



Business interruption section – All risks

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Your schedule will show if this section is covered.

Meanings of defined terms

These meanings apply within **your** Business interruption section. If a word or phrase has a defined meaning it will be highlighted in bold print and will have the same meaning wherever it is used in this section. The meaning of defined terms that apply throughout **your policy**, and not just this section, can be found in the General introduction section of **your policy**.

Note 1 For the purpose of the following defined meanings, any adjustments implemented in current cost accounting will be disregarded

Note 2 To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section will be exclusive of such tax

Note 3 Adjustments will be made as necessary for trends of the **business** and for variations and other circumstances affecting the **business**, either before or after the **incident**, or which would have affected the **business** had the **incident** not occurred so that the adjusted figures represent as closely as possible, the results which would have been obtained during the **indemnity period** after the **incident**.

Accounts receivable

The total amount of the balances debited to **customers** in **your** accounts and declared in the last statement given under the provisions of the Premium adjustment condition after adjustments for bad debts and for amounts debited (or invoiced but not debited) and credited (including credit notes and cash not

passed through the books at the date of the **incident**) to **customers** accounts in the period between the date of the statement and the date of the **incident**.

Annual gross rentals

The **gross rentals** during the 12 months immediately before the date of the **incident**.

Annual gross revenue

The **gross revenue** during the 12 months immediately before the date of the **incident**.

Annual turnover

The **turnover** during the 12 months immediately before the date of the **incident**.

Building(s)

The buildings, outbuildings, extensions, and garages together with landlord's fixtures and fittings in or on them, foundations or footings, canopies, annexes, gangways, conveniences, chimneys, fire escapes, walls, gates and fences, yards, car parks, roads and pavements, piping, ducting, cables, wires and associated control gear, CCTV systems, entry and exit systems signage, accessories and electric vehicle chargepoints fixed to **your** building(s), their tethered cables and connectors on the **premises** and extending to the public mains, but only to the extent of **your** responsibility.

Business interruption

Loss, cost or expense resulting from interruption of or interference with the **business** carried on by **you** at the **premises** as a result of any loss, destruction or damage to property used by **you** at the **premises** for the purposes of the **business**.

Communicable disease

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where

- 1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

- 2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- 3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Computer systems

Computer or other equipment or component or system or item which processes, stores, transmits or receives **data**.

Customers

All **your** customers who obtain goods or services from **you** on a credit basis.

Cyber act

An unauthorised, malicious or criminal act or series of related unauthorised, malicious and criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **computer systems**.

Cyber incident

- 1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer systems**, or
- 2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer systems**.

Damage

Physical loss or destruction or damage.

Data

Any data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents,

domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

Defined peril

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, **storm, flood**, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal.

Denial of service attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer systems**. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **computer systems**.

Estimated gross profit

The amount declared by **you** to **us** as the anticipated **gross profit** which will be earned by the **business** during the financial year most closely concurrent with the **period of insurance** (or a proportionately increased multiple of the anticipated **gross profit** where the **maximum indemnity period** exceeds 12 months).

Estimated gross rentals

The amount **you** declare to **us** as the anticipated **gross rentals** which will be earned by the **business** during the financial year most closely concurrent with the **period of insurance** (or a proportionately increased multiple of the anticipated **gross rentals** where the **maximum indemnity period** exceeds 12 months).

Estimated gross revenue

The amount declared by **you** to **us** as the anticipated **gross revenue** which will be earned by the **business** during the financial year most closely concurrent with the **period of insurance** (or a proportionately increased multiple of the anticipated **gross revenue** where the **maximum indemnity period** exceeds 12 months).

Flood

Damage caused by

- 1 the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal, drain or dam.
- 2 inundation from the sea.
- 3 inundation by rainwater or rainwater-induced run off other than where the inundation is solely caused by or solely results from ingress of rainwater through or via the roof of the building.

whether resulting from storm or not.

Gross profit

The amount by which the sum of the **turnover**, closing stock and work in progress exceeds the sum of the opening stock, work in progress and **uninsured working expenses**.

The amounts of the opening and closing stocks (including work in progress) will be arrived at in accordance with **your** usual accounting methods with provision being made for depreciation.

Gross rentals

The money paid or payable to **you** for tenancies and other charges and for services rendered in the course of the **business** at the **premises**.

Gross revenue

The money paid or payable to **you** for services provided in the course of the **business** at the **premises**.

Hacking

Unauthorised access to any **computer systems**, whether **your** property or not.

Incident

Damage to property used by **you** at the **premises** for the purpose of the **business**

or

Damage to **your** accounting records, other business books or records at the **premises** for any item on **accounts receivable**.

Indemnity period

The period during which the **business** is affected, starting on the date the **incident** occurred and ending not later than the **maximum indemnity period**.

