customers' Accounts

Any Hire-purchase or credit accounts of the **Business**.

Damage

Direct physical loss, destruction of or **Damage** to **Property Insured** used by **You** at the **Premises** for the purpose of the **Business**.

Defined Peril

fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water or oil from any tank apparatus, pipe or appliance (but not sprinkler leakage), falling trees, impact, underground fire.

Gross Profit

- a) The combined value of the **Turnover**, closing **Stock** and work in progress; less
- b) the combined value of the opening **Stock**, work in progress and **Working Expenses**.

The values of opening **Stock**, closing **Stock** and work in progress will be calculated using the **You** normal accounting methods and make due provision for depreciation and/or obsolescence.

Fixed Costs

Regular and usual costs which must be paid by **You** regardless of the level of production, **Rent**, taxes, utility standing charges, directors' fees, interest on borrowed capital and/or other similar costs incurred regardless of the **Occurrence** of the **Damage**.

Indemnity Period

The period during which the **Business** is affected due to the **Damage** beginning with the date of the **Damage** and ending not later than the **Maximum Indemnity Period**.

Increase in Cost of Working

Unforeseen additional expenditure which **You** necessarily incur after the date of the **Occurrence** of the **Damage** for the purpose of:

- a) preventing or limiting a reduction in **Turnover** as a result of **Damage**; and/or;
- b) returning the **Business** to the production level that existed prior to the date of the **Occurrence** of the **Damage**.

Maximum Indemnity Period

The period as stated in the **Schedule** unless amended in any additional cover.

Outstanding Debit Balances

The total recorded by **You** adjusted for:

- i) bad debts;
- ii) 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 date to which the total last recorded relates and the date of the event;
iii) any abnormal condition of trade which had or could have had a material effect on the **Business**;

so that the figures adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the event had the event not occurred.

Payroll

Wage and salary expenses paid prior to the date of the **Occurrence** of the **Damage** and which continue to be paid despite a reduction or stop of production.

Rate of Gross Profit

Gross Profit earned on and expressed as a percentage of **Standard Turnover** during the financial year immediately before the date of the **Damage**, subject to any **Trends in Business**.

Revenue

The amount as stated in the **Schedule**.

Remainder Limit

The maximum limit less any sum paid or payable for **Increase in Cost of Working** during the first THREE (3) months of the **Indemnity Period**.

Remainder Period

The **Maximum Indemnity Period** less THREE (3) months.

Standard Turnover

The **Turnover** during the TWELVE (12) month period immediately before the date of the **Occurrence** of the **Damage** and which corresponds with the **Indemnity Period**, subject to any **Trends in Business**.

Standard Charges

Any **Increase in Cost of Working** settlement will take into account any standing charges of the **Business** which are not insured (having been deducted in arriving at the **Gross Profit**).

We will reflect in any such settlement the proportion of the additional expenditure which the **Gross Profit** bears to the aggregate sum of the **Gross Profit** and the standing charges.

Standard Revenue

The **Revenue** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

Taxes

All terms in this Section exclude Value Added Tax or its equivalent tax(es) to the extent that the **You** are accountable to the Tax Authorities for such tax(es).

Trends in Business

Rate of Gross Profit, **Turnover** and **Standard Turnover** may be adjusted as may be necessary to reflect any trends of, variations in or other circumstances which affect the **Business** either before or after the **Occurrence** of the **Damage** which would have affected the **Business** had the **Damage** not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the **Damage**, would have been obtained during the relevant period after the **Occurrence** of the **Damage**.

Turnover

Money and/or services provided in the course of the **Business** at the **Premises**, subject to any **Trends in Business**.

Working Expenses

The variable cost of goods and/or services purchased.

Conditions Precedent

In respect of Section 2, It is a Condition Precedent that:

Alteration

We will not indemnify the **You** for **Damage** if the **Business** is:

- a) wound up or carried on by a liquidator or receiver; or
- b) is permanently discontinued.

Excess

We will deduct the amount of the **Excess** stated in Section 2 **Schedule** for each and every Claim calculated after the application of all other terms of Section 2. The **Excess** is applied for the period immediately following the **Occurrence** of the **Damage**.

Payment on Account

We may make Claim payments on account to the **You** during the **Indemnity Period** if required and if appropriate.

Property Damage Cover

We will not indemnify **You** under Section 2 unless:

- a) there is in force at the time of the **Occurrence** of **Damage** insurance under this **Policy** covering the **You's** interest in the **Property Insured** at the **Premises** for the **Damage**; and;
- b) payment has been made or liability admitted by **We** for such **Damage** or payment would have been made or liability would have been admitted by **We** for such **Damage** but for the exclusion of **Losses** below a stated amount in such insurance **Policy**.

Exclusions

*The following exceptions apply to Section 2 (also refer to the terms and conditions in this **Policy**).*

- 1 **We** will not indemnify the **You** for interruption to or interference with the **Business** which is not resulting from an **Occurrence** which is covered by Section 1;
- 2 **We** will not indemnify the **You** for indirect and or Consequential **Loss** of all kind or description other than if **Rent** is included in the cover under Section 2 of the **Policy**.

Extension Clauses

We will indemnify **You** under Section 2 for:

Additional Increase in Cost of Working

We will pay the additional expenditure incurred during the **Damage** to maintain the **Business** during the **Indemnity Period** which exceeds the amount recoverable under the **Increase in Cost of Working**.

The maximum **We** will pay is the amount as stated in Section 2 **Schedule**

Automatic Reinstatement

In the absence of written notice by **You** or **Us** to the contrary **Our** liability will not reduce by the amount of any **Loss** and **You** undertake to pay the appropriate additional premium for such automatic reinstatement of cover.

Denial of Access

Section 2 extends to include **Loss** occurring at any **Premises** owned, Occupied or operated by **You** resulting from **Damage** to Property within 0.5km of the **Premises** which prevents or hinders use of the **Premises** or access thereto whether or not the **Premises** are **Damaged**.

We will not indemnify **You** for **Damage** due to the withdrawal or hindrance to the supply of the gas, electricity, water or telecommunications which prevents or hinders the supply of such services to the **Premises**.

The **Indemnity Period** stated in above means the period beginning from the date of the **Occurrence** and ending not later than the number of days as stated in Section 2 **Schedule** thereafter during which the results of the **Business** shall be affected in consequence thereof. The provision of any automatic reinstatement does not apply to Denial of Access cover.

Provided always that this extension shall apply solely in respect of locations or property within the **Territorial Limits** and **Our** liability under this Extension shall not exceed any one event GBP25,000 under this Section whichever is the less.

Failure of Utility Supply

We will indemnify **You** in respect of **Loss** resulting from interruption of or interference with the **Business** as a result of **Damage** at the **Premises** of **Your** utility supplier in supplying **You** with electricity, gas, telecommunications or water at the terminal end which feeds the supply into the **Premises**.

We will not indemnify **You** in respect of accidental failure:

- a) in respect of electricity and gas supplies:
 - i) caused by the deliberate act of any supply authority;
 - ii) caused by the exercise of any supply authority's power to withdraw or restrict supply or services;
 - iii) caused by industrial action;lasting less than twelve (12) hours;

- b) in respect of water supplies:
 - i) caused by the deliberate act of any supply authority;
 - ii) caused by the exercise of any supply authority's power to withdraw or restrict supply or services;
 - iii) caused by industrial action;
 - iv) caused by drought or other weather conditions;lasting less than twelve (12) hours;

- c) in respect of telecommunications:
 - i) caused by the deliberate act of any supply authority;
 - ii) caused by the exercise of any supply authority's power to withdraw or restrict supply or services;
 - iii) caused by industrial action;
 - iv) lasting less than twenty four consecutive hours;
 - v) of any satellite prior to its attaining its full operating function or whilst in or beyond the final year of its design life;
 - vi) caused by temporary interference with transmissions to and from satellites due to atmospheric, weather solar or lunar conditions;
 - vii) due to the transfer of **Your** satellite facility to another party.

The maximum payable under this extension is GBP25,000 any one **Occurrence**.

Inspection and Audit

We shall be permitted to inspect the **Premises** and the receptacles in which the records of accounts receivable are kept by **You**, and to examine and audit **Your** books and records at any time during the **Period of Insurance** and any extension thereof and within three years after the final termination of this Section, as far as they relate to the premium basis or the subject matter of this insurance, and to verify the statements of any outstanding record of accounts receivable submitted by the **You** and the amount of accounts receivable on which **We** have made any settlement.

Loss Outside the Premises

The insurance provided by this Section also applies to the records of accounts receivable while being removed to or returned from and while at:

- a) the **Premises** of **Your** professional accountants;
- b) the private residence of any principal, **Employee**, director or partner or a place of safety because of imminent danger of **Loss**, destruction or **Damage**, provided **You** give written notice to **Us** of such removal within ten days thereafter.

Professional Fees

We will pay **You** in respect of charges for professional accountants and auditors in producing information, particulars or details contained in **Your** books of account or other **Business** books or documents which may be required by **Us** in respect of a claim.

Any amount agreed to be paid by **Us** for accountants' and auditors' fees shall not exceed rates and amounts authorised under the scales of the applicable professional institutions which regulate such fees and which prevail at the time of the **Occurrence** of the **Damage**.

We will not pay for the services of lawyers, public loss assessors or Claims consultants or for any costs incurred by **You** for the production of a Claim or for the estimate of a loss.

Rent

If, as a result of the **Premises** suffering **Damage** **You** are prevented from occupying the whole or any part of the **Premises** leased by **You** for the purpose of conducting the **Business**, **We** will indemnify **You** in respect of the amount of **Rent** nevertheless payable by **You** for such **Unoccupied Premises**. The insurance under Section 2 is limited to the period from the date of the **Occurrence** of **Damage** until such time as the **Premises** are again fit for occupation for the purpose of conducting the **Business** after reinstating the **Damage**.

Subject to a maximum of the **Indemnity Period** as stated in Section 2 **Schedule**.

Exhibitions

Section 2 is extended to include **Loss** from interruption of or interference with the **Business** in consequence of an **Occurrence** whilst at any exhibition anywhere in the world shall be deemed to be **Loss** resulting from **Loss** or destruction of or **Damage** to property used by **You** at the **Premises**, provided that, after the application of all other terms, conditions and provisions of the **Policy**, the liability under this clause in respect of any one Incident shall not exceed 5% of the Limit of Liability or GBP10,000 whichever is less any one **Occurrence**.

Infectious Disease, Murder or Suicide, Food or Drink or Poisoning

Section 2 is extended to cover **Loss of Gross Revenue** due to:

- a) - any **Occurrence** of a Notifiable Disease (as defined below) at the **Premises** or attributable to food or drink supplied from the **Premises**,
 - any discovery of any organism at the **Premises** likely to result in the **Occurrence** of a Notifiable Disease;
 - any **Occurrence** of a Notifiable Disease within a radius of one mile of the **Premises**;
- b) the discovery of vermin or pests at the **Premises** which cause restrictions on the use of the **Premises** on the order or advice of the competent local authority;
- c) any accident causing defects in the drains or other sanitary arrangements at the **Premises** which causes restrictions on the use of the **Premises** on the order or advice of the competent local authority;
- d) any **Occurrence** of murder or suicide at the **Premises**;

provided that, after the application of all other terms, conditions and provisions of the **Policy**, the liability under this clause in respect of any one **Occurrence** shall not exceed GBP25,000 any one claim and GBP50,000 any one **Period of Insurance**.

