

Terrorism & Sabotage

Policy Wording



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Introduction

Thank You for choosing Arch Insurance

Your Policy

The Policy is a legal contract and has been prepared according to Your instructions. The Policy comprises this Policy Wording, the Statement of Fact, the Schedule and any amendments or endorsements applicable.

Please read Your Policy documents carefully to ensure that:

1. all details are accurate;
2. the Policy meets Your needs;
3. You are familiar with Your obligations under the Policy; and
4. You understand the rights and remedies available to Us if You do not comply.

You should contact Your insurance agent immediately if:

1. You have questions about any aspect of the insurance;
2. You require a printed copy of Your Policy documents;
3. any information recorded in the Policy documents is inaccurate;
4. any change takes places which might affect the Policy;
5. You are unable to comply with any term of the Policy; or
6. the Policy does not meet Your needs.

Policy terms and conditions

It is important that You are familiar with the terms of the Policy and what is required of You. In the event of Your non-compliance with any term, We are entitled by law and the Policy to exercise certain remedies. Depending on the particular term with which You have failed to comply, these remedies may include:

1. avoiding the Policy or any relevant variations or renewals;
2. terminating the Policy or applying different terms; and/or
3. refusing to pay, or reducing the amount to be paid on a claim.

Further details as to Your obligations, and Our remedies for Your non-compliance, can be found within the Your Obligations Section, the General Conditions Section and the Conditions within each of the individual Sections of the Policy.

Steps to be taken if You cannot comply

If You are unable to comply with any term of the Policy, You should contact Us as soon as reasonably possible, through Your insurance agent. All terms of the Policy shall remain effective unless You receive written confirmation of a variation from Us through Your insurance agent.

Changes and cancellation

If You provide new information or request a change to the Policy, We will advise of any alterations which We require to terms, conditions and premium. No changes will take effect until We confirm them in writing.

If You wish to cancel the Policy, please refer to the General Conditions Section.

Our promise to You

Our goal is to provide excellent service to all Our customers but sometimes things go wrong. We take complaints seriously and aim to resolve Our customers' problems promptly. If You are unhappy with the service that You receive, please tell Us straight away. Information about how to complain is shown in the How to Complain Section of the Policy.

Insurers

The Policy is underwritten by Arch Insurance (UK) Limited.

Registered office: 5th Floor, 60 Great Tower Street, London EC3R 5AZ.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FCA Register No 229887.

You can check this information on the Financial Conduct Authority register by visiting the FCA's website www.fca.org.uk/register or by contacting the Financial Conduct Authority on 0800 111 6768. Information relating to the Prudential Regulation Authority can be found at www.bankofengland.co.uk/pru

For details on how Your information is used and Your rights in relation to Your information, please see the Fair Processing Notice section of the Policy.



Steve Bashford
For the Insurers
Chief Executive of Arch UK Regional Division
A division of Arch Insurance (UK) Limited

Making a Claim

To report or make a claim follow the instructions provided in the General Conditions Section under Claims Conditions: Your Obligations. If You need additional assistance, please contact Your insurance agent.

TO REGISTER A CLAIM

Email full details of the claim including Your Policy number to:

commercial.claims@archinsurance.com

or call

0345 258 3880.

You must comply with the Claims Conditions: Your Obligations requirements under the General Conditions Section of the Policy.

General Definitions

The following General Definitions apply to the whole Policy. Each time We use one of the words or phrases listed below it will have the same meaning wherever it appears in Your Policy, unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears, except in headings and titles. If there is a conflict between a General Definition and a definition applicable to a specific Section, the definition in the Section will apply.

Act of Sabotage

A subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence a government and/or to put the public in fear for such purposes.

Act of Terrorism

An act or series of acts including the use of force or violence of a person or group of persons, whether acting alone or in connection with an organisation, committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear.

Asbestos

Asbestos, asbestos fibres or particles or derivatives of asbestos, including products or materials containing asbestos, asbestos fibres or particles or derivatives of asbestos.

Buildings

Structures at the Premises including the following items:

1. buildings, outbuildings, extensions, annexes, gangways, canopies, temporary buildings or conveniences which, unless otherwise specified in the Schedule:
 - a. are built of brick, stone, concrete, metal or other non-combustible materials unless You have notified Us otherwise and the information is shown on Your Statement of Fact;
 - b. are roofed with slates, tiles, concrete, asphalt, metal or sheets or slabs composed entirely of incombustible mineral ingredients; and
2. fixed boilers and associated heating apparatus, fixed solar panels, ducting, cables, wires, aerials, satellite dishes, substations and associated control gear and accessories.
3. tenant improvements for which You are responsible.
4. glass and sanitary ware.
5. landlords' fixtures and fittings.
6. underground pipes, drains, sewers and cables.
7. fixed signs, lamp posts, electric vehicle charging points (excluding detachable accessories) and street furniture.
8. walls (not otherwise forming part of the structure of a building), gates, fences, pools, yards, car parks, roads, bridges, pavements, walkways, terraces, drives forecourts and similar surfaces all constructed of solid materials.
9. fixed closed circuit television equipment.

Business

The business specified in the Schedule and including Your participation in exhibitions within the Territorial Limits.

Caused By

Factually and legally resulting from the specified event, Occurrence or state of affairs in that:

1. the resulting event, Occurrence, state of affairs, Injury, Damage or loss would not have taken place but for the specified event, Occurrence or state of affairs; and
2. the specified event, Occurrence or state of affairs was a real, efficient and direct cause of the resulting event, Occurrence, state of affairs, Injury, Damage or loss.

Connected With

Relating to the specified event, Occurrence or state of affairs, in that:

1. the specified event, Occurrence or state of affairs was a direct or indirect cause of the related event, Occurrence, state of affairs, Injury, Damage or loss;
2. the specified event, Occurrence or state of affairs wholly or partly contributed to the related event, Occurrence, state of affairs, Injury, Damage or loss; and/or
3. the specified event, Occurrence or state of affairs increased the risk of the related event, Occurrence, state of affairs, Injury, Damage or loss occurring.

Contents

Property within Buildings, excluding Buildings and Stock, and including the following items:

1. Machinery, plant, fixtures and fittings.
2. Patterns, models, moulds, plans and designs.
3. Electronic business machines.
4. The cost of materials and clerical labour and computer time expended in reproducing computer system records for an amount not exceeding £25,000,
 - a. excluding expenses Connected With production of information to be recorded, and
 - b. not for the value of the information contained.
5. Money up to an amount not exceeding £2,000 in total.
6. Personal effects (other than motor vehicles) belonging to the partners, directors, and Employees up to an amount not exceeding £5,000 for any one person.

Damage/Damaged

A loss or destruction of or physical change to Property, adversely affecting its use or value and requiring the Property to be replaced, reinstated or repaired. Not including changes:

1. which may be addressed by routine cleaning, sanitisation, servicing or maintenance; or
2. comprising a defect inherent in Property.

Data Storage Materials

Materials or devices used for the storage or representation of Electronic Data.

Including, but not limited to, disks, tapes, CD-ROMs, DVDs, memory sticks, memory cards or other materials or devices.

Electronic Data

Facts, concepts or information converted to a form usable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. Including programmes,

General Definitions

software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Employee

A person working for You in connection with the Business and whilst under Your control and supervision. Including any:

1. person under a contract of service or apprenticeship with You;
2. labour master or labour-only subcontractor or person supplied by any of them;
3. self-employed person;
4. person under a work experience scheme;
5. person hired or borrowed by You from another employer;
6. driver or operator of hired-in plant;
7. non-executive director;
8. voluntary worker;
9. person working under a community service order; or
10. outworker or home worker.

Excess

The first amount of each claim shown as the Excess Amount in the Schedule or any applicable endorsement, for which You shall be responsible.

Government Action

Martial law, confiscation, nationalisation, requisition or destruction of Property by or under the order of a government or public or local authority.

Any action taken in controlling, preventing, suppressing or in any way relating to war.

Injury

Human bodily injury comprising death, illness, disease or medically recognised psychiatric condition including nervous shock.

Loss of Data

Physical, electronic or other loss, destruction, 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 Caused By loss or damage to computers and electronic equipment or Data Storage Materials.

Money

A generally accepted means of payment or exchange, excluding digital money and cryptocurrency.

Occurrence

A loss or series of losses Caused By an Act of Terrorism or an Act of Sabotage, for the same purpose or cause, sustained by You during any period of 72 consecutive hours.