Maximum indemnity period

The period shown in **your** schedule.

Other items

The items shown under the heading of 'Other items' in **your** schedule.

Phishing

Any access or attempted access to **data** made by means of misrepresentation or deception.

Premises

The premises shown in **your** schedule.

Rate of gross profit

The rate of gross profit earned on the **turnover** during the financial year immediately before the date of the **incident**.

Standard gross rentals

The **gross rentals** during the period in the 12 months immediately before the date of the **incident** which corresponds with the **indemnity period**.

Standard gross revenue

The **gross revenue** during the period in the 12 months immediately before the date of the **incident** which corresponds with the **indemnity period**.

Standard turnover

The **turnover** during the period in the 12 months immediately before the date of the **incident** which corresponds with the **indemnity period**.

Storm

Storm excluding damage by **flood**.

Terrorism

In England, Scotland and Wales: Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of His Majesty's Government in the United Kingdom or any other government de jure or de facto.

In Northern Ireland: An act including but not limited to the use of force or violence and/or 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 put the public or any section of the public in fear.

In the Channel Islands and the Isle of Man: An act of any person(s) acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of any government de jure or de facto.

Time element loss

Business interruption, contingent business interruption or any other consequential losses.

Turnover

The money paid or payable to **you** for goods sold and delivered and for services rendered in the course of the **business** at the **premises**.

Uninsured working expenses

As shown in **your** schedule.

Unoccupied

Any building(s) or any portions of the building(s) which are wholly empty, more than 50% empty or not in use by **you** or any of **your** tenants for more than 30 consecutive days.

Virus or similar mechanism

Program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **computer systems, data** or operations, whether involving self-replication or not. The meaning of virus or similar mechanism includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

Basis of claim settlement

These terms of settlement only apply if the paragraph title appears in **your** schedule for this section.

Gross profit/Estimated gross profit

We will cover **you** for loss of **gross profit** due to

1 reduction in **turnover**

and

2 increase in cost of working

and the amount payable will be

- a** for reduction in **turnover**: the sum produced by applying the **rate of gross profit** to the amount by which the **turnover**, during the **indemnity period**, falls short of the **standard turnover** as a result of the **incident**
- b** for increase in cost of working: the additional cost (subject to the provisions of the Uninsured working expenses condition) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which would have taken place during the **indemnity period** as a result of the **incident**, but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges and expenses of the **business** payable out of **gross profit** as may stop or be reduced as a result of the **incident**.

Provided that if the sum insured by the item on **gross profit** is less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple where the **maximum indemnity period** exceeds 12 months) the amount payable will be proportionately reduced.

Gross revenue/Estimated gross revenue

We will cover **you** for

1 loss of **gross revenue**

and

2 increase in cost of working

and the amount payable will be

- a** for reduction in **gross revenue**: the amount by which the **gross revenue** during the **indemnity period**, falls short of the **standard gross revenue** as a result of the **incident**
- b** for increase in cost of working: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **gross revenue** which would have taken place during the **indemnity period** as a result of the **incident**, but not exceeding the amount of the reduction which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges and expenses of the **business** payable out of **gross revenue** as may stop or be reduced as a result of the **incident**.

Provided that if the sum insured by the item on **gross revenue** is less than the **annual gross revenue** (or to a proportionately increased multiple where the **maximum indemnity period** exceeds 12 months) the amount payable will be proportionately reduced.

Gross rentals/Estimated gross rentals

We will cover **you** for

- 1 a loss of **gross rentals**

and

- 2 increase in cost of working

and the amount payable will be

- a for reduction in **gross rentals**: the amount by which the **gross rentals** during the **indemnity period**, falls short of the **standard gross rentals** as a result of the **incident**
- b for increase in cost of working: the additional cost necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **gross rentals** which would have taken place during the **indemnity period** as a result of the **incident**, but not exceeding the amount of the reduction which has been avoided by this additional cost

less any amount saved during the **indemnity period** for the charges and expenses of the **business** payable out of **gross rentals** as may stop or be reduced as a result of the **incident**.

Provided that if the sum insured by the item on **gross rentals** is less than the **annual gross rentals** (or to a proportionately increased multiple where the **maximum indemnity period** exceeds 12 months) the amount payable will be proportionately reduced.

Additional increased cost of working

We will cover **you** for further additional costs beyond those recoverable under paragraph **b** for **gross profit/estimated gross profit** or **gross revenue/estimated gross revenue** that **you** necessarily and reasonably incur during the **indemnity period** as a result of the **incident**, for the sole purpose of avoiding or diminishing a reduction in **turnover** or **gross revenue**.