Definitions

- a) "Notifiable Disease" shall mean illness sustained by any person resulting from:
 - i) food or drink poisoning, or
 - ii) any human infectious or human contagious disease, an outbreak of which the competent local authority has stipulated shall be notified to them excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition
- b) "Indemnity Period" shall mean the period during which the results of the **Business** shall be affected in consequence of the **Damage** beginning;
 - i) in the case of (a) and (d) above with the **Occurrence** or discovery of the incident;
 - ii) in the case of (b) and (c) above with the date from which the restrictions on the **Premises** are applied and ending not later than twelve months thereafter.
- c) "Premises" shall mean only those locations stated in the **Schedule**.
We shall not be liable for:
 - i) any costs incurred in cleaning, repair, replacement, recall or checking of property.
 - ii) **Loss** arising at those **Premises** which are subject to the **Damage**.
Notwithstanding anything to the contrary contained within the Policy by this Clause extends to include costs and expenses necessarily incurred with **Our** consent in:
 - i) cleaning and decontamination of property used by the **You** for the purpose of the **Business** (other than **Stock** in trade);
 - ii) removal and disposal of contaminated **Stock** in trade at or from the **Premises**, use of which has been restricted on the order or advice of the competent local authority solely in consequence of the **Damage** as defined above, provided that our liability shall not exceed GBP10,000 in any one **Period of Insurance** after the application of all other terms and conditions of this **Policy**.

Transit

Section 2 is extended to Indemnify **You** for **Loss** resulting from interruption of or interference with the **Business Property Insured** whilst in transit. The maximum indemnity under this extension will be GBP25,000 any one **Occurrence**

Special Conditions

Accumulated Stock

In adjusting any **Loss**, account shall be taken and an equitable allowance made if any reduction in **Turnover** due to the Incident is postponed by reason of the **Turnover** being temporarily maintained from accumulated **Stock** of finished goods at **Your Premises**.

Alternative Premises

The **Revenue** will include any **Money** paid or payable to **You** during the **Indemnity Period** for goods sold or services supplied provided elsewhere than at the **Premises**.

Alternative Trading

If during the **Indemnity Period** goods shall be sold or services shall be rendered or accommodation provided elsewhere than at the **Premises** for the benefit of the **Business** either by **You** or by others on **Your** behalf the **Money** paid or payable in respect of such sales or services or accommodation shall be brought into account in arriving at the **Turnover** and/or **Rent** Receivable during the **Indemnity Period**.

Automatic Reinstatement

In consideration of the insurance hereby not being reduced by the amount of any **Loss** under this Section, the **You** will pay such additional premium as may be required.

Delayed Loss

In adjusting any **Loss**, **We** will take account and make an equitable allowance if any reduction in **Turnover** due to the **Damage** is postponed by reason of the **Turnover** being temporarily maintained from accumulated **Stocks** of finished goods.

Limit of Liability

Our liability under Section 2 will not exceed the lesser of:

- a) in the whole the total sum insured; or
- b) in respect of any item of settlement specification, its **Sum Insured** at the time of the **Damage**; or
- c) any other **Limit of Liability** stated in the **Schedule** at the time of the **Damage**;
- d) the **Sum Insured** (or **Limit of Liability**) remaining after deduction for any other interruption or interference consequent upon **Damage**;

occurring during the same **Period of Insurance**, unless **We** have agreed to reinstate any such **Sum Insured** (or **Limit of Liability**).

Professional Accountants Clause

Any particulars or details contained in the **Your** books of account or other **Business** books or documents which may be required by **Us** for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for **You** and their report shall be prima facie evidence of the particulars and details to which such report relates.

We will pay **You** the charges payable by **You** to **Your** professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by **Us** under the terms of this **Policy** and reporting that such particulars or details are in accordance with **Your** books of account or other **Business** books or documents.

Recoveries

After payment of any claim hereunder all amounts recovered by **You** on accounts receivable for which **You** have been indemnified shall belong and be paid **Us** to **You** up to the total amount of **Loss** paid by **Us**.

Reinstatement of Loss

Unless written notice by **Us** or **You** is provided, cover under this Section will not reduce by the amount of any **Loss** and the full premium will still be payable until expiry of the **Period of Insurance**.

Salvage Sale

If, following any **Occurrence** giving rise to a claim under this Section, **You** shall hold a salvage sale during the **Indemnity Period**, for the purpose of such claim in respect of **Loss** of Gross **Revenue**, the amount payable as indemnity in respect of Reduction in **Turnover** shall be:-
the sum produced by applying the Rate of Gross **Revenue** to the amount by which the **Turnover** during the **Indemnity Period** (less the **Turnover** for the period of the salvage sale) shall fall short of the **Standard Turnover** in consequence of the Incident, from which sum shall be deducted the Gross **Revenue** actually earned during the period of the salvage sale.

Standing Charges

If any standing charges of the **Business** deducted in arriving at the Gross **Revenue** are not **You** under this Section, then in computing the amount recoverable as increased cost of working, the amount of additional expenditure that will be taken into account will be reduced by the proportion that the Gross **Revenue** bears to the sum of the Gross **Revenue** and the un**You** standing charges.

Section 2 (i) – Loss of Gross Profit

Basis of Settlement

We will pay for any reduction in **Turnover**, being the sum produced by applying the **Rate of Gross Profit** to the amount by which, due to the **Damage**, the **Standard Turnover** exceeds the **Turnover** during the **Indemnity Period**, less any sum saved during the **Indemnity Period** in respect of costs and expenses of the **Business** payable out of **Gross Profit** as may cease or be reduced in consequence of the **Damage**.

We shall ignore any adjustment made for current cost accounting.

If at the time of the **Damage** the **Sum Insured** is less than the sum produced by applying the **Rate of Gross Profit** to the **Standard Turnover** (proportionately increased when the **Maximum Indemnity Period** exceeds TWELVE (12) months) the **You** will be the **You's** own insurer for the difference and bear a rateable share of the **Loss**.

The maximum **We** will pay is the **Sum Insured** as stated in Section 2 (i) **Schedule**.

Section 2 (ii) – Loss of Revenue

Basis of Settlement

The insurance on **Revenue** is limited to **Loss** due to reduction in **Revenue**; and **Increase in Cost of Working**.

We will pay in respect of:

Reduction in **Revenue** the amount by which due to the **Damage** the **Standard Revenue** exceeds the actual **Revenue** during the **Indemnity Period**;

Increase in Cost of Working any additional expenses **You** incur solely to prevent or limit a reduction in **Revenue** during the **Indemnity Period** which but for such additional expenses would have taken place due to the **Damage**.

We will not pay more the reduction avoided by the expenditure less any savings during the **Indemnity Period** in **Business** charges or expenses payable out of **Revenue** which reduce or cease due to the **Damage**.

If at the time of the **Damage** the **Sum Insured** is less than the **Annual Revenue** (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months) **You** will be **Your** own insurer for the difference and bear a rateable share of the **Loss**.

Section 2 (iii) - Increase in Cost of Working

Professional Fees up to 5% of the **Sum Insured** for **Increase in Cost of Working**.

Basis of Settlement

During the **Indemnity Period**, **We** will pay the **Increase in Cost of Working**, less any sum saved during the **Indemnity Period** in respect of costs and expenses of the **Business** payable out of **Gross Profit** as may cease or be reduced in consequence of the **Damage**.

The maximum amount **We** pay will not exceed:

- a) During the first THREE (3) months of the **Indemnity Period**, 25% of the Maximum Limit;
- b) For each subsequent month of the **Indemnity Period**, the proportion of the **Remainder Limit** which one month bears to the **Remainder Period** or NINE (9) months (whichever is the longer).

The **Sum Insured** under **Increase in Cost of Working** is limited to the amount of the reduction in **Gross Profit** avoided by such expenditure.

The maximum **We** will pay is the Maximum Limit as stated in Section 2 (ii) **Schedule**.

Section 2 (iv) – Book Debts

Section 2 extends to include Loss of Income sustained by **You** in respect of **Outstanding Debit Balances** due to **Damage** and the amount payable shall not exceed the sum as stated above of each and every **Occurrence** or series of **Occurrences** arising out of one original cause being:

- a) the difference between:
 - i) the **Outstanding Debit Balances**; and
 - ii) the total of the amounts received or traced in respect of such balances;
- b) the additional expenditure incurred with **Our** previous consent in tracing and establishing customers' debit balances after the Incident.

Under extension a) i) above **You** shall provide reasonable proof to **Us** of the amount of **Outstanding Debit Balances** at the situation of the **Damage** at the end of the financial period immediately preceding the **Damage**.

In respect of this extension only the following definitions apply.

Outstanding Debit Balances means the total recorded by **You** adjusted for:

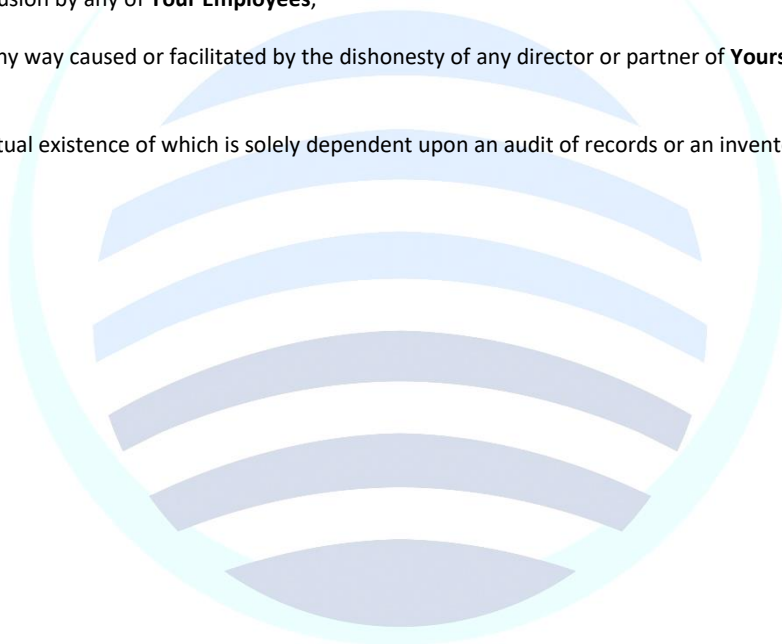
- i) bad debts;
- ii) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through **Your** books of accounts at the time of the event) to **Customers' Accounts** in the period between the date to which the total last recorded relates and the date of the event;
- iii) any abnormal condition of trade which had or could have had a material effect on the **Business**,

so that the figures adjusted shall represent as nearly as reasonably practicable those which would have obtained at the date of the event had the event not occurred.

Customers' Accounts means any Hire-purchase or credit accounts of the **Business**.

This Section Excludes

1. Loss due to:
 - alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of **Money**, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding of **Money** book-keeping, accounting or billing errors or omissions;
 - erasure or distortion of information on computer systems or other records whilst mounted in or on any machine or data processing apparatus
 - defects in such records;
 - mislaying or misfiling of tapes and records;
 - the deliberate act of a Public Supply undertaking in restricting or withholding any supply;
 - wear and tear and gradual deterioration, vermin, rust, damp or mildew;
 - the collusion by any of **Your Employees**;
2. **Loss** which is in any way caused or facilitated by the dishonesty of any director or partner of **Yours** or any person in **Your** service or employ;
3. Loss, proof of factual existence of which is solely dependent upon an audit of records or an inventory computation;



MRL

Tailored Insurance

Section 3 - Goods in Transit

If any of the **Property Insured** referred to below is **Damaged** whilst in **Transit** within the **Territorial Limits** during the **Period of Insurance** **We** will pay the value of the **Property Insured** at the time of its **Damage** or at **Our** option to reinstate or replace such property or any part of it.