No period of 72 consecutive hours may extend beyond the Period of Insurance unless You first sustain Damage by an Act of Terrorism or an Act of Sabotage during the Period of Insurance and within the said 72 consecutive hours, nor shall any period of 72 consecutive hours commence prior to the Period of Insurance.

General Definitions

Period of Insurance

The period specified in the Schedule.

Policy

The following documents which together comprise the contract of insurance:

1. this Policy Wording;
2. the Statement of Fact;
3. the Schedule; and
4. any amendments and endorsements.

Pollution

Seepage, pollution or contamination of buildings or other structures or of water, land or the atmosphere.

Loss, damage or Injury Caused By such seepage, pollution or contamination.

Premises

The plot of land comprising the risk address specified in the Schedule and/or the Statement of Fact occupied by You for the purpose of the Business.

Property

Material property.

Silica

Silicon dioxide, silica particles, silica dust, crystalline silica, non-crystalline (amorphous) silica, quartz and silica in any other form including substances containing silica either alone or when combined with other substances.

Schedule

The schedule for the time being in force showing sections of cover which apply.

Statement of Fact

The record of the information that You provided to Your insurance agent upon which Your insurance is based.

Stock

Property within Buildings comprising the following items:

1. materials in trade.
2. work in progress.
3. finished goods.
4. Electronic business machines manufactured or held for sale.
5. goods in trust.

Subjectivity

Any requirement subject to which the Policy has been issued or renewed under General Condition: Subjectivity.

Sum Insured

The Sum Insured specified for each item in the Schedule.

Territorial Limits

The United Kingdom, Channel Islands and the Isle of Man other than offshore.

Transit

Movement by road, rail or inland waterway within the Territorial Limits.

We, Us, Our

Arch Insurance (UK) Limited.

You, Your, Insured

The persons or entities named in the Schedule as Policyholder.

Interpretation

In this Policy:

1. Reference to a statute, order or regulation includes reference to that instrument as revised or replaced.
2. Reference to an entity created by statute, order or regulation includes a successor to that entity.
3. Words importing the singular include the plural and vice versa.
4. Reference to persons includes corporate and unincorporated entities.
5. Reference to a gender includes all genders.
6. If a term, condition, exclusion or endorsement or part of the Policy is invalid or unenforceable, the remainder of the Policy will remain in full force and effect.
7. Headings are for reference only and must be disregarded when interpreting the Policy.

Your Obligations

General Policy Obligations

The obligations listed below apply to all sections of the Policy and must be complied with throughout the Period of Insurance. If You fail to comply in any respect, We shall not pay a claim which is Connected With Your non-compliance.

Protection Maintenance

Any protection provided and/or installed for the safety of the Property shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times.

General Exclusions

The following General Exclusions apply to the whole Policy. They should be read in conjunction with any Exclusions which apply to individual Sections of the Policy.

Unless expressly provided to the contrary, We shall not pay for loss Connected With or comprising any of the following.

Asbestos

Actual or suspected exposure to or inhalation of Asbestos.

Repair, removal, replacement, recall, rectification, reinstatement or management of Property (whether or not required by statute) Connected With the presence or suspected presence of Asbestos.

Chemical and Biological Emissions (not applicable to NCBR Section)

Chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.

Confiscation, Seizure

Confiscation, nationalisation, requisition, detention, embargo, quarantine, seizure, legal or illegal occupation or the order of a public authority which deprives You of the use or value of Your Property, acts of contraband, illegal transportation or trade.

Cyber

Programming or operator error by You or any person.

Failure of external network.

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

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

Failure of computer data processing equipment or media, microchip, integrated circuit or similar device or other equipment or system for processing, storing or receiving data or computer software due to an inability to recognise, capture, save, retain or to process correctly a calendar date.

Hoax or threat of any of the above.

Excess

The Excess specified for each item in the Schedule.

Fines and Penalties

Penalties, fines, liquidated damages, penalty clauses, aggravated, restitutionary, punitive or exemplary damages or additional damages Caused By the multiplication of compensatory damages or non-compensatory damages.

Land and Land Values

Damage to land or reduction in the value of land.

Nuclear and Radioactive Risks (not applicable to NCBR Section)

Loss or Damage Connected With nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

Other Insurance

We shall not pay any claim for loss which is also covered wholly or partly under another insurance policy except for any excess beyond the amount which would have been covered under such other insurance had the Policy not been taken out.

Pollution

Seepage or discharge of pollutants or contaminants, including but not limited to solid, liquid, gaseous or thermal irritant, contaminants or toxic or hazardous substances or any substances the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

Premium Payment

We shall not pay any claim unless You have paid the premium. If We have agreed that You may pay the premium using an instalment facility, We shall not pay any claim unless Your instalment payments are up to date.

Prevention or control of Terrorism

Measures taken to prevent, suppress or control an actual or potential Act of Terrorism or Act of Sabotage.

Silica

Actual or suspected exposure to or inhalation of Silica.

Repair, removal, replacement, recall, rectification, reinstatement or management of Property (whether or not required by statute) Connected With the presence or suspected presence of Silica.

War, Government Action, Riot, Strikers, Theft and Vandals

War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution or military or usurped power.

Government Action.

Riot.

Civil commotion in Northern Ireland.

Strikers, locked-out workers, persons taking part in labour disturbances.

Vandals, theft, unexplained loss.

Weapons

Atomic, chemical, biological, bio-chemical, electromagnetic, fission, laser, radiological or thermonuclear weapons, or weapons of mass destruction other than as provided in the NCBR Section (if operative).

General Conditions

The following General Conditions apply to the whole Policy. They should be read in conjunction with any Conditions which apply to individual Sections of the Policy.

Burden of Proof

In any action suit or other proceedings where We allege that by reason of an exclusion, term or condition a loss, Damage, expense, liability or consequential loss is not covered by this Policy, the burden of proving that such loss, Damage, expense, liability or consequential loss is covered shall be upon You.

Cancellation by Us

We may cancel the Policy for any reason by giving You 30 days' written notice.

We may also cancel the Policy with immediate effect if:

1. We have reason to suspect that You or someone acting on Your behalf has committed fraud or made a misrepresentation to Us;
2. the premium has not been paid or there has been a default under an instalment or linked credit agreement; and/or
3. You have not complied with a Subjectivity by the required date.

We shall send notice of cancellation to You at the most recent postal or email address which We have on file.

Cancellation by You

You may cancel the Policy at any time during the Period of Insurance by sending written notification to Your insurance agent or to Us.

Cancellation: refund of premium

If the Policy is cancelled, We shall return a premium which is proportionate to the number of days remaining before the expiry of the Period of Insurance.

We shall not return any premium if:

1. We have reason to suspect that You or anyone acting on Your behalf has committed fraud or made a deliberate or reckless misrepresentation to Us; and/or
2. during the Period of Insurance You have made a claim or notified circumstances which might give rise to a claim.

If You later make a claim for loss occurring prior to cancellation, We shall deduct the amount of the premium returned from the payment of any claim.

Change of Risk

You must notify Us immediately if, during the Period of Insurance, any of the following relevant events occur:

1. information which You provided or confirmed to Us before the commencement of the Period of Insurance ceases to be substantially correct;
2. Your interest in the Business ceases or is transferred to another person or entity;
3. there is a change in the ownership of the Business; and/or
4. the Business becomes subject to an insolvency proceeding.

If You are in doubt as to whether an event is a relevant event, You should disclose it to Us.

Upon notification of a relevant event listed in this Condition, We may, at Our absolute discretion, cancel, suspend or alter the terms of the Policy or increase the premium with effect from the relevant event.

If You fail to notify Us of a relevant event, We shall not pay any claim which is Connected With the relevant event.

Choice of Law and Jurisdiction

The Policy will be subject to and construed solely in accordance with the Laws of England and Wales. All disputes arising out of or in connection with the Policy will be subject to the exclusive jurisdiction of the Courts of England and Wales.

Claims Conditions: Our Rights

If We agree to pay a claim under this Policy, We shall have the right to:

1. enter or take possession of the Premises where the Damage or loss occurred;
2. take possession and salvage of insured Property;
3. take over the defence and settlement of a claim brought against You;
4. conduct a subrogated recovery in Your name.

If, during the settlement of a claim, We make a payment which includes the applicable Excess, You will reimburse Us for that amount.

We may at any time free ourselves from further liability for a claim by paying to You the relevant Sum Insured, Limit of Indemnity or lesser amount for which a claim can be settled, after deducting payments already made. We shall pay costs and expenses incurred with Our prior consent up to the date of such payment.