Increased cost of working

We will cover **you** for the increased cost of working and the amount payable will be the additional expenditure necessarily and reasonably incurred by **you** as a result of the **incident** in order to prevent or minimise the

interruption of the **business** during the **indemnity period**. We will not be liable for more than 50% of the sum insured during the first 3 months of the **indemnity period** and the balance will follow in equal monthly proportions.

Accounts receivable

We will cover **you** for

- 1 loss of **accounts receivable**

and

- 2 additional costs

and the amount payable will be

- a for loss of **accounts receivable**: the difference, solely due to the **incident**, between the amount of the **accounts receivable** at the date of the **incident** and the total amount received in payment of them during the 12 months after the **incident**
- b for additional costs: the additional costs necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **accounts receivable** which would have taken place as a result of the **incident**, but not exceeding the amount which would otherwise have been payable under **a** above

provided that if at the time of the **incident** the sum insured by this item is less than the total amount of the **accounts receivable**, the amount payable will be proportionately reduced.

Other items

We will cover **you** for **other items** shown as covered in **your** schedule on the basis of cover described within the endorsement detailed in **your** schedule.

✓ What is covered

- 1 We will cover **you** for the items shown in **your** schedule other than for **accounts receivable**

If any **building(s)** or other property used by **you** at the **premises** for the purpose of the **business** suffers **damage** during the **period of insurance** and as a result the **business** is interrupted or interfered with, then **we**

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will pay **you** for each item in **your** schedule the amount of loss resulting from the interruption or interference.

Provided that

- a at the time of the **damage** there is insurance in force covering **your** interest in the **building(s)** or other property against that **damage** and that
 - i payments have been made or liability admitted under that insurance
 - or
 - ii payment would have been made or liability admitted but for the conditions in that insurance, excluding liability for losses below a specified amount
 - b **our** liability under this section will not exceed
 - i the total sum insured or for any item its sum insured at the date of the **damage**
 - ii the sum insured remaining after deduction for any other **business interruption** as a result of a claim for **damage** occurring during the same **period of insurance**, unless **we** have agreed to reinstate any sum insured.
- 2 **We** will cover **you** for any items shown in **your** schedule for **accounts receivable**.

If any of **your** accounting records, other business books or records at the **premises** suffers **damage** during the **period of insurance** and it is not possible for **you** to obtain from **your customers** all the amounts due to **you** and outstanding at the date of the **damage**, then **we** will pay **you** the amount **you** may be entitled to recover under the conditions of this section.

Provided that **our** liability will not exceed

- a the total sum insured or for any item of **accounts receivable**, its sum insured at the date of the **damage**
- b the sum insured remaining after deduction for any other loss under this section as a result of **damage**, occurring during the same **period of insurance** unless **we** have agreed to reinstate the sum insured.

Contract sites cover

We will cover **you** for any loss insured by this section resulting from interruption of or interference with the **business** as a result of **damage to your** property whilst at contract sites being worked upon by **you** anywhere within the **policy territories**.

Our liability under this cover for any one site will not exceed the limit shown in **your** schedule.

Denial of access cover

We will cover **you** for loss of **business interruption** covered by this section, resulting from interruption of or interference with **your business** caused directly by **damage** by fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, theft, earthquake, **storm, flood**, escape of water from any tank apparatus or pipe, leakage of oil from any fixed heating installation, impact by any road vehicle or animal to property exclusively within a 1 mile radius of **your premises** which prevents the use of **your premises**, or access to it, regardless of whether **your premises** is damaged or not

Provided that

- 1 fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, theft, earthquake, **storm, flood**, escape of water from any tank apparatus or pipe, leakage of oil from any fixed heating installation, impact by any road vehicle or animal are covered under the property damage section in respect of **your premises**
- 2 the insurance provided by this cover in any one **period of insurance** shall only apply for the period starting with the prevention of access or hindrance of use and ending after 3 months during which time **you** suffer an interruption to **your business**
- 3 **our** liability for any one claim and in any one **period of insurance** is either the percentage limit shown in **your** schedule or £1,000,000 whichever is lower, irrespective of the number of **premises** insured. The 'Reinstatement of sum insured after loss cover' shall not apply in respect of this cover

- 4 this does not include any **damage** to property from which **you** obtain electricity, gas, water or telecommunications services which prevent or hinder the supply of these services
- 5 **we** will not cover **you** for any incident involving interference or interruption with the **business** that is less than 12 consecutive hours.

Denial of access (non damage) cover

We will cover **you** for any loss insured by this section resulting from interruption of or interference with the **business** where access to, exit from or use of **your premises** is impaired, prevented or restricted for more than the franchise period shown in **your** schedule arising directly and exclusively from

- 1 restrictions having the force of law imposed by the police or other competent local (as opposed to a minister or other central government or public) authority in response solely to an emergency incident which is likely to endanger life or property occurring either at **your premises** or exclusively within a 1 mile radius of **your premises**
- 2 the unlawful occupation of **your premises** by third parties.