Our liability under Section 3 (including extensions hereto) for any one event shall not exceed the **Sum Insured** stated in the **Schedule** or such other Limit of Liability as may hereafter be agreed to in writing by or on behalf of the **We** at the time of the **Damage**.

Definitions *(Also refer to the Policy definitions)*

The following definitions apply to Section 3 and keep the same meaning wherever they appear below unless an alternative Definition is stated to apply. In the case of any conflict between the definitions in this Section and the **Policy** Definitions the definitions in this Section shall prevail.

Average

If at the time of the commencement of any **Damage** the total value of the **Property Insured** in or upon any vehicle, vessel or aircraft exceeds the limit of Indemnity then the amount payable by the **We** shall be proportionately reduced.

Reasonable Precautions

The **You** shall take all reasonable precautions in:

- a) maintaining vehicles under their control in an efficient and roadworthy condition and ensure the suitability of the vehicles for the purpose used;
- b) employing competent and honest persons who can be entrusted with the **Property Insured**;
- c) packaging, labelling and addressing the **Property Insured**

Damage

Means accidental loss or destruction of or **Damage** to the **Property Insured**.

Property Insured

Means **Stock** and materials in trade, including work in progress, belonging to **You** or for which **You** are responsible and connected with the **Business**.

Territorial Limits

Means Great Britain, Northern Ireland, the Isle of Man and the Channel Islands including Transits directly between such territories.

Transit

Means being carried to its destination by any vehicle, vessel or aircraft including loading and unloading and whilst temporarily housed in the course of being carried to its destination.

Extensions

Additional Expenses

The insurance provided by Section 3 shall include additional costs and expenses reasonably and necessarily incurred by the **You** in transferring the **Property Insured** to another vehicle, or reloading on the original vehicle for onward delivery or return to the **Premises** and removal of debris due to fire, explosion, collision or overturning of the carrying vehicle, subject to a limit of GBP1,500 any one event.

Employees' Effects

Section 3 includes in so far as the same are not otherwise insured accidental **Damage** to **Employees** personal property due to fire, explosion, collision or overturning of the carrying vehicle subject to a limit of GBP1,000 any one **Employee** any one event.

Ropes/Sheets

The **Property Insured** under Section 3 shall include ropes, sheets, tarpaulins, trolleys and the like whilst in **Transit** subject to a limit of GBP1,500 any one event.

Tools

Damage to any tools, tool kit or test **Equipment** which is owned or hired by **You** in connection with the **Business**. Subject to a limit of GBP1,000 any one **Period of Insurance**. This **Policy** will not indemnify **You** for any items insured by any other insurance **Policy**.

Exclusions

- 1 The first GBP250 in respect of each and every **Occurrence** for **Damage** (other than by fire or explosion) after the application of **Average** or as stated in the **Schedule**.
- 2 **Damage** in respect of:
 - a) **Money**, which term shall mean current coin, bank and currency notes, cheques, travellers cheques, national giro payment orders, postal and **Money** orders, current unused postage stamps, national savings stamps and certificates, premium bonds, luncheon vouchers, credit card and debit card vouchers, unused franking machine units, trading stamps, gift tokens, customer redemption vouchers, holiday with pay stamps, bankers' drafts, promissory notes, bonds, securities, bills of exchange, dividend warrants, VAT purchase invoices, travel tickets, letters of credit or other negotiable instruments;
 - b) Jewellery, precious stones, bullion, furs or curiosities, precious metals, works of art or rare books;
 - c) Documents, manuscripts, computer systems records or **Business** books;
 - d) Explosives or livestock or bloodstock.
- 3 Breakage of clocks, scientific instruments, china, glass, marble, earthenware, articles of value or the like unless consequent upon an accident in which the carrying vehicle, vessel or aircraft is damaged.
- 4 Denting, bruising or scratching of furniture.
- 5 **Damage** caused by or in respect of goods detailed in the Special Classification of Explosives and other Dangerous Goods carried by the Railway Companies at Owner's Risks only, according to the General Railway Classification of Goods List.
- 6 **Damage** caused by or consisting of wear, tear, latent defect or inherent vice.
- 7 **Damage** caused by or consisting of moth, vermin, insects, damp, mildew, rust, loss in weight, evaporation, taint, leakage or spillage, pollution, contamination, deterioration, depreciation, mechanical or electrical breakdown or derangement, unless arising as a consequence of fire, explosion, or accident to the carrying vehicle, vessel or aircraft and not otherwise excluded.
- 8 **Damage** caused by or attributable to defective or inadequate packing or protection against climatic conditions (other than by lightning) or incorrect and insufficient addressing of any parcel or package.
- 9 **Damage** due to delay or loss of market or indirect and or consequential loss or **Damage** of all kind.
- 10 **Damage** which is in any way caused or facilitated by the dishonesty of any director or partner of **Yours** or any person in the service of or employed by **You**.
- 11 **Damage** to goods carried in open sided/curtained vehicles, or any vehicle that cannot be secured.
- 12 **Damage** caused by or consisting of:
 - a) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - b) disappearance or unexplained or inventory shortage;
 - c) theft or any attempt thereat arising whilst any vehicle belonging to or under the control of **You** and containing the **Property Insured** is left unattended unless:
 - i) all doors have been securely locked, all windows and other openings securely and adequately fastened and any immobiliser and any alarm fitted to the said vehicle correctly set to operate and all keys removed,
 - ii) after the last **Business** transit of the day until collected by the driver for the next **Business** transit, the vehicle is housed in a securely locked **Building** of substantial construction or a compound which has secure walls and/or fences and securely locked gates.
- 13 **Damage** regarding import shipments until fully discharged or until marine insurance has ceased to cover whichever last occurs.

Section 4 - Money and Assault

In the event of **Money** belonging to **You** or for which **You** are responsible being **Damaged**, or an **Insured Person** being assaulted then the **We** will pay the **You** the value of **Money** so lost, destroyed or **Damaged** or compensation for **Assault** in accordance with the following table of benefits, provided that:

- a) **Damage** or **Assault** occurs within the **Territorial Limits**;
- b) **Damage** or **Assault** occurs during the **Period of Insurance**;
- c) for each category of **Damage** **Our** liability will not exceed the **Sums Insured** stated in the **Schedule**.

Item	Injury	Benefits	Compensation Payable GBP per insured person
A.	Death		10,000
B.	Loss of eye or irrecoverable Loss of use of one or both eyes		10,000
C	Loss of limb or irrecoverable Loss of use of one or more limbs		10,000
D.	Permanent total disablement		10,000
E.	Temporary total disablement for each week of its continuance not exceeding a benefit period of 104 weeks		100
F	Temporary partial disablement for each week of its continuance not exceeding a benefit period of 104 weeks		50

Death, **Loss** of limb, **Loss** of eye, permanent total disablement, temporary total disablement or temporary partial disablement must follow within twenty-four (24) months from the date of the accident. The amount of compensation payable in respect of items E will not exceed eighty per cent (80%) of the **You** Person's normal gross weekly remuneration.

Extensions

Clothing or Personal Effects

In the event of accidental **Loss** or destruction of or **Damage** to clothing or personal effects of an **You** Person due to Theft (as defined in Section 1) or attempted Theft the Insurers will indemnify the **You** Person in respect of such **Loss**, destruction or **Damage** up to a maximum amount of GBP500.

Safes

In the event of **Damage** to any safe, cash box or security case, which is **Your** property, as a result of theft or attempted theft **We** will indemnify **You** in respect of such **Damage** by repair or replacement.

Definitions *(Also refer to the Definitions in this Policy)*

The following definitions apply to Section 4, and shall keep the same meaning wherever they appear below unless an alternative definition is stated to apply. In the case of any conflict between the definitions in this Section and the Policy Definitions the definitions in this Section 4 shall prevail.

Assault

Means **Injury** occurring to an **Insured Person** directly due to theft or attempted theft of **Money**.

Benefit Period

Means the total period (but not necessarily consecutive period) for which item E of the Table of Benefits is payable in respect of anyone accident to any **Insured Person**.

Business Hours

Means the period during which that portion of the **Your Premises** containing **Money** is physically occupied for **Business** purposes and during which **You** or **Your Employees** entrusted with **Money** are in the said portion of the **Premises**.

Injury

Means **Injury** which within twenty-four months from the date of the accident results in the **Insured Person's** Death, **Loss of Limb, Loss of Eye or Disablement**

Insured Person

- a) **You** or any Principal Director or **Employee of Yours** or,
- b) any person acting on Your behalf of **You** other than an **Employee** of a Security Company or Organisation.

Loss of a Limb

Includes severance at or above the wrist or ankle or total and permanent loss of use of a hand, arm, foot or leg.

Loss of Eye

Includes total and irrecoverable loss of sight.

Money

Means current coin, bank and currency notes, cheques, travellers cheques, national giro payment orders, postal and money orders, current unused postage stamps, National Savings stamps and certificates, premium bonds, luncheon vouchers, credit card and debit card vouchers, unused franking machine units, trading stamps, gift tokens, customer redemption vouchers, holiday with pay stamps, bankers' drafts, promissory notes, bonds, securities, bills of exchange, dividend warrants, VAT purchase invoices, travel tickets, letters of credit or other negotiable instruments belonging to **You** or for which **You** are responsible.

Permanent Total Disablement

Means disablement, caused other than by **Loss of Limb** or **Loss of Eye**, which has lasted for at least twenty-four months and will in all probability entirely prevent the **Insured Person** from engaging in his or her usual occupation for the remainder of his or her life.

Temporary Partial Disablement

Means temporary disablement which prevents the **Insured Person** from engaging in a substantial part of his or her usual occupation.

Temporary Total Disablement

Means temporary disablement which prevents the **Insured Person** from engaging in his or her usual occupation.