Claims Conditions: Your Obligations

Your claim will not be paid unless You comply with each of the following requirements:

1. You must tell Us as soon as reasonably practicable if You become aware of any facts or circumstances which may give rise to a claim against You;
2. You must tell Us and the Police as soon as reasonably practicable if You become aware of any Damage which You know or suspect is Caused By an Act of Terrorism or an Act of Sabotage;
3. You must tell Us as soon as reasonably practicable if any written or verbal claim is intimated or made against You;
4. You must notify Us with full details of any claim, in writing and at Your own expense, within 7 days of becoming aware of any Injury, Damage or loss which You know or suspect is insured by this Policy;
5. You must forward to Us unanswered any written communications which relate to claims or possible claims against You, including letters of claim, writs, summons or other legal proceedings;
6. You must provide all the assistance, co-operation, evidence and information which We reasonably require Connected With any claim;
7. You must take all reasonable action to prevent and minimise existing and future loss; and
8. You must not admit, deny, negotiate or settle any claim without Our prior written consent.

Contracts (Rights of Third Parties) Act

A person or entity not a party to the Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce a term of the Policy.

Discharge of Liability

We may at any time pay;

1. the Sum Insured, Sub-Limit, maximum amount payable or Limit of Indemnity (as applicable) shown in the Policy;
2. a smaller amount for which a claim can be settled after deduction of any sum already paid.

Fair Presentation

Part 2 of the Insurance Act 2015 requires You to make a fair presentation of the risk before the commencement of the cover and the agreement of any variations or renewals.

A fair presentation of the risk includes, but is not limited to:

1. ensuring that every material representation as to a matter of fact is substantially correct;
2. ensuring that every material representation as to a matter of expectation or belief is made in good faith; and
3. disclosing to Us every material circumstance which You know or ought to know.

If You are in doubt as to any aspect of Your duties under the Insurance Act 2015, You should speak to Your insurance agent.

If You are in doubt as to the materiality of a representation or circumstance, You should disclose it to Us.

If You fail to make a fair presentation of the risk, the Insurance Act 2015 entitles Us to exercise remedies which include:

1. avoiding the Policy or any relevant variations or renewals;
2. applying different terms; and/or
3. reducing the amount to be paid on a claim.

If We avoid the Policy We shall usually return the premium unless Your conduct has been deliberate or reckless.

Fraud

If You or anyone acting on Your behalf:

1. makes a false, fraudulent or exaggerated claim;
2. supports a claim with false or fraudulent documents, devices or statements, even if the claim itself is genuine; and/or
3. makes a claim for loss which was deliberately Caused By You or anyone acting on Your behalf

We shall, at Our absolute discretion:

1. refuse to pay the whole of the claim;
2. recover from You any sums which We have already paid in connection with the claim; and/or
3. terminate the Policy with effect from the date when the fraud was committed.

We shall not refund any premium if We know or have reasonable grounds to suspect that fraud has been committed.

Language

The contractual terms, conditions, exclusions and other information relating to this Policy will be in the English language.

Non-assignment

You may not assign or transfer any rights under the Policy without Our prior written consent.

Reasonable Precautions

Your claim will not be paid unless, throughout the Period of Insurance and at the date of loss or Damage, You have:

1. taken all reasonable precautions to prevent loss;
2. maintained all Property insured by the Policy in a good state of repair.

Sanctions

It is a condition of this Policy that the provision of any cover, the payment of any claim and the provision of any benefit shall be suspended, to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under any:

1. United Nations' resolution; or
2. the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Such suspension shall continue until such time as We would no longer be exposed to any such sanction, prohibition or restriction.

Subjectivity

If We have notified You or Your insurance agent that the Policy is issued or renewed subject to any of the following requirements:

1.
 - a. You providing Us with any additional information requested;
 - b. You completing any actions agreed between You and Us;
 - c. You allowing Us to complete any actions agreed between You and Us;
2. You allowing Us access to the Premises, Your contract sites and/or the Business to carry out surveys;
3. You complying with all survey risk improvements to make alterations to the Premises and/or contract sites by the required dates;

and You do not complete these requirements by the required dates then We may at Our absolute discretion:

1. modify the premium;
2. issue a mid-term amendment to the Policy or Section terms Conditions and Exclusions;
3. exercise Our right to cancel the Policy; or
4. leave the Policy or Section terms Conditions and Exclusions and the premium unaltered.

We will contact You with Our decision and where applicable, specify the dates by which any action agreed need to be completed by You and/or any decision by Us will take effect. If the premium, terms or conditions are amended by Us then You will have fourteen (14) days to accept or reject the revised basis of insurance.

If You elect to reject the revised basis of premium terms and conditions then You shall be entitled to a proportionate refund of premium for the unexpired period of cover provided that no claim has been made or notified during the current Period of Insurance.

If We exercise Our right to cancel the Policy then You shall be entitled to a proportionate refund of premium for the unexpired period of cover provided that no claim has been made or notified during the current Period of Insurance.

To the extent that this Condition conflicts with any other cancellation condition then this Condition shall prevail.

Except in so far as they are expressly varied by this Condition all of the terms, conditions, exclusions and limits of the Policy and of the Sections of the Policy shall continue to apply until We advise You otherwise.

VAT

All payments under the Policy will be exclusive of VAT unless You are unable to reclaim VAT from HMRC.

General Extensions

The following General Extensions apply to the Property and Business Interruption Sections of the Policy.

Claims Preparation Costs

Definitions for this Extension

Claim Preparation Costs

All fees, costs and expenses necessarily and reasonably incurred:

1. by You, or on Your behalf; and
2. with Our prior written agreement;

for the preparation, presentation, certification, negotiation or verification of a Specified Claim.

Specified Claim

A claim under the Property, Business Interruption and/ or NCBR Sections, where operative:

1. in excess of £50,000; and
2. for which We have accepted liability.

Notwithstanding General Conditions: Claims Conditions – Your Obligations, We shall pay for Claim Preparation Costs provided that:

1. We shall have the right to review and audit all documentation relating to the costs;
2. the Claim Preparation Costs are not otherwise covered under the Policy;
3. Our maximum liability under this Extension shall not exceed;
 - a. the lesser of 10% of the value for any one Specified Claim or £50,000 for any one claim for Claim Preparation Costs; or
 - b. £100,000 for all claims for Claim Preparation Costs in total in any one Period of Insurance.

Court Attendance

We shall pay You reasonable costs and expenses which You incur, with Our prior written consent, to attend court or any tribunal, arbitration, adjudication, mediation or other hearing in connection with a claim under this Policy.

Our liability under this Extension shall not exceed £50,000 in any one Period of Insurance.

Property

This Section is only operative if specified in the Schedule.

Property: Definitions

The following definitions apply to the Property Section only. They should be read in conjunction with the General Definitions at the start of the Policy.

Declared Value

Your declaration of the Reinstatement cost of a Building and/or Contents at the commencement of the Period of Insurance, calculated in accordance with the Reinstatement Basis of this Section including its Extensions and assuming that the Building and/or Contents are destroyed.

Plants

A living organism of the kind exemplified by trees, shrubs, herbs, grasses, ferns, and mosses, typically growing in a permanent site, absorbing water and inorganic substances through its roots, and synthesizing nutrients in its leaves by photosynthesis using the green pigment chlorophyll.

Property Insured

Any of the following items:

1. Buildings;
2. Contents;
3. Stock; and
4. Specified items as described in the Schedule or endorsement;

which are specified in the Schedule and which belong to You or for which You are responsible.

Reinstatement

The rebuilding, replacement, repair or restoration of Damaged items of Property Insured, including:

1. the removal of debris from the Premises or an immediately adjacent area;
2. the dismantling, demolition, propping, shoring up or boarding up of Damaged Property Insured; and
3. the replacement of Damaged Property Insured in the manner and to the standard which is necessary to comply with legislation, building regulations and/or by-laws; and
4. architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement Damaged Property Insured but not for preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such Damage and that the liability for such Damage and fees shall not exceed in the aggregate the Sum Insured by each such item.

Property: Insuring Clause

We shall pay for Damage to Property Insured at the Premises occurring during the Period of Insurance Caused By an Occurrence of an Act of Terrorism or an Act of Sabotage.

Our liability will not exceed the lesser of:

1. the Sum Insured; or
2. any applicable sub-limit specified in the Policy, which will form part of the Sum Insured.

The Sum Insured will be reduced by the amount of any claim. If You request and We agree to reinstate the Sum Insured, You must accept any variation in the terms of the Policy terms and pay the additional premium that We may reasonably require.