Provided that

- 1 the insurance provided by this cover in any one **period of insurance**, irrespective of the number of incidents or **premises** insured, shall only apply for the period starting with the prevention, impairment or restriction and end after 3 months during which time the results of the **business** are affected
- 2 regardless of the number of incidents or **premises** insured or parties comprising the insured, **our** total liability in any one **period of insurance** will not exceed the limit or percentage of **your** annual sum insured as shown in **your** schedule, whichever is less
- 3 The 'Reinstatement of sum insured after loss condition' shall not apply in respect of this cover.

We will not cover **you** where access to, exit from or use of **your premises** is impaired, prevented or restricted as a result of

- 1 physical loss or destruction or damage to property at **your premises** or elsewhere

- 2 riot, civil commotion, strikes, strikers, picketing, labour disturbances or trade disputes
- 3 the condition of or the **business** conducted within **your premises** or any other **premises** owned or occupied by **you**
- 4 drought, murder, suicide, rape, illness, disease or pathogens capable of causing disease or illness or any other hazards to health (including but not limited to the diseases expressly specified in the Murder, suicide or disease cover within this section)
- 5 actions where **you** have been given prior notice
- 6 any advice given or actions taken in controlling, preventing or suppressing the spread of any disease (including but not limited to the diseases expressly specified in the Murder, suicide or disease cover within this section) or illness
- 7 any change in law or the enactment of new legislation (including statutory regulations) for any failure, interruption or reduction to the public supply of electricity, gas, water or telecommunications
- 8 any failure, interruption or reduction to the public supply of electricity, gas, water or telecommunications, or any deliberate act or decision of any utility supply undertaking or public authority in cutting off, withholding, restricting or rationing, whether planned in advance or not, or the exercise by any such utility undertaking, government or public authority of its power to cut off, withhold, restrict or ration supply or services

If an incident occurs resulting in a claim under this extension **you** cannot claim under any other Business interruption section cover extension for the same incident.

Essential employees cover

We will cover **you** for any loss insured by this section resulting from interruption of or interference with the **business** as a result of

- 1 a death of an employee except due to illness
b permanent total disablement arising out of bodily injury except due to illness which in the opinion of an independent

medical officer will in all likelihood prevent the employee from carrying out their usual employment or usual occupation for the remainder of their life.

- 2 **your** employee winning a prize on the national lottery, premium bonds or football pools provided that their win exceeds £100,000 but excluding losses where **your** employee
- a has been employed by **you** for a period of less than 12 months
 - b has served notice or has been served notice of termination of their employment prior to their win
 - c has been absent from work through sickness, disability or suspension for a period of 4 weeks at the time of their win.

Provided that the cover will only apply from the date of the death or permanent total disablement or lottery win, premium bond win or football pools win for **your** employee and end a maximum of 3 months after this date.

Our liability will not exceed the amount of loss resulting from interference or interruption to **your business** for up to a maximum of 3 months in any one **period of insurance** or the amount shown in **your** schedule whichever is the lower.

Exhibition cover

We will cover **you** for any loss, covered by this section, resulting from interruption or interference with the **business** as a result of **damage** to **your** property whilst at exhibition sites anywhere within the **policy territories**, other than at the **premises** in **your** occupation, where **you** are exhibiting goods.

Provided that after the application of all other terms and conditions of the **policy our** liability for any one loss will not exceed the limit shown in **your** schedule.

Exhibition expenses cover

The following meanings highlighted in bold and black print will have the same meaning wherever they are used in the Exhibition expenses cover.

Expenses

Advertising, printing and stationery, insurance premiums, charge for space at exhibitions, telephone, hire of stands, display materials and the like, transport charges, wages on stand and installing exhibits.

Location

Any exhibition site within the **policy territories** elsewhere than at the **premises** in **your** occupation where **you** are exhibiting goods including whilst in transit by road, rail or inland waterway.

We will cover **you** for the **expenses you** incur in connection with exhibitions held at any **location**

Provided that

- 1 in the event of the exhibition not being held (or **you** are unable to exhibit at all) as a result of the **incident** at any **location**, the amount recoverable will be limited to the **expenses you** have paid or are liable to pay in connection with the exhibition
- 2 should the exhibition be discontinued after it starts, but before the full exhibition finishes (or **you** are unable to continue to exhibit for the full period of the exhibition) as a result of the **incident** at any **location**, the amount recoverable will be limited to the proportion of the amount calculated in accordance with provision 1 above, as the period for which **you** could not exhibit relates to the whole period of the exhibition
- 3 if the sum insured is less than the total of the **expenses**, the amount payable will be proportionately reduced.