Exclusions

Section 4 does not cover:

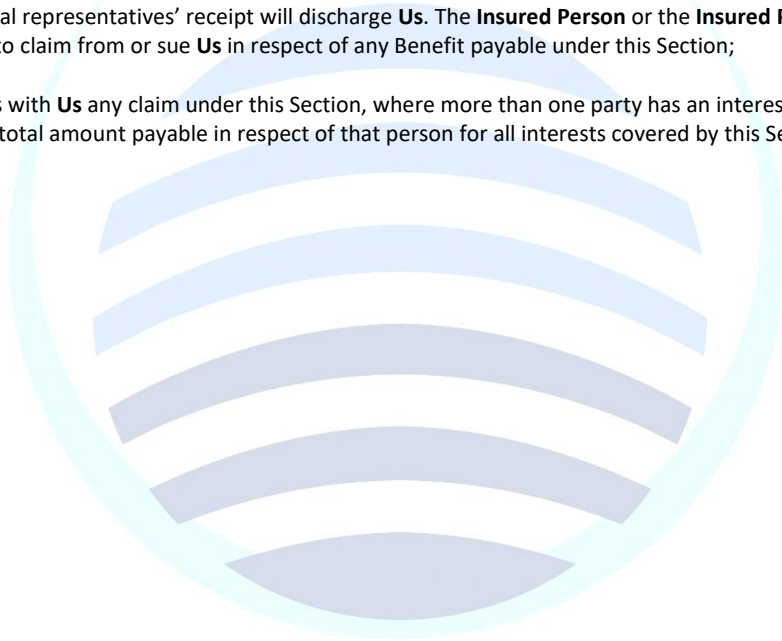
- **Damage** occasioned by or happening through or in consequence of riot or civil commotion in Northern Ireland.
- **Loss or Damage:**
 - a) arising from dishonesty on the part of any director, partner or **Employee of Yours** not discovered within fourteen days of the **Occurrence**;
 - b) to **Money** contained in any unattended vehicle;
 - c) occasioned by errors or omissions;
 - d) recoverable from a specialist security carrier;
 - e) otherwise covered by a **Policy** of fidelity guarantee insurance;
 - f) the first GBP250 of each and every **Loss** or **Damage** or as stated in the **Schedule**;
 - g) interest on any claim payment or compensation benefit;
 - h) payment to any **You** Person:
 - i) under more than one of the items of the Table of Benefits;
 - ii) until the entire amount payable in respect of any **Occurrence** is ascertained;
 - i) comprising **Damage to Money** recoverable from a specialist security carrier; or
 - j) benefit payable due solely to an inability to take part in sports, pastimes or hobbies; or
 - k) unexplained loss or disappearance.

Special Conditions

We shall not be liable under Section 4 unless throughout the **Period of Insurance**:

- all protections and procedures for the safety of **Money** whilst in the **Premises** existing at the inception date of this **Policy** or undertaken at the request of the **We** are maintained and operated;
- the keys for all protections and the keys of any safes containing **Money** are removed from the **Premises** out of **Business Hours** and held by designated key holders; unless the **Premises** are occupied by the **You** or an authorised **Employee** in which case the keys will be kept in a secure place away from any safe or strongroom;
- the following minimum standards of precaution for the safety of **Money** in transit (other than by specialist security carrier) at all times:
 - a) the times of transits, routes and conveyances used shall be varied as far as possible;

- b) all persons engaged in the transit of **Money** shall be able-bodied adults;
 - c) the following minimum standards of precaution for the safety of **Money** in Transit are operated at all times:
 - i) transits of amounts exceeding GBP2,500 shall be accompanied by at least two able-bodied adults,
 - ii) transits of amounts exceeding GBP5,000 shall be accompanied by at least three able-bodied adults, or two able-bodied adults by motor car or in an approved security case;
 - D) transits of amounts exceeding GBP10,000 shall be transported by specialist security carrier.
- **Insured Person** is attended by a duly qualified medical practitioner as soon as possible after the happening of any event which may give rise to a claim;
 - all certificates, information and evidence required must be provided free of charge and in a form prescribed by **Us**, **Insured Person** will be required to submit to medical examination at **Our** expense in connection with any claim;
 - **You** or **Your** personal representatives' receipt will discharge **Us**. The **Insured Person** or the **Insured Persons** personal representatives shall have no right to claim from or sue **Us** in respect of any Benefit payable under this Section;
 - if **You** compromises with **Us** any claim under this Section, where more than one party has an interest in the **Insured Person** the Benefit shall represent the total amount payable in respect of that person for all interests covered by this Section.



MRL

Tailored Insurance

Section 5 - Employers Liability

Insuring Clause

In the event of **Injury** to any **Employee** caused during the **Period of Insurance** and arising out of and in the course of their employment by **You** in connection with **Your Business** within the **Territorial Limits** **We** will indemnify **You** for an amount, including **Costs and Expenses**, not exceeding the **Limit of Indemnity** as stated in the **Schedule** against all sums that **You** shall become legally liable to pay as compensation in respect of such **Injury**.

Employers' Liability (Compulsory Insurance) Clause 1969

The indemnity granted by this section is deemed to be in accordance with the provisions of the Employers Liability (Compulsory Insurance) Regulations 1969 and the Employers Liability (Compulsory Insurance) Regulations 1988 or any subsequent amendment or re-enactment or similar legislation applying to Northern Ireland, the Isle of Man or the Channel Islands.

However, **You** must repay to **Us** all sums paid by **Us** which **We** would not have been liable to pay but for the provision of such legislation.

Definitions *(Also refer to the Definitions in this Policy)*

The following definitions apply to Section 5, and shall keep the same meaning wherever they appear below unless an alternative definition is stated to apply. In the case of any conflict between the definitions in this Section and the General Definitions the definitions in Section 5 shall prevail.

Cost and Expenses

Means:

- a) **Costs and Expenses** (other than claimant costs recoverable from the **You** or any **Other Insured Party**) incurred in the investigation, adjustment, appraisal, defence or settlement of an insured event, including expert, legal, appeal and defence costs;
- b) pre-judgment interest awarded against **You** on that part of any judgment covered under this **Policy** but where **We** offer to pay the **Limit of Indemnity** in settlement of a claim or suit, **We** will not pay any pre-judgment interest imposed or earned after the date of such offer;
- c) all interest earned on that part of any judgment within the **Limit of Indemnity** after entry of the judgment and before the **We** have paid, offered to pay, or deposited in court that part of any judgment that is within the applicable **Limit of Indemnity**.

Hostile Territory

Means a territory designated by the Foreign and Commonwealth Office as one:

- a) to which personnel are 'advised against all travel to';
- b) that personnel should leave having designated the territory 'advised against all travel to'.

Limit of Indemnity

Means the limit (inclusive of costs and expenses) applicable to this section of the **Policy** as stated in the **Schedule** and is the maximum amount payable by **Us** in respect of any one claim and/or series of claims arising from one **Occurrence** regardless of the number of:

- a) **Other insured Parties**; or
- b) persons or organisations bringing claims or suits; or
- c) claims against the **You** or series of claims against the **You**, or claims or series of claims made by **You**.

Other Insured Party

Means any of the following parties:

- any director, partner, **Employee** or a former **Employee** of **Yours**;
- any officers, members' committee and/or **Employee** paid and voluntary helpers of the **Your** canteen in their respective capacities as such;
- any officers and members of the **Your** security, rescue, first aid, fire and ambulance services, medical organisation other than any doctor, surgeon or dentist while working in a professional capacity in their respective capacities as such;
- any director or partner or executive of **Yours** in respect of private work undertaken by any **Employee** for a director, partner or executive of **Yours**.

Extensions:

Compensation for Court Appearance

In the event that **You** attend court as a witness at **Our** request in connection with an **Occurrence** in which **You** are entitled to indemnity under this section **We** will provide compensation to **You** at the following rates for each day on which attendance is required:

- a) any director, partner, executive officer of **Yours** GBP250
- b) any other of **Your Employees** GBP100

Contractual Liability

Where any contract or agreement entered into by **You** so requires **We** will:

- a) indemnify **You** against liability arising in connection with and assumed by **You** by virtue of such contract or agreement but only so far as concerns liability as defined in this Section to **Your Employee(s)**; and
- b) waive rights of subrogation against any party specified in the contract or agreement but only to the extent (and in respect of) the claim indemnified under a) above;

provided that **You** shall arrange for such other parties as may be indemnified by any such contract or agreement, to observe and fulfil the terms and conditions of this insurance so far as they can apply.

Corporate Manslaughter and Corporate Homicide Act 2007

We will also indemnify **You** in respect of legal costs and expenses incurred with **Our** prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 and any amendments thereto or any equivalent legislation in the Isle of Man or the Channel Islands and any amendments thereto committed or alleged to have been committed during the **Period of Insurance** in the course of the **Business**.

Provided always that:

- a) **Our** liability under this clause will not exceed GBP500,000 in any one **Period of Insurance**. This limit will form part of and not be in addition to the **Limit of Indemnity** stated in the **Schedule**;
- b) this clause will only apply to proceedings brought in the **Territorial Limits**;
- c) **We** must consent in writing to the appointment of any solicitor or counsel who are to act for and on **Your** behalf;
- d) **You** will give **Us** without un-necessary delay any notice of any summons or other process served upon **You** which may give rise to proceedings under this clause;
- e) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding;
- f) **We** will be under no liability:
 - i) where **You** have committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge;
 - ii) in respect of fines or penalties of any kind;
 - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made thereunder;
 - iv) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this clause indemnity would have been provided by such other source or insurance;
- g) where **We** have already indemnified **You** in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of and or investigation connected with corporate manslaughter or corporate homicide under another part of this **Policy** the amount paid under that part will be taken into account in arriving at **Our** liability payable under this clause.

Cross Liabilities

We will indemnify each party named in the **Schedule** or endorsed hereto as if a separate **Policy** had been issued to each. Provided always that **Our** total liability shall not exceed the Limits of Indemnity stated in the **Schedule** regardless of the number of parties claiming to be indemnified.

Health and Safety at Work

We will indemnify **You** and at **Your** request any director, Business partner, **Employee** or volunteer against:

- a) costs and expenses incurred with **Our** prior consent;
- b) costs awarded against **You** or such director, Business partner, employee or volunteer in the defence of any criminal proceedings arising from an alleged breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any amendments thereto during the **Period of Insurance** in the course of the **Business** including any appeal against conviction arising from such proceedings.

Provided always that this will not apply to:

- i) fines or penalties of any kind;
- ii) costs in respect of which **You** or any director, Business partner, **Employee** or volunteer has effected a more specific legal expenses protection or insurance;

- iii) proceedings or appeals consequent upon any deliberate act or omission and **You** will immediately repay **Us** all costs and expenses paid by **Us** prior to any deliberate act or omission being established
- iv) proceedings not related to the health, safety or welfare of an **Employee**.

Medical Treatment

This insurance extends to indemnify **You** and any medical doctor or dentist employed by **You** in respect of liability to any person under a contract of service or apprenticeship with **You** resulting from treatment given provided that any such doctor or dentist shall as though they were **You** be subject to the terms of this **Policy** so far as they can apply.

Principals

We will indemnify any principal of **Yours**, where requested by **You**, but only to the extent that liability arises solely out of the work performed for the principal by or on behalf of **You** and provided that:

- a) the principal shall as though he were **You** observe, fulfil and be subject to the terms and conditions of this **Policy** in so far as they can apply; and
- b) **Our** liability under this clause shall in no way operate to increase the **Limit of Indemnity**;
- c) the principal is not indemnified under any other insurance or in any other way

Unsatisfied Court Judgements

In the event of a judgement for damages being obtained by any **Employee** or the personal representatives of any **Employee** in respect of **Injury** caused during any **Period of Insurance** and arising out of and in the course of employment by **You** in the **Business** against any company or individual operating from premises within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands in any court situated in the aforesaid territories and remaining unsatisfied in whole or in part six months after the date of such judgement **We** will pay to the **Employee** or the personal representatives of the **Employee** at **Your** request the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided always that:

- a) there is no appeal outstanding;
- b) if any payment is made under the terms of this extension the **Employee** or the personal representatives of the **Employee** shall assign the judgement to **Us**.

Work Overseas

This **Policy** shall not apply to nor include liability in respect of any **Injury** 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.

Exclusions:

We shall not indemnify **You** in respect of:

Asbestos

Arising out of or related to the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to asbestos or materials or products containing asbestos other than to the extent that an indemnity is deemed to be required in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in which case **Our** total liability to pay damages and **Costs and Expenses** shall not exceed GBP5,000,000 in respect of any one claim arising out of any one event or all events of a series consequent on or attributable to one source or original cause.