Property: Exclusions

Unless otherwise specified in the Schedule, We shall not make any payment under this Section for loss Connected With or comprising any of the following:

1. Consequential loss of any kind.
2. Damage to:
 - a. animals; or
 - b. Plants.
3. Damage to:
 - a. vehicles licensed for road use including accessories on or attached to them;
 - b. caravans or trailers;
 - c. railway locomotives or rolling stock;
 - d. watercraft or aircraft; and/or
 - e. property in the course of construction including materials for use in the construction;unless We have given Our prior agreement in writing.

Property: Extensions

Subject to the terms of this Section, We shall also pay for loss occurring within the Territorial Limits during the Period of Insurance in the circumstances set out below.

In these Extensions, Insured Damage means Damage to Property by a cause which is not excluded by this Section.

Asbestos

Notwithstanding the General Exclusion for Asbestos, if We pay for Insured Damage to Property Insured contaminated by it, We shall pay costs Caused By the Insured Damage and for which You are responsible for Asbestos debris removal. Our liability under this Extension shall be included within the Sum Insured.

Capital Additions

We shall pay for Insured Damage to any:

1. alterations and additions which You have made to Buildings and Contents at the Premises during the Period of Insurance within the six months preceding the occurrence of Damage; and

Property

2. Buildings which You have acquired or begun to occupy within 30 days of the occurrence of Damage provided that You pay any additional premium that We may reasonably require from the commencement of cover. We shall not pay for appreciation in value.

Our total liability under this Extension will not exceed the lesser of 10% of the Sum Insured for Buildings and Contents (as applicable) or £500,000 in any one Period of Insurance.

Contract Sale Price

If an item of Stock which has been manufactured and sold to a customer, but not yet delivered, suffers Insured Damage at the Premises, and such Damage causes the customer to cancel the purchase, We shall pay the contract price of the Damaged Stock.

Documents and Books

If Your documents, deeds, manuscripts or business books sustain Insured Damage, We shall pay for the cost of the materials and clerical labour expended in reproducing such records.

Our total liability under this Extension will not exceed £25,000 in any one Period of Insurance, being part of the Sum Insured for Contents.

Drain Clearance

If drains, sewers or gutters serving Buildings insured by this Section sustain Insured Damage, We shall pay for reasonable clearance costs which You incur with Our prior written consent.

Our total liability under this Extension will not exceed £25,000 in any one Period of Insurance, being part of the Sum Insured for Buildings.

Emergency Services

We shall pay for Insured Damage to Property Insured Caused By the police, fire or ambulance service while attending to an emergency at the Premises.

Our total liability under this Extension will not exceed £25,000 in any one Period of Insurance, being additional to the Sums Insured.

Fire Extinguishing Expenses

We shall pay for reasonable costs and expenses which You incur in refilling recharging or replacing any:

1. portable fire extinguishing appliances;
2. local fire suppression system;
3. fixed fire suppression system;
4. sprinkler installation; or
5. sprinkler heads;

as a result of Damage insured by this Section.

We will not pay any costs and expenses recoverable from the maintenance company or fire service.

You must maintain all such equipment in accordance with the manufacturer's instructions. If, in relation to any claim for fire extinguishing expenses, You fail to comply with this condition, We shall not pay any claim that is Connected With Your non-compliance.

Our total liability under this Extension shall not exceed £25,000 in any one Period of Insurance.

Property

Looting

Following Insured Damage at the Premises, We shall pay for Damage by looting to Property Insured during the Period of Insurance.

Loss of Metered Utilities

We shall pay charges for which You are responsible if Insured Damage causes electricity, gas, water or oil to be accidentally discharged from a metered system which services the Premises.

Our total liability under this Extension shall not exceed £25,000 in any one Period of Insurance.

Moulds Tools and Dies

We will pay for Insured Damage to moulds, tools and dies belonging to You or for which You are responsible whilst at any premises not in Your occupation, or in Transit.

Our total liability under this Extension shall not exceed £50,000 in any one Period of Insurance.

Non-invalidation

The insurance by this Section shall not be invalidated by any act, omission or alteration whereby the risk of Damage is increased unknown to or beyond Your control, provided that You notify Us as soon as practicable upon becoming aware and pay an additional premium if We require.

Other Locations

We will pay for Insured Damage to Contents and Stock:

1. whilst in the main building of the private residence of Your director or Employee, within the Territorial Limits; and
2. whilst in Transit to and from the main building of such private residence and the Premises.

Our liability under this Extension shall not exceed £2,500 for each claim, or £10,000 for all claims in one Period of Insurance.

Pollution and/or Contamination Clean Up

Notwithstanding the General Exclusions for Land and Land Values, and Pollution, We shall pay for Damage to Property Insured Caused By Pollution if:

1. such Damage is Caused by an Act of Terrorism or an Act of Sabotage during the Period of Insurance; and
2. the Property Insured contains chemical, biological, radiological or mineral agents which are stored or used in processes conducted on the Premises.

Where 1. and 2. above apply, We shall also pay for reasonable and necessary costs and expenses which You incur with Our prior consent for clean-up within the perimeter of the Premises.

Provided that:

1. on the date of loss there is no nuclear reactor or nuclear fuel on the Premises; and
2. You tell Us of any other loss, Damage, or Injury Caused by Pollution clean-up.

Our total liability under this Extension for all claims in one Period of Insurance will not exceed the Sub-Limit shown in the Schedule.

The reasonable and necessary clean-up costs and expenses shall not be considered in determining the value of the Property Insured.

Rent Payable

If cover for Rent is specified in the Schedule and Insured Damage causes a Building or a part of a Building to become unfit for occupation, We will pay any Rent which You are legally obliged to pay while Your Building or part of Your Building is unfit for occupation as a result of Damage insured under this Policy during the period necessary to make the Building fit for occupation but not beyond the end of the Period of Insurance. The amount payable shall not exceed such proportion of the Sum Insured for Rent as the period necessary for reinstatement bears to the term of Rent insured stated in the Schedule.

Seasonal Increase

The Sum Insured for Stock in the Schedule is increased by 25% or £500,000, whichever is the lower, during the months of November, December and January or for any other period selected by You and noted by endorsement.

Temporary Removal

We shall pay for Insured Damage to items of Buildings or Contents which are temporarily removed from the Premises or in Transit to or from the Premises for cleaning renovation or repair.

We shall not pay for Damage to:

1. items which are insured under another insurance policy;
2. items which are removed from the Premises for more than 90 consecutive days; or
3. any motor vehicle or motor chassis licensed for normal road use.

We shall not pay for loss Connected With loss of information or Loss of Data.

Our liability under this Extension in any one Period of Insurance will not exceed £25,000 being part of the Sum Insured for the relevant item.

Undamaged Property

We shall pay for the replacement of undamaged items of Property Insured which must be replaced for Reinstatement works to comply with legislation, building regulations and/or by-laws.

We shall not pay for foundations.

Our liability under this Extension will not exceed 15% of the cost of reinstating the undamaged item, assuming that it had been wholly destroyed, being part of the Sum Insured for Buildings.

Underground Services

We shall pay for Insured Damage to underground pipes, drains, sewers and cables for which You are responsible up to the point of connection to a public main.

Our total liability under this Extension will not exceed £25,000 in any one Period of Insurance, being part of the Sum Insured for Buildings.

Property: Basis of Settlement

Standard Basis

The Standard Basis applies to any Damaged item:

1. of Stock insured by this Policy;
2. of Property Insured identified by endorsement to be subject to the Standard Basis.

We shall pay for the Reinstatement of a Damaged item of Property Insured to a condition substantially the same as, but not better or more extensive than, its condition at the time when the Damage occurred. If the market value of an item of Damaged Property at the time when the Damage occurred is less than the cost of Reinstatement, Our liability will not exceed the loss of market value Caused By the Damage.

Reinstatement Basis

The Reinstatement Basis applies to any Damaged item of Buildings and Contents insured by this Policy provided that You:

1. Reinstatement the item to a condition which is at least equivalent to its condition when new, which may be in another manner and/or at another location;
2. commence and complete all Reinstatement works without unreasonable delay; and
3. provide Us with all information that We may reasonably require at any time during the Reinstatement works.

If the Reinstatement Basis applies, We shall pay for the Reinstatement of a Damaged item of Buildings and Contents insured by this Policy to a condition substantially the same as, but not better or more extensive than, the condition of the Damaged item when new.