Our liability for any one claim will not exceed the limit shown in **your** schedule.

Failure of selected public supplies cover

We will cover **you** for loss insured by this section of **business interruption** resulting from interruption or interference with **your business** caused by the unplanned disruption of

- 1 the public electricity supply at **your** supplier's generating station or sub station
- 2 the public gas supply at **your** supplier's land based premises

- 3 the public water supply at **your** supplier's waterworks or pumping station
- 4 the public telecommunications services at **your** supplier's land based premises

from which **you** obtain electricity, gas, water or telecommunications services within the **policy territories** where such unplanned disruption is a direct result of **damage** caused by fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, theft, malicious persons, accidental damage, earthquake, **storm, flood**, escape of water from any tank, apparatus or pipe, leakage of oil from any fixed heating installation, impact by any road vehicle or animal.

Provided that after the application of all other terms and conditions of this section, the most **we** will pay is the lower of either 25% of the annual figure upon which **your** sum insured is based, the limit in **your** schedule, or £1,000,000 in total in any one **period of insurance** irrespective of the number of **premises** insured and regardless of the number of suppliers affected during any one **period of insurance**.

The 'Reinstatement of sum insured after loss cover' shall not apply in respect of this cover.

The insurance provided by this cover in any one **period of insurance** shall only apply for the period starting with the unplanned disruptions(s) of supply or service at **your premises** and ending after 3 months in total during which time **you** suffer a loss of **business interruption** regardless of the number of **your** suppliers affected during the **period of insurance** or the number of **premises** insured.

We will not cover

- a any failure
 - i which does not involve cessation of supply, for at least the franchise period shown in **your** schedule
 - ii due to an excluded cause
- b loss resulting from failure caused by
 - i any deliberate act or decision of any utility supply undertaking or public authority in cutting off, withholding, restricting or rationing, whether planned in advance or not,

or the exercise by any such utility undertaking, government or public authority of its power to cut off, withhold, restrict or ration supply or services

- ii strikes or any labour or trade dispute
- iii solar flare or other atmospheric or weather conditions, but **we** will cover failure due to **damage** to equipment caused by these conditions.

In any action, lawsuit or other proceedings or where **we** allege that any loss resulting from damage is not covered by this section, it will be **your** responsibility to prove that they are covered.

Failure of selected public supplies terminal ends cover

We will cover **you** for loss covered by this section of **business interruption** resulting from interruption or interference with **your business** caused by the accidental failure and unplanned disruption of

- 1 the public electricity supply at the "terminal ends" of **your** supplier's service feeds to the **premises** within the **policy territories**
- 2 the public gas supply at **your** supplier's meters to the **premises** within the **policy territories**
- 3 the public water supply at **your** supplier's main stop cock serving the **premises** (other than by drought) within the **policy territories**
- 4 the public telecommunications services supply (other than satellite services) at the incoming line, terminals or receivers to the **premises** within the **policy territories**

from which **you** obtain electricity, gas, water or telecommunications services within the **policy territories** where such unplanned disruption is a direct result of **damage** caused by fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, theft, malicious persons, accidental damage, earthquake, **storm, flood**, escape of water from any tank apparatus or pipe, leakage of oil from any fixed heating installation, impact by any road vehicle or animal.

Provided that after the application of all other terms and conditions of this section, the most **we** will pay is the limit in **your** schedule in total in any one **period of insurance** irrespective of the number of premises insured and regardless of the number of suppliers affected during any one **period of insurance**. The 'Reinstatement of sum insured after loss cover' shall not apply in respect of this cover.

The insurance provided by this cover in any one **period of insurance** shall only apply for the period starting with the unplanned disruptions(s) of supply or service at **your premises** and ending after 3 months in total during which time **you** suffer a loss of **business interruption** regardless of the number of **your** suppliers affected during the **period of insurance** or the number of **premises** insured.

We will not cover

- a any failure
 - i which does not involve cessation of supply, for at least the franchise period shown in **your** schedule
 - ii due to an excluded cause
- b loss resulting from failure caused by
 - i any deliberate act or decision of any utility supply undertaking or public authority in cutting off, withholding, restricting or rationing, whether planned in advance or not, or the exercise by any such utility undertaking, government or public authority of its power to cut off, withhold, restrict or ration supply or services
 - ii strikes or any labour or trade dispute
 - iii solar flare or other atmospheric or weather conditions, but **we** will cover failure due to **damage** to equipment caused by these conditions.

In any action, lawsuit or other proceedings or where **we** allege that any loss resulting from damage is not covered by this section, it will be **your** responsibility to prove that they are covered.