Fines and Damages

Any fines, penalties, punitive damages, exemplary damages, aggravated damages, treble damages, or any other increase in damages resulting from the multiplication of compensatory damages.

Motor Vehicles

Liability for **Injury** to any **Employee** to the extent that compulsory motor insurance or security is required in **Your** name under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any other Compulsory Road Traffic Legislation.

North American Jurisdiction

Liability for payment of any judgment, award, payment or settlement made within countries which operate under the laws of North America or Canada (or to any order made anywhere in the world to enforce such judgment, award, payment or settlement either in whole or in part).

Offshore Activities

The insurance under this Section will not cover liability to an **Employee** for **Injury** caused by visits, work or activities undertaken offshore from the time of embarkation by an **Employee** on to a conveyance at the point of departure to an offshore rig or offshore platform until disembarkation by the **Employee** from a conveyance onto land upon return from an offshore rig or offshore platform.

Terrorism

Terrorism other than to the extent that an indemnity is deemed to be required in accordance with any law relating to compulsory insurance of **Employees** in which case **Our** total liability to pay damages.

Section 6 – Public and Products Liability

Insuring Clause

We will indemnify **You** in respect of all sums which **You** shall become legally liable to pay as compensation for:

- a) **Injury** to any person other than an **Employee** where such death or **Injury** arises out of and in the course of their employment;
- b) **Property Damage**;
- 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 **Period of Insurance** within the **Geographical Limits** in connection with **Your Business**.

Our liability under this Section for all compensation payable by **You** 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**.

Definitions (Also refer to the General Definitions in this Policy)

The following definitions apply to Section 6, and shall keep the same meaning wherever they appear below unless an alternative definition is stated to apply. In the case of any conflict between the definitions in this Section and the **Policy** Definitions the definitions in this Section 6 shall prevail.

Injury

Means bodily death, disease, illness, physical and mental **Injury** of or to an individual but excluding anxiety and **Injury** to feelings in respect of such **Injury** to any **Employee**.

Cost and Expenses

Means:

- a) **Costs and Expenses** (other than claimant costs recoverable from **You** or any **Other Insured Party**) incurred in the investigation, adjustment, appraisal, defence or settlement of an insured event, including expert, legal, appeal and defence costs;
- b) pre-judgment interest awarded against **You** on that part of any judgment covered under this **Policy** but where **We** offer to pay the **Limit of Indemnity** in settlement of a claim or suit, **We** will not pay any pre-judgment interest imposed or earned after the date of such offer;
- c) all interest earned on that part of any judgment within the **Limit of Indemnity** after entry of the judgment and before the **We** have paid, offered to pay, or deposited in court that part of any judgment that is within the applicable **Limit of Indemnity**.

Damage

Means physical **Loss** or **Damage to Property** but not economic **Loss**.

Fines and Damages

Any fines, penalties, punitive damages, exemplary damages, aggravated damages, treble damages, or any other increase in damages resulting from the multiplication of compensatory damages.

Geographical Limits

Means:

- a) Great Britain, Northern Ireland, the Isle of Man and the Channel Islands;
- b) Elsewhere in the world where **Your** directors, partners or **Employees** are normally resident in (a) are temporarily engaged in non-manual work relating to **Your Business** outside these territories, provided that **You** would be liable under the law of England or Wales (or Scotland or Northern Ireland, where appropriate).

Limit of Indemnity

Means the limit (inclusive of **Costs and Expenses**) applicable to this Section as stated in the **Schedule** and is the maximum amount payable by **Us** in respect of any one claim and/or series of claims arising from the same incident.

Other Insured Party

Means any of the following parties:

- any director, partner, **Employee** or a former **Employee** of **Yours**;
- any officers, members' committee and/or **Employee** paid and voluntary helpers of the **Your** canteen in their respective capacities as such;

- any officers and members of the **Your** security, rescue, first aid, fire and ambulance services, medical organisation other than any doctor, surgeon or dentist while working in a professional capacity in their respective capacities as such;
- any director or partner or executive of **Yours** in respect of private work undertaken by any **Employee** for a director, partner or executive of **Yours**.

Property

Means both physical and tangible property.

Suit

Means a civil proceeding in which **Damages** to which this insurance applies are alleged, including an arbitration proceeding in which such **Damages** are claimed and to which an **Other Insured Party** must submit or does submit with **Our** consent or any other alternative dispute resolution proceeding in which such **Damages** are claimed and to which an **Other Insured Party** submits with **Our** consent.

Extensions

Bona Fide Sub-Contractors

We will indemnify **You** against liability for **Injury, Damage** caused by or arising from the activities of bona fide sub-contractors provided that **You** have established and maintain an administrative procedure for obtaining and retaining evidence from bona fide sub-contractors to the effect that they all have separate and specific and Public Liability insurance and that:

- the limit of indemnity of the Public Liability insurance be not less than GBP5,000,000 in respect of any one claim or number of claims arising out of one cause or **Occurrence**;
- such insurance has been extended to indemnify **You** as principal against all liability at law for **Damages** in respect of **Injury** or **Damage**;
- such insurance covers the work to be undertaken by the bona fide sub-contractor;
- the insurance is revalidated every twelve (12) months throughout the duration of their contract with **You**.

Compensation for Court Appearance

In the event that **You** or an **Employee** attend court as a witness at **Our** request in connection with an **Occurrence** in which **You** are entitled to indemnity under this section **We** will pay **You** compensation for each day on which attendance is required:

- any director, partner, executive officer of **Yours** GBP250
- any other of **Your Employees** GBP100

Consumer Protection Act 1987 & Food Safety Act 1990

We will indemnify **You** or at **Your** written request any director or **Employee** 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 and Sections 7 and 8 of the Food Safety Act 1990 or any regulations made thereunder or any subsequent legislation committed or alleged to have been committed during the **Period of Insurance** including legal costs and expenses incurred with **Our** consent in an appeal against conviction arising from such proceedings.

Provided always that:

- the criminal proceedings relate to an offence committed in the course of **Your Business**;
- this extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- We** shall not be liable under this extension:
 - where **You** or **Your** directors or **Employees** are insured by any other policy of insurance;
 - where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission by **You** or **Your** directors or **Employees**;
 - in respect of legal costs and expenses which **You** or **Your** directors or **Employees** may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission by **You** or **Your** directors or **Employees**;
 - in respect of fines or penalties;
 - for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined;
 - unless **We** have the sole conduct and control of all claims;
- You** or **Your** directors or **Employees** shall give **Us** immediate notice of any summons or other process served upon **You** or **Your** directors or **Employees** and of any event that may give rise to proceedings against **You** or **Your** directors or **Employees**.

Contingent Motor Liability

We shall indemnify **You** in respect of legal liability arising out of use by any **Employee** of any private vehicle, including any trailer or apparatus attached thereto, not the property of nor leased or rented to **You** and being used in the course of the **Business**.

We shall not provide indemnity:

- in respect of **Damage** to any such private vehicle or its contents; or
- arising while such vehicle is being driven by **You**;
- if the vehicle is driven with **Your** or **Your** representatives general consent by any person who to **Your** or **Your** representatives knowledge does not hold a valid licence to drive such vehicle;
- arising while such vehicle is being used elsewhere other than in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
- liability for which indemnity is provided under any other insurance

Corporate Manslaughter and Corporate Homicide Act 2007

We will also indemnify **You** in respect of legal costs and expenses incurred with **Our** prior written consent in connection with the defence of any criminal proceedings (including any appeal against conviction arising from any such proceedings) brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 and any amendments thereto or any equivalent legislation in the Isle of Man or the Channel Islands and (or any subsequent amendments thereto) committed or alleged to have been committed during the **Period of Insurance** in the course of the **Business**.

Provided always that:

- a) **Our** liability under this clause will not exceed GBP500,000 in any one **Period of Insurance**. This limit will form part of and not be in addition to the **Limit of Indemnity** stated in the **Schedule**;
- b) this clause will only apply to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
- c) **We** must consent in writing to the appointment of any solicitor or counsel who are to act for and on **Your** behalf;
- d) **You** will give **Us** without un-necessary delay any notice of any summons or other process served upon **You** which may give rise to proceedings under this clause;
- e) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding;
- f) **We** will be under no liability:
 - i) where **You** have committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge;
 - ii) in respect of fines or penalties of any kind;
 - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made thereunder;
 - iv) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this clause indemnity would have been provided by such other source or insurance;
- g) where **We** have already indemnified **You** in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of and or investigation connected with corporate manslaughter or corporate homicide under another part of this **Policy** the amount paid under that part will be taken into account in arriving at **Our** liability payable under this clause.

Cross Liabilities

We will indemnify each party named in the **Schedule** or endorsed hereto as if a separate **Policy** had been issued to each. Provided always that **Our** total liability shall not exceed the **Limits of Indemnity** stated in the **Schedule** regardless of the number of parties claiming to be indemnified.

Data Protection Act 1998

We will indemnify **You** in respect of **Your** liability to pay compensation in respect of damage or distress under section 13 of the Data Protection Act (or any subsequent amendments thereto) including defence costs and expenses in relation to claims made by any person not being an **Employee**, provided that:

- a) **You** have registered in accordance with the terms of the Data Protection Act;
- b) the claim arises from damage or distress occurring or prosecution commenced during the **Period of Insurance**;
- c) this extension will not apply in respect of:
 - i) the cost of replacing, reinstating, rectifying or erasing any personal data;
 - ii) liability caused by or arising from a deliberate or intentional act by or omission of any party entitled to indemnity by this insurance the effect of which will knowingly result in liability under the Data Protection Act;
 - iii) claims which arise out of circumstances notified to any previous insurer or known to **You** at the start of this **Policy**;
 - iv) liability for which indemnity is provided under any other insurance.

Defective Premises Act 1972

We will indemnify **You** in respect of liability incurred by **You** under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 (or any subsequent amendments thereto) in connection with any Business premises or land disposed of by the **You**

We shall not be liable for:

- a) the cost of rectifying any damage or defect in the premises or land disposed of;
- b) liability for which indemnity is provided under any other insurance.

Health and Safety at Work

We will indemnify **You** and at **Your** request any director, Business partner, **Employee** against:

- a) costs and expenses incurred with **Our** prior consent;
- b) costs awarded against **You** or such director, Business partner, **Employee** in the defence of any criminal proceedings arising from an alleged breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 (or any subsequent amendments thereto) during the **Period of Insurance** in the course of the Business including any appeal against conviction arising from such proceedings.

Provided always that this will not apply to:

- i) fines or penalties of any kind;
- ii) costs in respect of which **You** or any director, Business partner, **Employee** or volunteer has effected a more specific legal expenses protection or insurance;
- iii) proceedings or appeals consequent upon any deliberate act or omission and **You** will immediately repay **Us** all costs and expenses paid by **Us** prior to any deliberate act or omission being established:
- iv) proceedings not related to the health, safety or welfare of an **Employee**.
- v) liability for which indemnity is provided under any other insurance.