Day One Reinstatement Basis

The Day One Reinstatement Basis applies to any Damaged item of Buildings or Contents provided that a Declared Value is specified in the Schedule in relation to that item.

If the Day One Reinstatement basis applies, We shall pay for the Reinstatement of a Damaged item of Buildings or Contents including any increase in cost due to inflationary factors, up to the Sum Insured stated in the Schedule.

You must notify Us of the Declared Value at the start of each Period of Insurance. If You fail to notify Us of the Declared Value at the start of any Period of Insurance We will use the last Declared Value notified to Us for the following Period of Insurance.

If at the time of the Damage the Declared Value is less than the cost of reinstatement of the Property Insured on a Reinstatement Basis, Our liability for any Damage will be limited to that proportion which the Declared Value bears to the cost of reinstatement of the Property Insured on a Reinstatement Basis.

We will not pay under this Basis of Settlement:

1. until You have incurred the cost of replacing or repairing the Property Insured;
2. if You or someone acting on Your behalf has insured the Property Insured under another policy which does not have the same basis of reinstatement; and
3. if You do not comply with any of the provisions of this Basis of Settlement.

Average

You must ensure that the Sum Insured for each item of Property Insured is sufficient for Reinstatement, assuming that the item is destroyed and the Reinstatement cost for an item is calculated in accordance with the Reinstatement Basis of this Section including its Extensions. The exception shall be Stock and any Property Insured

identified on the Schedule or by endorsement to be subject to the Standard Basis, which will be calculated on the Standard Basis.

You will be considered as Your own insurer for the difference and bear a proportionate share of the loss if:

1. the Declared Value for Property Insured on a Day One Reinstatement Basis is insufficient on the date when cover commences; or
2. the Sum Insured for any other item is insufficient by more than 15% on the date when the Damage occurs.

Average Waiver

Average will not be applied to a claim for Damage to a Building provided that the following conditions are satisfied:

1. Your Sum Insured or Declared Value (as applicable) has been calculated in reliance upon a written professional valuation report.
2. You obtained the valuation report no more than three years before the commencement of cover by instructing a suitably qualified and experienced professional member of the Royal Institute of Chartered Surveyors to undertake a physical inspection of the Premises and apply the relevant recommendations in the current edition of the RICS guidance note Reinstatement Cost Assessment of Buildings.
3. No changes have subsequently been made to the Building which might affect the Reinstatement cost.
4. You have applied appropriate indexation from the date of the valuation.
5. At Our request You provide Us with a copy of the valuation and any other information that We may reasonably require.
6. You assign to Us any cause of action that You may have against the responsible surveyor.

Property: Conditions

The following Conditions apply to this Section.

Mortgagees Freeholders and Lessors

Mortgagees, freeholders and lessors will not be prejudiced by an increase in the risk of Damage Caused By an act of negligence of a mortgagor, leaseholder, lessee or occupier of Buildings insured by this Section, provided that such increase in risk is without their prior knowledge or authority and We are notified immediately they become aware of such increase in risk.

Other Interests

The interest of parties supplying Property to You under a hiring, leasing or similar agreement is noted in this insurance, provided that:

1. their interest is not covered by another insurance policy; and
2. in the event of Damage, You immediately disclose to Us the nature and extent of any such interest.

Reinstatement

When We decide or are required to reinstate or replace any Property Insured You will at Your expense provide plans, documents, books and/or information which We require.

Transfer of Interest

The purchaser of a Building insured by this Policy will be entitled to the benefit of this Policy if:

1. at the time when Damage occurs, You have contracted to sell Your interest in the Building;
2. the Building is not otherwise insured against such Damage; and
3. the purchaser observes all the terms of this Policy as though they were You.

Non-Invalidation

Where the risk of Damage is increased due to a circumstance unknown to You and which You would not reasonably be expected to have known or beyond Your control, We shall not decline a claim Connected With such increased risk provided that:

1. on becoming aware of the increase You immediately give notice to Us, and
2. You pay such additional premium as We shall reasonably require.

Business Interruption

This Section is only operative if specified in the Schedule.

Business Interruption: Definitions

The following definitions apply to the Business Interruption Section only. They should be read in conjunction with the General Definitions at the start of the Policy.

Actual Amount

The amount certified by Your external auditors or accountants as representing the Insurance Gross Profit, Gross Revenue or Rent Receivable (as applicable) paid or payable to You in the course of the Business during the most recently completed financial year prior to the commencement of the current Period of Insurance.

Alternative Accommodation Expenses

Applicable only to Buildings occupied solely for residential purposes and the residential parts of mixed commercial and residential Buildings.

1. The cost of reasonable alternative accommodation incurred by any owner or lessee if this is necessary;
2. the cost of reasonable accommodation in kennels and/or catteries for dogs and/or cats belonging to any owner or lessee where such pets are not permitted in any alternative accommodation;
3. temporary storage of Your or Your lessee's furniture.

Annual Amount

The amount of Insurance Gross Profit, Gross Revenue or Rent Receivable (as applicable) which You earned during the twelve months immediately prior to the commencement of the Indemnity Period.

Extension Event

Any Extension Event specified in the Schedule.

Gross Revenue

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

Incident

Either of the following incidents taking place during the Period of Insurance:

1. An Occurrence of Damage Caused By an Act of Terrorism or an Act of Sabotage covered by the Property Section to Property used by You at the Premises for the purpose of the Business; or
2. an Extension Event which is specified in the Schedule.

Indemnity Period

The period beginning with the commencement of interruption to the Business Caused By an Incident and ending with whichever of the following events first occurs:

1. the results of the Business ceasing to be affected by the Incident;
2. the expiry of a reasonable time to effect reinstatement of Damaged Property and recover the position that You would have been in had the Incident not occurred; or
3. the expiry of the Maximum Indemnity Period.

Insurance Gross Profit

The Insurance Gross Profit stated in the Schedule less:

1. material purchases (less discounts received and adjusted for the movement in Stock);
2. carriage, packing and freight;
3. discounts allowed; and
4. bad debts.

The amount of opening and closing Stocks (including work in progress) will be calculated in accordance with Your usual accounting methods.

Maximum Indemnity Period

The period specified in the Schedule, unless a shorter period is specified elsewhere in the Policy.

Rate of Insurance Gross Profit

The rate of Insurance Gross Profit which You earned during the most recently completed financial year prior to the commencement of the current Period of Insurance.

Rent Receivable

The amount paid or payable to You as rent and related service charges in the course of the Business at the Premises.

Standard Gross Revenue

The amount of Gross Revenue or Rent Receivable (as applicable) which You earned in the period during the twelve months immediately prior to the Damage which corresponds with the Indemnity Period.

Business Interruption: Insuring Clause

We shall pay for loss Caused By interruption to the Business which arises solely and directly from an Incident.

Our liability will not exceed the lesser of:

1. the Sum Insured shown for each Cover Basis of Settlement shown in the Schedule; or
2. any applicable Sub-Limit specified in the Policy, which will form part of the Sum Insured.

The Sum Insured will be reduced by the amount of a claim. If You request and We agree to reinstate the Sum Insured, You must accept any variation in Policy terms and pay the additional premium that We may reasonably require.

Business Interruption: Extension Events

Any of the Occurrences listed below and not excluded by the Property Section will constitute an Extension Event if specified in the Schedule.

Brand Rehabilitation

Following interruption to the Business Caused By an Act of Terrorism or an Act of Sabotage at or within one mile of the Premises, We shall pay the reasonable costs which You incur to hire a professional advertising and/or public relations consultant, for up to 60 days, solely to mitigate loss which is insured by this Section.

Our liability for the costs of professional advertising and public relations in any one Period of Insurance will not exceed the Limit for this Extension specified in the Schedule, such amount to form part of the Sum Insured.

Customers and Suppliers

Damage Caused By an Occurrence of an Act of Terrorism or an Act of Sabotage to Property at a site within the Territorial Limits:

1. to which goods are physically supplied from the Premises; or
2. from which goods are physically supplied to the Business for use at the Premises

including any site specified by address in the Schedule.

Excluding the premises of any supply undertaking from which You obtain gas, water, electricity or telecommunications services.

Our liability for all losses under this Extension Event in any one Period of Insurance will not exceed the Limit specified for this Extension in the Schedule.

Damage to Property at Telecommunications Supplier Premises

Damage Caused By an Occurrence of an Act of Terrorism or an Act of Sabotage to Property at the premises of Your land-based telecommunications supplier within the Territorial Limits from which supply is made to Your Premises.