Fines, penalties and damages cover

We will cover **you** for fines, penalties or damages for breach of contract and the amount payable will be the sums **you** are legally liable to pay in discharge of

- 1 fines, penalties or damages incurred solely as a result of **damage** for non-completion or late completion of orders, work or services
- and
- 2 committed costs for outside purchases or services incurred solely as a result of the **damage** in respect of the outside purchases or services which cannot be utilised by the **business** during the **indemnity period**.

Our liability for any one claim will not exceed the limit shown in **your** schedule.

Inflation protection cover

We will adjust the sum insured at each renewal in line with suitable indices of costs and the renewal premium for this section will be based on the adjusted sum insured.

Loss of attraction cover

We will cover **you** for loss of **business interruption** covered by this section, resulting from interruption of or interference with **your business**, for at least the franchise period shown in **your** schedule, caused by **damage** by fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, theft, earthquake, **storm, flood**, escape of water from any tank apparatus or pipe, leakage of oil from any fixed heating installation, impact by any road vehicle or animal to property exclusively within a 1 mile radius of **your premises** which causes **you** to lose custom whether **your premises** or property are damaged or not.

Provided that

- 1 fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, theft, earthquake, **storm, flood**, escape of water from any tank apparatus or pipe, leakage of oil from any fixed heating installation, impact by any road vehicle or animal are covered under the Property damage section in respect of **your premises**

Business interruption section – All risks *continued*

- 2 the maximum indemnity period shall be 3 months in any one **period of insurance**.

The most **we** will pay for this cover in any one **period of insurance** is the limit shown in **your** schedule irrespective of the number of **premises** insured.

Loss reduction expenses cover

We will cover **you** for the costs and expenses necessarily and reasonably incurred by **you** with **our** consent in

- 1 preventing or reducing imminent interruption of or interference with the **business** which would have been covered by this section
- 2 reducing, mitigating or otherwise alleviating any interruption of or interference with the **business** covered by this section during and after the occurrence of an insured event

Provided that

- 1 the impending interruption of or interference with the **business** was not reasonably foreseeable earlier and would be the natural outcome if such costs and expenses were not incurred
- 2 the impending interruption of or interference with the **business** did not arise from any defect in the property used by **you** for the purpose of the **business**
- 3 **we** are satisfied that the interruption of or interference with the **business** which would have been covered by this section has been avoided or reduced as a result of the measures taken

Our liability will not exceed the limit shown in **your** schedule in any one **period of insurance**.

Munitions of war cover

The War risks exclusion will not apply to **damage** to property insured under this section from or occasioned by the detonation of World War II munitions of war only or parts thereof in or within five miles of the **premises** situated in the **policy territories**.

Murder suicide or disease cover

We will cover **you** for any loss of **business interruption** insured by this section resulting from interruption of or interference with the **business** conducted by **you** at **your premises** during the **period of insurance** as a result of

- 1 the occurrence of any of the following specified human infectious or specified human contagious diseases
 - Acute Encephalitis
 - Acute Poliomyelitis
 - Anthrax
 - Chicken Pox
 - Diphtheria
 - Dysentery caused by Shigella
 - Legionellosis
 - Legionnaires' Disease
 - Malaria
 - Measles
 - Meningococcal Infection
 - Mumps
 - Ophthalmia Neonatorum
 - Paratyphoid fever
 - Bubonic, Septicemic and Pneumonic Plague
 - Rabies
 - Rubella
 - Tetanus
 - Tuberculosis
 - Typhoid Fever
 - Whooping Cough
 - Yellow Fever

manifested by any person whilst at **your premises** which directly and exclusively results in restrictions having the force of law imposed by the police or other competent local (as opposed to a minister or other central governmental or public) authority which require the compulsory closing of the whole or part of **your premises** to prevent or restrict access to **your premises**

- 2 murder, suicide or rape at **your premises**
- 3 bodily injury (excluding illness, disease and psychiatric injury) or bacterial food poisoning

Business interruption section – All risks *continued*

sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided at **your premises**

- 4 the discovery of vermin or pests in the **building(s)** at **your premises** that prevents the use of or part use of the **buildings** by order of a public authority having the force of law
- 5 the compulsory closing of the whole or part of **your premises** by order of a public authority having the force of law as a result of an accident causing a defect in the drains, toilets or sinks at **your premises**.

We will not cover:

- a any costs incurred in the cleaning, repair, replacement, recall or checking of the property insured
- b any loss to the extent that it would have been caused in any event by disease occurring in a wider geographical area extending beyond **your premises** or by vermin or pests being discovered in a wider geographical area beyond the building(s) at **your premises**
- c any incident involving interference or interruption to the business that is less than 12 consecutive hours

Any Disease exclusion shall apply to this Murder, suicide or disease cover, except that **communicable disease** shall not include the specified human infectious or specified human contagious diseases listed under clause 1 of this cover, the pathogens which cause them, or bacterial food poisoning, provided that such diseases listed under clause 1 have not been declared by the World Health Organization to be a public health emergency of international concern or a pandemic.