Overseas Personal Liability

At **Your** prior request **We** shall indemnify any **Employee** or any member of their family or persons normally resident with them against all sums in respect of **Injury** or **Damage** which any of them shall become legally liable to pay consequent upon an **Occurrence** happening whilst temporarily outside the **Geographical Limits** in connection with **Your Business** except:

- (i) where such liability arises out of the ownership or occupation of any building or land;
- (ii) the carrying on of any trade or profession;
- (iii) ownership, possession or use of wild animals, firearms, mechanically propelled vehicles, aircraft or watercraft; or
- (iv) where indemnity would be provided by any other policy of insurance.

Principals

We will indemnify any principal of **Yours**, where requested by **You**, but only to the extent that liability arises solely out of the work performed for the principal by or on **Your** behalf provided that:

- a) the principal shall as though he were **You** observe, fulfil and be subject to the terms and conditions of this **Policy** in so far as they can apply; and
- b) **Our** liability under this clause shall in no way operate to increase the **Limit of Indemnity**;
- c) the principal is not indemnified under any other insurance or in any other way.

Products

We will indemnify the **You** against liability at law for damages in respect of **Injury** or **Damage** to property occurring anywhere in the **Geographical Limits** during the **Period of Insurance** and caused by:

- a) goods in **Your** or **Your** Employees possession;
- b) food or drink sold or supplied;
- c) merchandise or souvenirs sold or supplied by or through the **You** in connection with the **Business** within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Exclusions

The **We** will not indemnify the **You** under this Section against:

Advice, Design or Plans Provided for a Fee

Any **Loss** arising out of or from advice, design, plans, specifications, formulae, surveys, or directions prepared or given by the **You** or **Other Insured Party** for a fee but this shall not exclude such liability arising in conjunction with **Products** supplied.

Asbestos

Liability arising from or caused by any work involving the manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection or testing of or exposure to asbestos, asbestos fibres, asbestos dust, or asbestos containing materials.

Contractual Liability

Liability which attaches by virtue of a contract or agreement but, which would not have attached in the absence of a contract or agreement.

Costs and Expenses arising from a Deliberate Act

Costs and Expenses incurred in proceedings other than in respect of manslaughter, corporate manslaughter or corporate homicide consequent upon any deliberate act or omission by or on behalf of **You** or **Other Insured Party** if the result of such act or omission could reasonably have been expected to constitute an offence under any legislation.

Costs or Recall or Guarantee

Expenditure, whether incurred by the **You** or others, for the withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement, reinstatement of any **Product** or part thereof and/or from financial loss consequent upon the necessity for such withdrawal, recall, disposal, removal, repair, adjustment, alteration, reconditioning, replacement or reinstatement.

Crafts and Vehicles

Liability arising out of the ownership possession or use by or on behalf of **You** or caused by any craft designed to travel in or through air, space or water or any mechanically propelled vehicles (for which no specific indemnity is provided by extension).

Custody or Control

Damage to:

- a) Property belonging to **You** or in the care custody or under **Your** control or of any **Employee** (other than property belonging to visitors, directors, partners of **You**);
- b) that part of any property on which **You** or any **Employee** or agent of **Yours** is or has been working where the **Damage** results from such work.

Damages Arising from a Deliberate Act

Injury, Damage and any associated **Costs and Expenses**, either expected or intended by **You** or **Other Insured Party** but this exclusion does not apply to **Injury** resulting from the use of reasonable force to protect persons or property.

Deliberate Acts

Deliberate or belligerent acts by security staff, door staff or **Employees**.

Excess

The **Excess** stated in **Policy Schedule**, and any such amounts will be payable by **You** before **We** shall be liable to make any payment under this **Policy**.

E-Commerce

Any liability:

- a) arising from **Loss**, alteration or impairment of, or **Damage to**, information and / or data in electronic form;
 - b) arising from malicious acts of any person carried out by electronic means;
 - c) for defamation or harassment carried out by electronic means;
- but this exclusion shall not apply in respect of liability for any ensuing accidental **Injury** (save for mental injury or mental disease) or accidental **Damage** which is not otherwise excluded.

Electronic Data

Any liability:

- a) arising from **Loss**, alteration or impairment of, or **Damage to**, information and/or data in electronic form;
- b) arising from malicious acts of any person carried out by electronic means;
- c) for defamation or harassment carried out by electronic means;

but this exclusion shall not apply in respect of liability for any ensuing accidental **Injury** (save for mental injury or mental disease) or **Damage** which is not otherwise excluded.

Employment Practices Dispute

Any liability which arises out of:

- a) a dispute between an employer / prospective employer and employee / prospective employee referred or capable of being referred to an Employment Tribunal including such appeal courts or tribunals as are available from an Employment Tribunal as provided by the Employment Rights Act 1986 (or any amendment thereto); or
- b) a settlement or adjudication of or under the auspices of an Employment Tribunal or ACAS;
- c) liability by the above which is capable of being insured under a generally available Employment Practices Liability Insurance Policy.

Financial Loss

Liability for pure financial loss that is not consequent upon **Injury** or **Damage**.

Fines and Damages

Any fines, penalties, punitive damages, exemplary damages, aggravated damages, treble damages, or any other increase in damages resulting from the multiplication of compensatory damages.

Gradual Environmental Impairment

Any liability for or consequent upon:

- a) **Injury** or **Damage** to property, arising out of the gradual discharge dispersal release or escape of **Pollutants**;
- b) the cost of removing nullifying or cleaning up **Pollutants** which have been gradually discharged dispersed released or escaped;
- c) fines penalties or exemplary damages, arising out of the gradual discharge dispersal release or escape of **Pollutants** occurring anywhere in the world.

Intentional Disregard or Reasonable Precautions

Any insured event or loss arising or arising out of or continuing from the deliberate, conscious or intentional disregard by **Your** technical or administrative management of the need to take all reasonable precautions to prevent an insured event or loss arising or continuing.

Legionella

Injury, Damage or Denial of Access arising out of, alleging or attributable to the existence of Legionella;

Liability for Employment

Injury sustained by any **Employee** arising out of or in the course of employment by **You** in the **Business**;

Limit of Indemnity

The amount **We** pay in the event of a claim **as** stated in the **Schedule**.

Liquidated Damages

Any loss arising out of or from any liquidated damages clauses or penalty clauses or performance warranties in any contract or agreement which **You** or **Other Insured Party** has entered into unless it is proven that, and then only to the extent that, liability would have attached in the absence of such clauses or warranties.

Nuclear Risks

- a) **Loss** or destruction of or **Damage** to any property whatsoever or any **Loss** or expense whatsoever resulting or arising there from or any consequential loss;
- b) any legal liability of whatsoever nature;
- c) any sum which **You** become legally liable to pay or any **Loss** or expense; caused by or contributed to by or arising from or, in the case of (c) above, attributable to Nuclear Hazards.

Overseas Domiciled Operations

Your subsidiary companies, branch offices or representatives with power of attorney that are domiciled outside of the Great Britain, Northern Ireland, the Isle of Man and the Channel Islands;

Ownership or Use Mechanically Propelled Vehicles

Injury, Damage arising out of or from the ownership, maintenance, operation or use of any mechanically propelled vehicle, other than amusement devices and rides, by or on behalf of **You** or any **Other Insured Party**.

Participant to Participant Liability

Injury of any participant caused by or arising from actual or attempted physical contact intended or unintended in the course of any activity.

Sexual Abuse

Liability arising from allegations of rape or sexual abuse of any nature whether proven or otherwise.

Statutory Requirements

You shall comply with all statutory requirements concerning the inspection of machinery and **Equipment**.

The Product Itself

Liability for **Damage** to **Your** product or any part thereof arising from a defect or unsuitability thereof and pure financial loss arising therefrom.

USA / Canada

any liability to pay compensation arising out of a decision of any court made in accordance with the laws of the United States of America or Canada;

War or Terrorism

Injury, Damage caused by or contributed to by or arising from War or any act of Terrorism.

Work Away

Injury, Damage arising out of or from:

- a) the application of heat involving a naked flame or open heat source or use of oxyacetylene, electric arc or similar welding and cutting **Equipment**, hot air paint strippers, grinding wheels, angle grinders, disc cutters or gas space heaters;
- b) the handling or use of explosives;
- c) the removal or weakening of support or the withdrawal of ground water from any land or structure;
- d) work on or to the external structure of a **Building**;
- e) work carried out externally five (5) metres or higher above ground level;
- f) waste storage or disposal;
- g) work at, in or on towers steeples chimney shafts blast furnaces dams canals viaducts bridges or tunnels, aircraft airports ships docks piers wharves breakwaters or sea walls, collieries mines chemical works gas works oil refineries or power stations, offshore installations or bulk oil petrol gas or chemical storage tanks or chambers.

Conditions Precedent

It is a Condition Precedent that:

Incident Log

You shall keep a log of all incidents that occur and that book must be available for inspection by **Us**.

Inflatable Code of Conduct

- A) all inflatables must be visually inspected at the start of each hire for any rips, holes or bulges, or signs of damage which could cause **Equipment** failure and appropriate repair undertaken;
- B) all inflatables must be correctly staked down at all anchor points (usually a minimum of 6) and guide ropes, where applicable, must be used.
- C) any inflatable sited on a hard surface such as concrete, wood or tarmac, must have adequate heavy sand-bags attached to the anchor points to secure the inflatable;
- D) safety mats be used for entry/exit points when the inflatable is sited on a hard surface;
- E) every customer must be given a terms & conditions of hire form and either a safety cartoon sheet, or written safety/operating instructions (or similar) e.g. www.biha.org.uk/safecartoons1. Every customer must be made aware of the maximum age (or height) and maximum number of users permitted on the inflatable;
- F) electrics must be PAT tested on an annual basis. (This includes blowers, extension reels and RCD's.
- G) RCD's (power breakers) must always be used and installed at the source and not attached to the blower or extension reel socket;
- H) operators must never hire out "toy" bouncy castles, slides or other "toy" inflatables designed or classed for domestic use;
- I) operators must always ensure that the age group of the users (e.g. children) is suitable for the size and type of inflatable;
- J) whenever an inflatable slide with a platform height exceeding six metres is being operated it must be accompanied by at least two suitably trained and competent operatives one person to monitor the bottom of the slide and one to monitor the top.
- K) in the event of wind speeds in excess of twenty-five (25) mph the inflatable must be switched off;
- L) if the inflatable is sited on a hard surface with sand-bags, then it should be switched off in the event of wind speeds in excess of fifteen (15) mph;
- M) the inflatable must not be used in the event of heavy rain;
- N) operators must always ensure that any exposed electrical connections are fully waterproofed prior to use.
Use of specially designed waterproof outdoor electrical connections is best or rain covers designed to cover the blower, and the extension reel completely;
- O) operators must use a slip-sheet on inflatable slides (medium to large slides) to prevent users from falling through a split seam. (This requirement is not compulsory on some children's slides where the drop may be small (e.g. 3 – 5 feet, or 1m – 1.5m). Although, it is recommended to have slip sheets on ALL slides;
- P) operators must never knowingly sell second-hand inflatables which are in a dangerous condition through any avenue;
- Q) operators must ensure that responsible adults will be available to supervise children while playing on their inflatables;

Inflatable and Leisure Equipment

in respect of any **Equipment** to be used or operated or hired out by the **You**:

- A) it is fully supervised by an adult at all times;
- B) all operators must have sufficient training and knowledge to understand the procedures and rules regarding the safe use/operation of such devices
- C) the maximum number of persons allowed in or on such devices at any one time will not exceed the number outlined in the manufacturer's guidelines or recommendations and such devices must be supervised at all times by the operator(s)
- D) all outdoor devices must have adequate anchorage points, where applicable, based on likely wind load which must be used at all times
- E) all devices must be inspected daily and any devices which are found to be defective must be withdrawn immediately from use until satisfactorily repaired.
- F) all **Employees** are vetted by the police, local authority and criminal records bureau;
- G) all persons shall remove their footwear prior to use;
- H) no food (including gum) or drink shall be allowed on the **Equipment**;
- I) It will at all times be maintained and operated in accordance with British Standard BS EN 14960:2006;
- J) all **Equipment** must have been inspected annually to ensure that it complies with British Standard BS EN 14960:2006 and **You** shall retain a copy of the inspection certificate which **You** will be required to produce in the event of a claim;
- K) no person over the age of sixteen (16) shall be permitted on the **Equipment** unless such **Equipment** bears the prefix "adult";
- L) where "adult" use is permitted, adults and people under the age of sixteen (16) are not permitted to participate on the same **Equipment** at the same time;
- M) any inflatable device on licensed premises is operated in a fenced, glass-free area;
- N) any inflatable device is deflated and securely stored when not in use / unsupervised;
- O) it is installed and erected on site by **You** or a suitably experienced **Employee of Yours**;
- P) no person(s) shall be permitted to partake whilst under the influence of alcohol, drugs &/or any other intoxicating substance;
- Q) **You** must have in place a system of check to ensure that:
 - i) the supplier(s) of inflatable device(s) has Public and Products Liability Insurance, the Limit of Indemnity under such a **Policy** is at least equivalent to the Limit of Indemnity under this **Policy** and a written record of their insurer and **Policy** number is kept;
 - ii) the supplier(s) complies with BSEN 14960:2006;

- iii) all inflatable play **Equipment** carries up to date PIPA tag and certification;
 - iv) the supplier(s) complies with the “compulsory” elements of the BIHA “Code of Conduct”;
 - v) the supplier(s) belong to any of the following associations:
 - British Inflatable Hirers Alliance (BIHA);
 - National Association of Inflatable Hirers (NAIH);
 - Association of Inflatable Manufacturers, Operators, Designers and Suppliers (AIMODS).
- R) the undernoted **Equipment** must be operated and supervised by **You** or a suitably experienced **Employee** of **Yours** at all times:
- (i) bouncy boxing;
 - (ii) inflatable slides with a platform height of over ten (10) feet including items featuring slides of over ten (10) feet;
 - (iii) bar fly;
 - (iv) velcro Olympics;
 - (v) velcro walls;
 - (vi) surf simulators;
 - (vii) unrideable bikes;
 - (viii) trampolines;
 - (ix) swing boats;
- S) all **Equipment** used operated or hired out by **You** must be operated in accordance with the PIPA recommended best practice document relating to the “safe use and operation of play inflatables, including bouncy castles” (www.pipa.org.uk/publicbestpractice.pdf):

Safe use and operation of play inflatables, including bouncy castles

Introduction

This information sheet has been revised to reflect changes in the registration requirements for those who inspect play inflatables. Previously, these devices were to have been subject to inspection under the Amusement Devices Inspection Procedures Scheme (ADIPS). However, due to a delay in reaching agreement on suitable Service Quality Schedules for the inspection of these devices, it is not possible for duty holders to comply with the requirements of ADIPS at this time. Duty holders will still have to comply with their duties under Sections 2 – 6 of the Health and Safety at Work etc. Act 1974, as appropriate.

This information sheet is written to provide guidance for those involved with the design, manufacture, importation, supply, inspection and safe use of play inflatable devices. It lists possible hazards and outlines the precautions that need to be taken to avoid them.

It covers inflatables used for bouncing and other purposes but not those used solely for protection. It does not cover waterborne inflatables used in swimming pools or other types not used by the public for entertainment purposes.

This guidance has been prepared in consultation with the members of the Fairgrounds Joint Advisory Committee, the Inflatable Play Manufacturers’ Association, the Association of Play Industries, the British Inflatable Hirers Association, the Made Up Textiles Association, the Association of Inflatables Manufacturers, Operators, Designers and Suppliers, and other interested parties.

Definitions

Inflatable devices

Fairground Equipment consisting of air-filled structures designed to allow users to bounce, slide or climb on them. They are made from flexible fabric, kept inflated by one or more blowers and rely on air pressure to maintain their shape.

Controller

The person, organisation or hirer (those who hire to others) having the overall control, including responsibility for maintenance, of the inflatable device.

Operator

The person over the age of 18 and appointed by the controller to be in charge of the operation of the inflatable at any time when it is intended to be available for public use.

Attendant

Any person over the age of 16 and appointed to work under the control and direction of an operator to assist in the operation of the inflatable device.

Safety critical parts

Those parts where there is a real risk of failure leading to **Injury**.

Recognised hazards

The following hazards have been known to occur:

- instability and blowing away in windy conditions;
- situations caused by **Loss** of pressure as a result of
 - failure of the fabric zips and seams;
 - failure or **Loss** of power to the blower;
 - disconnection of the blower; or
 - litter blocking the air intake and/or vents;

- falls from the structure;
- windows tearing or detaching;
- tripping (particularly over anchorages);
- **Injury** to users caused by boisterous behaviour, overcrowding or not separating larger users from smaller ones;
- access to dangerous (parts of) machinery (e.g. Inadequately protected, or unguarded, blower units);
- electrical hazards (e.g. shock or burns);
- inadequate means of escape in case of fire;
- lifting injuries caused by manual handling;
- **Injury** to users caused by wearing inappropriate clothes and shoes;
- suffocation;
- entrapment.

Duties of manufacturers

Manufacturers should ensure that they manufacture their products so that they are, so far as is reasonably practicable, safe in use. Inflatables should be manufactured in accordance with good manufacturing practice, using suitable quality materials and using a suitable design. Where there are relevant standards, these should be followed.

Design considerations

The designer or manufacturer needs to make sure that:

- there are no parts of the device or ancillary **Equipment** accessible to users which will cause **Injury** if contact is made with them, e.g. sharp exterior angles or edges;
- there are no significant trapping points between adjacent surfaces;
- for bouncy castles especially, the outside walls are high enough, strong enough and attached to the base to prevent users falling out, bouncing over or slipping through gaps in normal use or foreseeable misuse.

As a general rule, the height of users using an inflatable should not exceed the height of the outside walls when the user stands on The bouncing surface. Walls of 1.8 m or higher (measured from the bouncing surface) are sufficient for users of any height;

- the number and the maximum size of users that the structure can safely contain at any one time is specified in the operations manual;
- the deflation time is sufficient to allow the structure to be safely evacuated - this can be considerably lengthened by using a non-return valve or flap fitted to the blower or by fitting the blow-tube to the lowest part of the structure, as near as possible to the ground.

Anchorage

Structures should be provided with an adequate anchorage and/or ballast system. Any anchorage points should be suitably protected where appropriate. The size, number and strength of anchorage points should be adequate for the structure and take into account likely wind loading. The designer/manufacturer should carry out research to determine maximum wind speeds and specify the type of anchorage for each inflatable device to be safely used. This information should be kept available.

Access/egress

On any open side the maximum fall-off height should be no greater than 750 mm. Any hard landing surface, including grass, should be covered by soft landing material such as dense gym mats or equivalent material of at least 25 mm thickness but not more than 125 mm, extending for a distance of at least 1.2 m from the open side. Safety mats used indoors should be fire-resistant. When it is necessary to have anchorage points near to an entrance/exit, they should be connected in such a way as to minimise the danger of tripping, abrasion or other injuries.

Blowers

These should be suitably guarded at inlet and outlet (IP2X is satisfactory - see BS EN 60529). The inflatable structure should be designed so that the user cannot contact the blower unit. This may be achieved by ensuring the length of any inflation tube is at least 1.2 m when positioned on a walled side and 2.5 m on any open side. Blowers should not be sited internally unless they are in a part of the structure not used for playing and out of possible contact by the user. The fitting of an auditory or visual alarm to the blower unit should be considered to alert the operator of any failure in the fan's electric (or other) power supply.

Special considerations for totally enclosed structures

In totally enclosed structures the following additional requirements should be satisfied:

- signs should indicate exits, meeting the requirements of the Health and Safety (Safety Signs and Signals) Regulations 1996;
- an independent support system should be provided for any lighting, emergency lighting and loudspeaker systems;
- the electrical installation should, as a minimum, conform with the requirements of BS 7671;
- structures designed to accommodate more than 15 people should have more than one exit so that the inflatable can be evacuated quickly. Deflation time should be sufficient to allow the structure to be safely evacuated;
- emergency lights should be provided as a back up if a lighting system is installed. The discharge period for the lighting following supply failure should be sufficient to allow for the complete evacuation of the structure. Systems should be fully charged prior to use of the inflatable. Lighting should be proved each day before a totally enclosed inflatable is put into use;
- electrical cables should be kept adequately secured away from any users or spectators;
- electrical **Equipment** exposed to the weather should be protected to BS EN 60529 or be located inside a weatherproof hut or cabin.

Materials

Flexible fabrics used in the construction of inflatables need to be of adequate tear and burst strength and have sufficient air retention to enable the structure, when pressurised to the level specified in the operations manual, to maintain its shape and prevent the structure from distorting under load.

In particular:

- fabrics should be flame-resistant (see 'Further reading') and meet curRent fire safety standards;
- adhesives should provide a bond of not less than the equivalent strength to the fabric being bonded;
- threads used for sewing should be strong enough for the purpose;
- zips should be able to withstand the air pressures generated in the structure. Where they are used for emergency exits they need to be reliable, easy to use and operable from both sides;
- netting should not create additional risks to users;
- where windows or other similar openings are provided, the materials used, and the method of attachment to the rest of the structure, shall be of adequate strength to withstand impact from users;
- toxic decorative finishes must not be used in areas accessible to users.

Buying and selling inflatable devices

Inflatable devices should not be bought or sold unless the following documentation is available:

- for devices manufactured after January 5th 2004, a declaration by the manufacturer that the inflatable has been manufactured to an appropriate design and in an appropriate manner (this may be achieved by a declaration of conformity to an appropriate European Standard); and
- an operating manual, which includes:
 - . any limits on numbers of users;
 - . details of weather conditions in which the inflatable should not be used;
 - . details of how to set up the inflatable;
 - . anchorage arrangements;
 - . details of any routine maintenance or inspection required;
 - . specification of mats used to protect entrance and exit points;
 - . appropriate daily checks.

The operating manual can also be a good place to keep records of maintenance, modifications, daily checks and annual inspections.

Where a device has been manufactured in Great Britain, the duty to provide the information referred to earlier falls to the manufacturer. For a second-hand or hired device, the duty falls on the supplier. However, in the case of an imported ride, whether new or second-hand, the duties fall to the supplier.

The controller of a newly acquired second-hand device should ensure that the operations manual is present and complete.

The records of maintenance, modifications and inspections should accompany any second hand device.

Duties of controllers or operators

Owners or operators of devices will need to carry out a risk assessment of their activities to determine the control measures to avoid risk or reduce risk to acceptable levels. This will be relatively easy to do using the manufacturer's information and instructions for safe operation. This is a requirement of the Management of Health and Safety at Work Regulations 1999.

The operations manual should be made readily available. This should not mean that it is kept next to the **Equipment** or that it is written on paper. Computer storage systems may be acceptable for some information, but only if it can be accessed easily and a hard copy produced if required.