Our liability for all losses under this Extension Event in any one Period of Insurance will not exceed the amount specified in the Schedule.

We shall not pay for interruption lasting less than the consecutive number of hours shown as the Excess Amount on the Schedule.

Damage to Property at Utility Supplier Premises

Damage Caused By an Occurrence of an Act of Terrorism or an Act of Sabotage to Property at the premises of Your electricity, gas or water supplier within the Territorial Limits from which supply is made to Your Premises.

Our liability for all losses under this Extension in any one Period of Insurance will not exceed the amount specified in the Schedule.

We shall not pay for interruption lasting less than the consecutive number of hours shown as the Excess Amount on the Schedule.

Loss of Attraction

We shall pay for interruption to the Business Caused By:

1. an Act of Terrorism or an Act of Sabotage within one mile of the Premises to a location that constitutes an attraction to the Business;
and which
2. causes a loss of custom to the Business Caused By a reduction in customers visiting the area.

Business Interruption

Our liability for all losses under this Extension Event in any one Period of Insurance will not exceed the amount specified in the Schedule.

We shall not pay for interruption lasting less than the consecutive number of hours shown as the Excess Amount on the Schedule.

Prevention of Access

We shall pay for interruption to the Business Caused By an Occurrence of an Act of Terrorism or Act of Sabotage at or within one mile of the Premises, which causes a competent civil or military authority to make an order preventing access to the Premises.

We shall not pay for loss:

1. Caused By a prevention of access lasting less than the consecutive number of hours shown as the Excess Amount on the Schedule;
2. Caused By an order which compels Your Business to cease operating at the Premises; or
3. comprising the costs of cleaning, repair, replacement, recall or checking of Property.

Our liability for all losses under this Extension Event in any one Period of Insurance will not exceed the Limit specified for this Extension in the Schedule.

Property Away from the Premises

Damage Caused By an Occurrence of an Act of Terrorism or an Act of Sabotage to Property within the Territorial Limits which You own or for which You are responsible whilst:

1. at a location where You are carrying out work pursuant to a contract or agreement;
2. at a location where You are exhibiting goods;
3. stored in premises which You do not wholly or partly occupy;
4. being worked by a third party at its own premises; and/or
5. in Transit.

Our liability for all losses under this Extension Event in any one Period of Insurance will not exceed the amount specified in the Schedule.

Threat or Hoax

We shall pay for interruption to the Business Caused By the threat or hoax of an Occurrence of an Act of Terrorism or an Act of Sabotage affecting an area less than 2 square miles, which causes a competent civil or military authority to make an order which:

1. prevents access to the Premises;
2. requires evacuation of the Premises; or
3. requires an emergency lockdown of the Premises.

If the threat or hoax occurs at the Premises or is made directly to You or Your Tenant, We shall pay for loss which occurs without the order of an emergency service provided that You report the threat or hoax to an emergency service as soon as reasonably practicable and the emergency service confirms in writing that a report was made.

Our liability for all losses under this Extension Event in any one Period of Insurance will not exceed the amount specified in the Schedule.

We shall not pay for interruption lasting less than the consecutive number of hours shown as the Excess Amount on the Schedule.

Business Interruption: Basis of Settlement

We shall calculate the amount payable under this Section according to the provisions below.

Gross Revenue

If Gross Revenue is specified in the Schedule as the Basis of Settlement, We shall pay the amount by which the Gross Revenue falls short of the Standard Gross Revenue during the Indemnity Period Caused By the Incident.

We shall also pay the additional expenditure necessarily and reasonably incurred by You solely to avoid or diminish a reduction in Gross Revenue Caused By the Incident during the Indemnity Period.

If You do not provide Us with a cost benefit business model to justify additional expenditure in advance of it being incurred, which is agreed in writing by Us, We may limit the amount payable to the loss thereby avoided.

Insurance Gross Profit

If Insurance Gross Profit is specified in the Schedule as the Basis of Settlement, We shall pay the sum produced by applying the Rate of Insurance Gross Profit to the amount by which the Gross Revenue falls below the Standard Gross Revenue during the Indemnity Period Caused By the Incident.

We shall also pay the additional expenditure necessarily and reasonably incurred by You solely to avoid or diminish a reduction in Insurance Gross Profit Caused By the Incident during the Indemnity Period.

If You do not provide Us with a cost benefit business model to justify additional expenditure in advance of it being incurred, which is agreed in writing by Us, We may limit the amount payable to the loss thereby avoided.

If You have deducted fixed charges of the Business from the calculation of Insurance Gross Profit, We shall calculate the amount payable for increase in cost of working by reference to the proportion which the Insurance Gross Profit bears to the sum of the Insurance Gross Profit and such fixed charges.

Rent Receivable

If Rent Receivable coverage is specified in the Schedule as the Basis of Settlement, We shall pay:

1. the amount by which the Rent Receivable falls short of the Standard Gross Revenue during the Indemnity Period Caused By the Incident;
2. the additional expenditure necessarily and reasonably incurred by You solely to avoid or diminish a reduction in Rent Receivable Caused By the Incident during the Indemnity Period.

If You do not provide Us with a cost benefit business model to justify additional expenditure in advance of it being incurred, which is agreed in writing by Us, We may limit the amount payable to the loss thereby avoided.

Rent Receivable including Alternative Residential Accommodation Expenses

If Rent Receivable including Alternative Residential Accommodation Expenses coverage is specified in the Schedule as the Basis of Settlement, We shall pay:

1. the amount by which the Rent Receivable falls short of the Standard Gross Revenue during the Indemnity Period Caused By the Incident;
2. the additional expenditure necessarily and reasonably incurred by You solely to avoid or diminish a reduction in Rent Receivable Caused By the Incident during the Indemnity Period.

If You do not provide Us with a cost benefit business model to justify additional expenditure in advance of it being incurred, which is agreed in writing by Us, We may limit the amount payable to the loss thereby avoided.

3. Alternative Accommodation Expenses Caused By the Incident during the Period of Insurance and which renders the residential accommodation uninhabitable.

Business Interruption

Our liability for all losses under this Basis of Settlement will not exceed the Sum Insured for the Damaged Premises shown on the Policy Schedule.

Increase in Cost of Working Only

If Increase in Cost of Working Only is specified in the Schedule, We shall pay additional expenditure necessarily and reasonably incurred by You solely to:

1. maintain essential administrative functions; and/or
2. minimise loss Caused By interruption to the Business Caused By the Incident

during the Indemnity Period.

We shall not pay more than the loss consequently avoided.

Additional Increase in Cost of Working

If Additional Increase in Cost of Working is specified in the Schedule, We shall pay expenditure in excess of Increase in Cost of Working which is necessarily and reasonably incurred by You solely to:

1. maintain essential administrative functions; and/or
2. minimise the interruption to the Business Caused By the Incident

during the Indemnity Period.

Business Interruption: Settlement Conditions

We shall apply the following Settlement Conditions when calculating the amount payable under this Section.

Accumulated stocks

When calculating the amount payable for Insurance Gross Profit, We shall take account of the effect of postponement in reduction in Gross Revenue by reason of the Gross Revenue being temporarily maintained from accumulated stocks of raw materials, work in progress or finished goods.

If You deplete accumulated stocks in order to minimise reduction in Gross Revenue during the Indemnity Period, and stock levels remain depleted at the end of the Indemnity Period, We shall pay the cost of restoring the affected stock levels even after the expiry of the Maximum Indemnity Period.

Alternative Trading

We shall take account of all amounts paid or payable to You in the course of the Business for:

1. goods sold;
2. accommodation provided; or services rendered

at any location, including over the internet, during the Indemnity Period.

Average

Our liability will be proportionately reduced if the Sum Insured for Insurance Gross Profit, Gross Revenue, or Rent Receivable (as applicable- see the Schedule) is less than 85% of the Annual Amount (as applicable and proportionately increased where the Maximum Indemnity Period exceeds 12 months).

Departmental Clause

If the Business is conducted in departments with ascertainable independent trading results, this Section will apply separately to each department affected by the Incident.

The most We shall pay for any claim, irrespective of the number of departments, is the Section Limit.

Excess

We shall apply all terms of this Section before deducting the amount of the Excess specified in the Schedule to each and every claim.

Multiple Extension Events

If interruption to the Business is Caused By two or more Extension Events operating concurrently or in series, Our liability in relation to the same loss will be limited to the higher of the two sub-limits applicable to a single Extension Event.