The maximum indemnity period under this cover shall be 3 months in any one **period of insurance** commencing from the date of

- i the compulsory closing of the whole or part of **your premises** (in relation to clauses 1 and 5 of this cover)
- ii the discovery of murder, suicide or rape (in relation to clause 2 of this cover)

- iii the occurrence of injury or illness (in relation to clause 3 of this cover) or, where there is a series of related injuries or illness, the first occurrence of injury or illness in that series
- iv the order of the public authority (in relation to clause 4 of this cover).

Our liability will not exceed the lower of the maximum indemnity period of 3 months or £25,000 or 25% of the annual figure on which **your** sum insured is based in any one **period of insurance**, irrespective of the number of **premises** insured.

The 'Reinstatement of sum insured after loss cover' shall not apply in respect of this cover.

For the purposes of the cover provided under this cover clause, any references to **damage** or **incident** within the meaning of the defined terms (including the notes thereto), the basis of claim settlement provisions, section or general exclusions, conditions and Policy conditions shall be read as if they were references to the cover provided under clauses 1 to 5 above.

Patterns cover

We will cover **you** for any loss insured by this section resulting from interruption of or interference with the **business** as a result of **damage** to patterns, jigs, models, templates, moulds, tools, dyes, drawings or designs which are **your** property or held in trust by **you** or for which **you** are responsible whilst at the premises of any machine makers, engineers, founders or other metal workers (excluding any premises in **your** occupation) within the **policy territories**.

Our liability for any one claim will not exceed the limit shown in **your** schedule.

Research and development expenses cover

We will cover **you** for **your** total expenditure on research and development already incurred for any projects which **you** are obliged to rework or restart or which are cancelled as a result of a loss insured by this section causing interruption of or interference with the **business** at the **premises**.

Our liability for any one claim will not exceed the limit shown in **your** schedule.

Theft or attempted theft cover

We will cover **you** for any loss insured by this section resulting from interruption or interference with the **business** caused by theft or attempted theft

- 1 involving entry to or exit from the building(s) or any part of the building(s) used by **you** at the **premises** by forcible and violent means
- 2 following assault or violence or threat of violence, to **you** or any of **your** partners, directors or employees or any member of **your** family, or any other person lawfully at the **premises**.

Theft of building fabric cover

We will cover **you** for any loss insured by this section resulting from interruption of or interference with the **business** caused by theft or attempted theft of the external fabric of any **building(s)** insured by this **policy** up to the limit shown in **your** schedule.

This cover does not apply to any **building(s)** which is **unoccupied**.

Transit cover

We will cover **you** for any loss insured by this section resulting from interruption of or interference with the **business** as a result of **damage** to property belonging to **you** whilst in transit by road, rail or inland waterway within the **policy territories**.

Our liability under this cover for any one claim will not exceed the limit shown in **your** schedule.

Unspecified customers cover

The following meaning highlighted in bold black print will have the same meaning where it is used in the Unspecified customers cover.

Customers

The companies, organisations or individuals who at the date of the **damage you** have contracts or trading relationships with for the supply of goods or services.

We will cover **you** for any loss insured by this section resulting from interruption of or

interference with the **business** for a maximum indemnity period of 12 months as a result of

- 1 **damage** at the premises of any of **your customers** (other than those **customers** more specifically insured by this section) situated within the **policy territories**
- 2 **damage** to property insured in **your** schedule, held at unspecified **customers** premises within the **policy territories**.

Our liability under this cover for any one claim will not exceed the lower of the limit shown in **your** schedule or 25% of the annual figure on which **your** sum insured is based.

Unspecified suppliers and storage sites cover

The following meaning highlighted in bold black print will have the same meaning where it is used in the Unspecified suppliers and storage sites cover.

Suppliers

The companies, organisations or individuals including manufacturers or processors of components, goods or materials who at the date of the **damage, you** have contracts or trading relationships with for the supply of goods or services to **you**.

We will cover **you** for any loss, covered by this section resulting from interruption or interference with the **business** as a result of **damage** at

- 1 the premises of any of **your suppliers** other than those **suppliers** more specifically insured by this section
- 2 premises not in **your** occupation where **your** property is stored

within the **policy territories** or to properties noted in **your** schedule for a maximum indemnity period of 12 months.

This cover does not apply to the premises of any **supplier** from where **you** obtain electricity, gas or water or telecommunications services.