Inspection, maintenance and modification

The Provision of Work **Equipment** Regulations 1998 (PUWER) require inflatable devices to be inspected at suitable intervals to ensure that safe conditions are maintained, and that any deterioration in the device is detected and remedial action taken in good time. (See following paragraphs on annual inspections and daily checks.)

Annual inspection

Each inflatable should be thoroughly inspected at least once in every 12 months. This procedure needs to be carried out by a competent person. The Annual inspection needs to include checks of the following:

- previous inspection reports and certificates where appropriate;
- provision of a blower unit as specified by the manufacturer, or one that at least provides sufficient pressure to allow the inflatable to be used safely, suitably guarded at the air inlet and outlet;
- condition of blower impeller and fan casing where practicable to inspect;
- condition of accessible blower electrical wiring;
- condition of all electrical installations;
- anchorage system for wear, rips or chafing;
- type and number etc of ground anchors or ballast for conformity with design specification;
- structure for wear or rips in the fabric;
- walls and towers (when fitted) are firm and upright;
- pressure is sufficient in the bouncing area and at the step/front apron to give a reliable and firm footing;
- internal ties for wear and tear, particularly at loose or exposed ends;
- bed seams, wall-to-bed seams and wall-to-tower connections;
- identification of the device;

· if used on a fixed site, the location.

Inspection of some of these features may need to be done inside the device. The above list is not exhaustive and the manufacturer may specify additional items. Annual inspection needs to include any part of the inflatable and its ancillary **Equipment** that may affect the safe operation of the device.



MRL

Tailored Insurance

Daily checks

Checks should be carried out before the first use on any day using advice provided by the manufacturer in the operations manual. These should include checking that:

- the site remains suitable, with crowd control measures in place if appropriate;
- anchorages are intact, protected where necessary, and ropes not worn or chafed;
- anchor system secures the inflatable device to the ground;
- there are no significant holes or rips in the fabric or seams;
- the correct blower specified for the device is being used and the air pressure is sufficient to give a reliable and firm footing;
- there are no exposed electrical contacts, there is no wear on electric cables, and plugs, sockets and switches are not **Damaged**;
- if an internal combustion engine is used, that the fuel cap is placed firmly on the fuel tank and any reserve fuel tank is suitable and remains in a safe position;
- bolts and screws of the blower are properly secured and that robust guards are secured over the air inlet and outlet;
- the blower/inflation tube connection is in good condition and is firmly fixed to the blower;
- the blower is positioned correctly, adequately protected or guarded and is not causing a tripping hazard.

The public should not use the inflatable until any defects identified in the daily check have been rectified.

Maintenance

The inflatable needs to be properly maintained – the instructions contained in the operations manual should be followed. Where such instructions are not available, the controller should specify the procedures required, in conjunction with advice received from a competent person, the supplier or manufacturer. Details of all maintenance work on the device should be recorded in the operations manual.

Modification

Safety-critical modifications are those where failure of the modified component or system would lead to a significant risk of **Injury** to public or **Employees**. They could include changes in the operating parameters of a device, such as changing the height restriction of users. If in doubt, take advice from a competent person.

Where a safety-critical modification is made (including the replacement of a component which departs from the original design specification), the modification needs to be carefully considered. The conclusions and justifications should be recorded in the operations manual before the change is made. If a device is CE marked, alteration may invalidate the declaration of conformity and the device may need to be reassessed against the relevant standard.

Safe operation

It is essential for the safe operation of a device that the manufacturer's instructions regarding the use of anchorage points should be followed. The device should be secured to the ground with ground stakes, where the ground is suitable. Some equally effective method can be used on hard standing (e.g. attaching the anchor ropes to fittings already in the ground, or to sandbags or other weights, if these are capable of taking the load).

Inflatables can be tied to a vehicle or other movable machinery, providing the vehicle or machinery is immobilised and under the control of the operator.

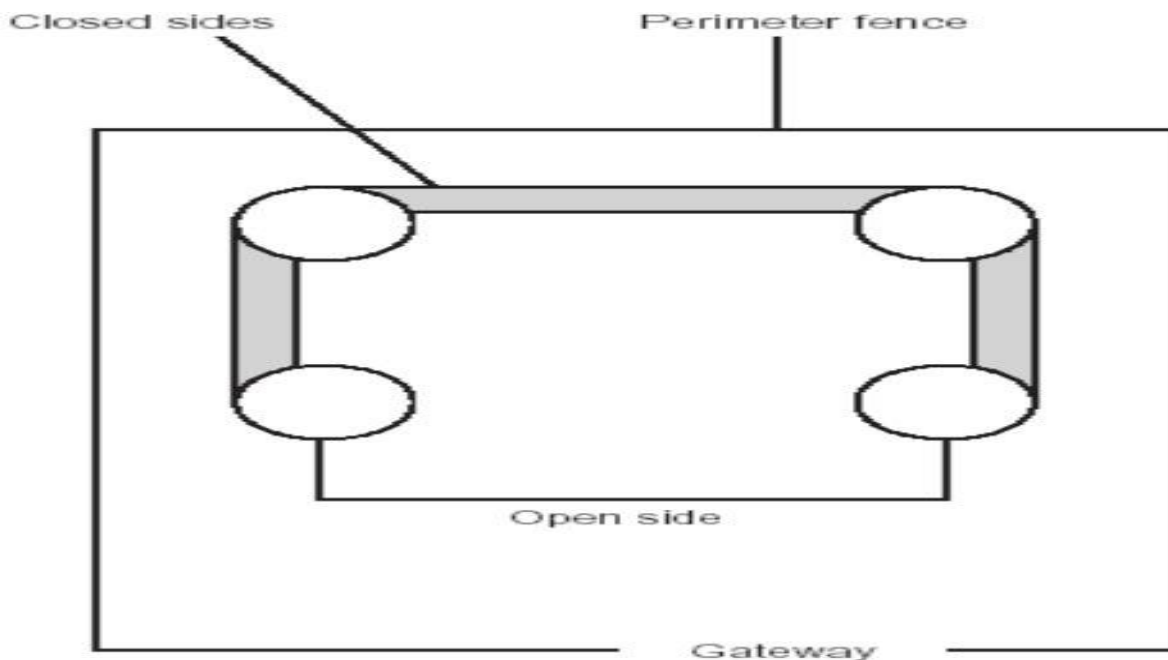
Inflatables should not be used when the wind or gusts are in excess of the maximum safe wind speed specified by the manufacturer. The industry recommends a maximum wind speed of Force 5 on the Beaufort scale of 30-38 kph (19-24 mph).

Force 5 is a fresh breeze when small trees in leaf begin to sway, whereas Force 6 is a strong breeze when large branches are in motion, whistling can be heard in telephone lines and umbrellas can only be handled with difficulty. Weather forecasts can be obtained from the Meteorological Office.

The controller or operator should ensure that the inflatable device is sited well away from possible hazards such as overhead power lines or other obstacles with hazardous projections (e.g. fences). If the ground surface is abrasive, oily or dirty, a ground sheet should be used to prevent wear and tear of the base material.

The controller should determine the minimum number of attendants needed to operate the device safely, and ensure that at least these numbers of attendants are on duty when the device is in operation. In deciding how many attendants are required, the controller needs to consider matters such as the number of people using the device, the age of the users and the type of environment in which the inflatable is being used. Attendants should be aged 16 or over and the operator should be 18 or over.

If the risk assessment carried out by the controller shows that control measures are required to handle large crowds in the immediate vicinity of the inflatable, then crowd control barriers (see diagram below) should be provided by the controller. Barriers should have the minimum dimensions shown below. They should be at least 1 m high and be capable of withstanding people leaning on them, or being pushed against them. Where the public does not have access to the sides or back of the inflatable or crowd pressures are not anticipated, then a lower standard is acceptable.



The perimeter fence should be 1.8 to 2.5 m from closed sides and 3.5 to 4.0 m from the open side.
The gateway should be 1.0 m wide

The method of operation drawn up by the controller should ensure that users are admitted to the inflatable in a controlled and safe manner. In particular, the operator and attendants should carry out the following instructions.

- Ensure that users remove footwear (except socks) and any other hard, sharp or dangerous objects (such as buckles, pens, purses, badges etc). Glasses are best removed;
- Do not allow users to consume food or drink or chew gum on the device;
- Do not allow users to obstruct the entrance or exit of any inflatable device.
- Do not allow anyone to play on the step or front apron of a bouncy castle;
- Do not allow users to climb or hang on the walls;
- Do not allow users who do not conform to height restrictions to use the device;
- Keep the entrance/exit areas clear of onlookers so that the operator or attendant has a clear view and can ensure that users enter/exit safely;
- Keep users off the device when it is being inflated or deflated.
- Deflate the device when not in use.

The operator and attendants should watch the activity on the inflatable constantly. They should use a whistle or other signal and take action at the first sign of any misbehaviour. Somersaults and rough play must not be allowed.

It is the operator's responsibility to ensure that the **Equipment** is not overloaded with users. Larger, more boisterous users should be separated from smaller ones.

The number of users at any one time should be limited to allow each user enough room to play safely.

Training

The controller should ensure that all operators receive effective training in the working of the device including:

- the method of operating the device;
- safe methods of assembly/dismantling, where applicable;
- how to make a daily check;

The controller should ensure that all operators and attendants receive effective training in the operation of the device including:

- safe entry/exit for users;
- safe anchoring of the inflatable;
- crowd control measures;
- barriers;
- measures to be taken in the event of power failure;
- procedures for reporting accidents, defects or breakdowns.

Accident reporting

Deal with any casualties first but report the event after the incident. Reportable accidents which cause **Injury**, including acts of violence and certain dangerous occurrences, should be notified to the enforcing authority by the 'responsible person' (who is likely to be either the controller or operator). Further information is given in the HSE publication A guide to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. (See 'Further reading'.)

What to do if defects are found

If at any time a defect is found which could possibly lead to danger, the public should not be allowed to use the device until the cause has been identified and remedied. This may include checking all similar components. If there is any doubt about continued safety, the device should not be used until a competent person has confirmed that it is safe to do so. Keep records of all incidents and significant defects in the operations manual and the action taken, because they may be useful if you need to:

- give details to HSE, your trade association, insurers, the designer, manufacturer, importer or supplier;
- discuss the safety implications with a competent person;
- provide a detailed accident history to a buyer.

Further reading

Fairgrounds and amusement parks: Guidance on safe practice HSG175 HSE Books 1997 ISBN 0 7176 1174 4

A guide to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 L73 (Second edition) HSE Books 1999 ISBN 0 7176 2431 5

RIDDOR reporting: What the Incident Contact Centre can do for you! Leaflet MISC310(rev1) HSE Books 2002.

BS EN 60204 -1: 1992 Safety of machinery. Electrical Equipment of machines. Part 1. Specification for general requirements

BS EN 60529: 1992 Specification for degrees of protection provided by enclosures (IP Code)

BS 7671: 1992 Requirements for electrical installation. IEE Wiring Regulations (Sixteenth edition)

For further information on fire-resistant materials refer to BS EN ISO 6940: 1995, BS EN ISO 6941: 1995

While every effort has been made to ensure the accuracy of the references listed in this publication, their future availability cannot be guaranteed.

Where reference to guidelines, Acts, publications or similar is made in this **Policy** this also refer to any subsequent amendments made to them.



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