New Business

If an Incident occurs within the first year of trading, We shall calculate the amount payable by proportionately increasing the amount of Gross Revenue, Rent Receivable or Insurance Gross Profit (as applicable) which was paid or payable to the Business before the commencement of the Indemnity Period.

In all cases We shall arrive at an adjusted amount which represents as closely as possible the results that the Business would have achieved during the Indemnity Period had the Incident not occurred.

Payment on Account

We shall make claims payments on account during the Indemnity Period, provided that You have given Us sufficient information in advance to satisfy Us that such payments are reasonable and will result in a lower cost overall.

Savings and Deductions

We shall reduce the amount of any payment to take account of:

1. costs of the Business which would have been paid or payable had the Incident not occurred excluding costs that have already been deducted for the calculation of Insurance Gross Profit;
2. amounts saved by the Business in consequence of the Incident during the Indemnity Period (not including depreciation charges) which would otherwise have contributed to the loss; and/or payments which You are entitled to receive from a material damage insurer in consequence of the Incident, including under this Policy, which reduce the loss.

Trends and Circumstances

We shall take account of any trend, variation or circumstance affecting the Business before or after the commencement of the Indemnity Period which would have affected the Business had the Incident not occurred. An adjustment will be applied to Gross Revenue, Rate of Insurance Gross Profit and/or Savings and Deductions as appropriate.

We shall make an adjustment even if the trend, variation or circumstance arises from the same originating cause as the Incident.

The adjusted amount will represent as closely as possible the results which would have been obtained during the Indemnity Period had the Incident not occurred.

Underinsurance

We shall not make a payment under this Section for any loss Connected With Your failure to insure an item of Property for an amount which is adequate to reinstate it, or from the application of average or coinsurance to any claim.

Liability

This Section is only operative if specified in the Schedule.

Liability: Definitions

The following Definitions apply to the Liability Section only. They should be read in conjunction with the General Definitions at the start of the Policy.

Costs and Expenses

The costs and expenses You are legally liable to pay to a claimant in connection with a claim made against You which is insured by this Section.

The necessary and reasonable costs and expenses incurred with Our prior written consent to investigate, adjust, defend or settle a claim made against You which is insured by this Section.

The necessary and reasonable costs and expenses incurred with Our prior written consent for representation in proceedings:

1. before a court of summary jurisdiction where it is alleged that You have committed a breach of statutory duty causing Injury;
2. where it is alleged that You have committed an offence under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation; or
3. before a Coroner's Court or Fatal Accident Inquiry in respect of a death.

Subject to the Costs and Expenses Conditions.

Products Supplied

Any product or thing including packaging containers instructions and labels sold, supplied, erected, repaired, altered, treated, installed, tested, serviced or delivered by or through You in the course of the Business.

Liability: Insuring Clause

We shall pay for all sums which You are legally liable to pay as damages and Costs and Expenses for:

1. Injury;
2. Damage to Property;

occurring during the Period of Insurance in connection with the Business; and Caused By an Act of Terrorism or an Act of Sabotage at the Premises.

The maximum We shall pay for all claims occurring during the Period of Insurance (regardless of the number of claims or claimants), including Costs and Expenses is the Limit of Indemnity.

Liability: Exclusions

Unless otherwise specified in the Schedule, We shall not make any payment under this Section for loss Connected With or comprising any of the following:

Contractual Liability

Liability solely due to a contract or agreement unless such liability would have attached in the absence of such contract or agreement.

Employees

Injury to an Employee.

Professional Advice and Services

Professional advice, instruction, consultancy, design, formula, specification, inspection, certification, testing or treatment performed or provided by You or on Your behalf for a fee or in circumstances where a fee would normally be charged.

Products Supplied

Products Supplied after they have ceased to be in Your custody or control other than food or drink provided as a service at Your Premises to Employees or visitors.

Liability: Conditions**Costs and Expenses**

We shall pay Costs and Expenses provided that:

1. the alleged offence giving rise to the proceedings occurred in the course of Business during the Period of Insurance and within the Territorial Limits;
2. the proceedings are brought within the Territorial Limits; and
3. the Injury or offence has caused a civil claim to be made against You which is insured by this Section, or may cause a claim to be made against You in the future.

Our liability for all such Costs and Expenses payable in any one Period of Insurance will not exceed:

1. In relation to proceedings relating to any alleged offence under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation, the lesser of £1,000,000 (which will form part of the Limit of Indemnity) or the Limit of Indemnity; or
2. In relation to proceedings relating to all other offences, the lesser of £5,000,000, (which will form part of the Limit of Indemnity) or the Limit of Indemnity.

We shall not pay for the Costs and Expenses:

1. of proceedings Connected With the deliberate act or omission of You or an Employee;
2. of proceedings relating to improvement or prohibition notices, remedial or publicity orders or steps required to be taken by such orders;
3. of preparation for or representation at a public inquiry;
4. where payment by Us would be in breach of the law or contrary to the public interest; or
5. which You are ordered to pay to a prosecution authority.

Nuclear, Chemical, Biological and Radiological (NCBR)

This Section is only operative if specified in the Schedule.

NCBR: Definitions

The following definitions apply to the NCBR Section only. They should be read in conjunction with the General Definitions at the start of the Policy.

Biological or Biochemical Material

Micro-organisms including viruses, bacteria, fungi or biological toxins that cause Injury or Damage.

Chemical Material

Non-living manufactured compounds that cause Injury or Damage.

Contamination

Damage Caused By the presence of or contact with Chemical Material, Biological or Biochemical Material, Radiological Material or Nuclear Material, Caused By an NCBR Event, that renders that Property harmful or unusable. This definition does not include the presence of or contact with material other than Chemical Material, Biological or Biochemical Material, Radiological Material or Nuclear Material having the same or similar effect.

NCBR Event

The actual release, discharge or dispersal of Chemical Material, Biological or Biochemical Material, Radiological Material or Nuclear Material Caused By a malicious act or series of acts by one or more persons.

NCBR Order

A written order given to You by a national government or military authority as a direct result of an NCBR Event, but excluding orders by a county, municipal or other local government or authority.

NCBR Sabotage

A subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes Caused By the use of a nuclear weapon or a device or apparatus intended to disperse or release Chemical Material, Biological or Biochemical Material, Radiological Material or Nuclear Material.

NCBR Terrorism

An act which involves the direct use of a nuclear weapon or a device or apparatus intended to disperse or release any Chemical Material, Biological or Biochemical Material, Radiological Material or Nuclear Material, including the use of force or violence, of a person or group of persons, whether acting alone or on behalf of or in connection with any organisation, committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public or a section of the public in fear for such purposes.

Nuclear Material

The consequences of the activation of an explosive device based on nuclear fission reactions and/or fission and fusion reactions, being a blast wave, thermal radiation and initial and residual radiation.

Radiological Material

Radioactive material such as plutonium, caesium and thallium which contaminates, becomes immersed in, or ingested or inhaled by, persons or Property.

NCBR: Conditions

Seventy Two Hour Period

If more than one NCBR Event occurs within any one period of 72 consecutive hours during the Period of Insurance, such NCBR Events shall be deemed a single NCBR Event with regard to the Limits and Excess Amount applicable to this Section. The duration and extent of any NCBR Event shall be limited to a period of 72 consecutive hours, with no overlapping in any two or more 72 hour periods.

NCBR Property

NCBR: Property Insuring Clause

NCBR Property Damage

We shall pay for Damage to Property covered in the Property Section of this Policy Caused By an NCBR Event during the Period of Insurance and which is Caused By NCBR Terrorism and/or NCBR Sabotage.

Our liability will not exceed the Limit Payable shown in the Schedule. If the Schedule shows that the Limit Payable applies to NCBR Property and NCBR Business Interruption combined, the Limit Payable applies to NCBR Property and NCBR Business Interruption claims in the aggregate and not individually.

The Limit Payable will be reduced by the amount of any claim. If You request and We agree to reinstate the Limit Payable, You must accept any variation in the terms of the Policy terms and pay the additional premium that We may reasonably require.

NCBR Contamination

Following NCBR Property Damage covered above, We shall pay for reasonable costs and expenses incurred with Our prior agreement to remove, dispose of, treat, abate, contain or neutralise the Chemical Material, Biological or Biochemical Material, Radiological Material or Nuclear Material at the Premises, including associated monitoring and testing costs, to satisfy the minimum requirements of an NCBR order requiring You to decontaminate and/or clean up the Premises in whole or in part.

If it is not possible to remove, dispose of, treat, abate, contain or neutralise such contamination to meet the minimum requirements of such an NCBR order and the Property has to be abandoned, We will pay for reinstatement on the same basis as applicable to the Property Insured (as defined in the Property Section) as shown under Property: Basis of Settlement in the Property Section..

The maximum time period for which We will pay for NCBR Decontamination shall not exceed the lesser of:

1. the length of time required by an NCBR order;
2. until expiration or termination of an NCBR order; or
3. six calendar months;

commencing from the effective date of such NCBR order, provided that Our liability for all such costs and expenses payable in any one Period of Insurance will not exceed the Limit Payable shown in the Schedule.

NCBR: Property Exclusions

Loss Prevention

We shall not pay under this Section for loss, Damage or expense Connected With measures taken to prevent any act which might otherwise give rise to a claim covered by this Policy, unless such measures are taken by a government or military authority with jurisdiction at the time of the NCBR Terrorism and/or NCBR Sabotage.

NCBR: Business Interruption

NCBR: Business Interruption Insuring Clause

We shall pay for loss Caused By interruption of the Business which arises from:

1. Damage to Property at the Premises covered in the Property Section of this Policy, Caused By an NCBR Event during the Period of Insurance and which is Caused By NCBR Terrorism and/or NCBR Sabotage; or
2. NCBR Contamination as covered by this Section.

Our liability will not exceed the Limit Payable shown in the Schedule. If the Schedule shows that the Limit Payable applies to NCBR Property and NCBR Business Interruption combined, the Limit Payable applies to NCBR Property and NCBR Business Interruption claims in the aggregate and not individually.

The Limit Payable will be reduced by the amount of any claim. If You request and We agree to reinstate the Limit Payable, You must accept any variation in the terms of the Policy terms and pay the additional premium that We may reasonably require.

NCBR: Business Interruption Exclusions

We shall not make any payment under this Section for loss Connected With any Extension Events shown in the Business Interruption Section other than;

1. Prevention of Access;
2. Threat or Hoax.

NCBR: Business Interruption Basis of Settlement

We shall calculate the amount payable under this Section according to the terms, conditions and Basis of Cover shown in the Business Interruption Section, provided that the Indemnity Period shall not exceed the lesser of:

1. the Indemnity Period applicable in the Business Interruption Section;
2. six months;

commencing from the date the Damage or contamination occurred, and provided that Our liability will not exceed the Limit Payable shown in the Schedule.

How to Complain

If You have an enquiry about Your Policy, please contact Your insurance agent who arranged the Policy for You.

If You have a complaint arising from Your Policy please contact:

Complaints Manager
Arch Insurance (UK) Limited
5th Floor
60 Great Tower Street
London EC3R 5AZ

complaints@archinsurance.com

If We have not resolved Your complaint within eight weeks or You are not satisfied with Our response, You may be able to refer it to the Financial Ombudsman Service. You must do this within six months of receiving Our final response letter. Contact details for the Financial Ombudsman Service are:

Financial Ombudsman Service
Exchange Tower
London E14 9SR

www.financial-ombudsman.org.uk

Telephone: 0800 023 4567/ 0300 123 9 123

Fax: 020 7964 1001

Email: complaint.info@financial-ombudsman.org.uk

Following the complaints procedure does not affect Your rights to take legal action.

Financial Services Compensation Scheme

Arch Insurance (UK) Limited is covered by the Financial Services Compensation Scheme (FSCS).

If We are unable to meet Our obligations, You may be entitled to compensation from the scheme, depending on the type of insurance and the circumstances of the claim.

Further information is available from the FSCS at www.fscs.org.uk

Arch Privacy Notice

Arch Insurance (UK) Limited (“Arch”) is committed to safeguarding the privacy and security of all personal information held by Us. This notice explains who We are, the types of personal information We hold, how and why We use it, who We share it with, how long We keep it and Your data protection rights. Further details can be found within Our full privacy notice which is available on Our group website www.archcapgroup.com/privacy.

Who are we?

Arch is part of the Arch Capital Group Ltd. group of companies and is registered with the Information Commissioner’s Office, registration number Z2421416. Arch is the Data Controller of the information You provide to Us for the products and services We provide to You.

Further information about Arch can be found at Our website listed above.

What information do we collect?

We will collect personal information which may include Your name, telephone number, email address, postal address, occupation, date of birth, prior insurance history (including previous claims), details of the insurance product or service You wish to use and payment details (including bank account number and sort code). We may collect credit and anti-fraud information such as Your credit history.

We may also need to request and collect sensitive personal information about You, such as details of relevant criminal offences and convictions or Your medical history. We will only collect and process sensitive personal data where it is critical for the delivery of a product or service and without which the product or service cannot be provided.

How and why We use Your personal information?

We will use Your personal information to:

- Provide quotations and set up Your Policy.
- Manage Your Policy and provide the products or services You have requested.
- Process claims, including the defence or prosecution of legal claims, and to investigate and prevent fraud.
- Develop new products and services.
- Undertake statistical analysis.

We may process Your personal information for the following reasons:

- For the purpose of managing Your insurance and any claims You make.
- It is necessary to meet the terms of an insurance contract with You or a third party on Your behalf.
- It is necessary to meet an obligation We have by law.

It is in Our or a third party’s legitimate interest, such as to prevent and detect fraud, performing data analytics for risk modelling purposes and for any sale, merger or takeover of all or part of Arch.

How We collect Your personal information

We may collect information about You from various sources, including:

- You or a representative such as a family member, Your insurance broker or employer.
- Other insurance companies or their representatives.
- Credit reference agencies.
- Anti-fraud databases or sanctions lists providers.
- Government agencies such as HM Revenue & Customs and the Driver and Vehicle Licensing Agency.
- Publicly available sources such as court judgments and electoral registers.
- Third-party service providers (such as a loss adjustor) or any third parties involved with a claim.

Who do We share Your personal information with?

We may share Your information with:

- Third parties who help Us deliver Our products and services to You. This can include claims handlers, loss adjustors, legal representatives and data-storage providers.
- Your insurance broker.
- Other insurers and reinsurers.
- Credit reference bureaus and other financial firms involved in any financial payments.
- National anti-fraud databases and fraud prevention agencies including the Claims and Underwriting Exchange and the Motor Insurers Anti-Fraud and Theft Register.
- Auditors, regulators, police or law enforcement bodies and statutory or regulatory authorities, including but not limited to the Employer's Liability Tracing Office and the Motor Insurers' Bureau
- Companies within the Arch Capital Group Ltd group of companies to help deliver Our products and services.

When We use third parties to deliver Our products and services, Your personal information will only be used for the provision and administration of the services provided to You. We require third parties to take all steps which are reasonably necessary to ensure that Your data is treated securely and in accordance with this notice.

The data We collect about You may be transferred to, and stored at, a destination outside of the United Kingdom ("UK") or the European Economic Area ("EEA"). We will ensure that such transfers of personal information are protected by appropriate contractual clauses and that the transfer of information complies with all relevant data protection laws.

How long We keep Your personal information for

We will not keep Your personal information for any longer than is necessary for the purpose for which it was provided, unless We are required to by law.

We will normally keep information for at least seven years after the termination or cancellation of a product, contract or service that We provide. In certain cases, We will keep Your information for longer, particularly for types of insurance for which a claim could potentially be made by You or a third party at a future date, even after Your contract with Us has ended.

Your rights relating to Your personal information

Under data protection law You have several data protection rights. These include the right to request a copy of Your personal information, request to have Your information updated or corrected, request to have Your information deleted (right to be forgotten), object to how We are using Your information (including Our legitimate interests mentioned above), or request to have Your information sent directly to a third party.

These rights may not apply in all cases or there might be restrictions to how these apply. If You wish to exercise any of Your rights, please contact Our Data Protection Officer whose contact details are below.

If You have any concerns about how We may use or have used Your personal information, please contact Us and We will try to resolve Your concerns. You may also contact the UK Data Protection Regulator - the Information Commissioner's Office, whose details can be found on their website www.ico.org.uk.

How to contact Us

You can contact Us for any data protection queries by email: DPO@archinsurance.com or by writing to The Data Protection Officer, 5th Floor, 60 Great Tower Street, London EC3R 5AZ.



Arch UK Regional Division

Arch Insurance (UK) Limited, 5th Floor, 60 Great Tower Street, London EC3R 5AZ – (FCA Register No 229887)
authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the
Prudential Regulation Authority.

Terrorism & Sabotage – Policy Wording

TER-7008-PW-SSV-2024-v2.0 03.2024