Our liability under this cover for any one claim will not exceed the lower of the limit shown in **your** schedule or 25% of the annual figure on which **your** sum insured is based.

x What is not covered

Aircraft and aerial devices exclusion

We will not cover **you** for **business interruption** caused by or occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds. **We** will cover subsequent **business interruption** which itself results from a cause covered by this section.

Brittle articles exclusion

We will not cover **you** for **business interruption** resulting from loss, destruction or damage to glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects other than for **business interruption** caused by a **defined peril** covered by this section.

Collapse exclusion

We will not cover **you** for **business interruption** resulting from loss, destruction or damage to the **building(s)** or structure caused by its own collapse or cracking unless resulting from a **defined peril** which is covered by this section.

Collusion theft exclusion

We will not cover **you** for **business interruption** resulting from theft or attempted theft caused by or in conjunction with **you** or any of **your** partners, directors or employees or any member of **your** family or any other people lawfully at the **premises**.

Cyber exclusion

We will not cover **you** for any loss, damage, cost or expense directly or indirectly caused by, contributed to by, arising from, occasioned by or resulting from

- 1 any **cyber act** including but not limited to **hacking, phishing, denial of service attack** or the transmission of any **virus or similar mechanism**
- 2 any **cyber incident**.

This exclusion shall not apply to claims for **damage** resulting from fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them covered by this section.

Date recognition exclusion

We will not cover **you** for any loss, damage, cost or expense resulting from, directly or indirectly caused by, contributed to or arising from the failure of equipment (including any **computer systems**) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

This exclusion shall not apply to claims for **damage** resulting from a **defined peril** covered by this section.

Deliberate loss or damage exclusion

We will not cover **you** for any loss, damage, cost or expense caused, or allowed to be caused, deliberately, wilfully, maliciously, illegally or unlawfully by **you**.

Disease exclusion

- 1 Notwithstanding any provision to the contrary within this section, this section excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a **communicable disease** or the fear or threat (whether actual or perceived) of a **communicable disease** regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to the other terms, conditions and exclusions contained in this section, this section will cover physical damage to property insured and any **time element loss** directly resulting therefrom where such physical damage or **time element loss** is covered by this section and is directly caused by or arising from any of the following perils: fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, or impact by any road vehicle or animal, **storm**, earthquake, **flood**, subsidence, landslip, landslide, riot, riot attending a strike, civil commotion, vandalism and malicious persons, theft, escape of water from any tank apparatus or pipe, leakage of oil from any fixed heating installation.

Electrical plant or apparatus exclusion

We will not cover **you** for **business interruption** as a result of loss, destruction or damage to any electrical plant or apparatus caused by its own overrunning, short circuiting, excessive pressure or self-heating.

We will cover subsequent **business interruption** which itself results from a cause covered by this section.

Erasure of data exclusion

We will not cover **you** for **business interruption** arising directly or indirectly from

- 1 erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances, civil commotion or malicious persons
- 2 other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **defined peril** covered by this section.

Faulty or defective workmanship exclusion

We will not cover **you** for **business interruption** caused by or consisting of faulty or defective workmanship, operational error or omission by **you**, any of **your** employees or anyone on **your** behalf, but **we** will cover subsequent **business interruption** which results from a **defined peril** covered by this section.

Fraud and dishonesty exclusion

We will not cover **you** for **business interruption** arising directly or indirectly from any acts of fraud or dishonesty by **your** employees, or any partner, director or member of **your** family. **We** will cover subsequent **business interruption** which results from a **defined peril** covered by this section.

Miscellaneous damage exclusion

We will not cover **you** for **business interruption** caused by or resulting from

- 1 corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- 2 change in temperature, colour, flavour, texture or finish
- 3 joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
- 4 mechanical or electrical breakdown or derangement of a particular machine, apparatus or equipment where the breakdown or derangement originates

but **we** will cover

- 1 **business interruption** which results from a **defined peril** covered by this section
- 2 subsequent **business interruption** which itself results from a cause covered by this section.

Motor vehicle and other property exclusion

We will not cover **you** for **business interruption** resulting from loss, destruction or damage to

- 1 vehicles licensed for road use (including accessories on them) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
- 2 property or structures in the course of construction or erection and materials or supplies in connection with all property in the course of construction or erection
- 3 land, piers, jetties, bridges, culverts or excavations
- 4 livestock, growing crops or trees
- 5 pitch fibre pipes
- 6 electronic cryptographic or virtual currency or currencies of any kind.

Pollution or contamination exclusion

We will not cover **you** for any consequential loss resulting from pollution or contamination but **we** will cover loss resulting from **damage** to property used by **you** at the **premises** for the purpose of the **business** which is covered elsewhere in this section caused by

- 1 pollution or contamination at the **premises** which itself results from a **defined peril** provided that peril is covered by this section
- 2 a **defined peril** provided that peril is covered by this section which itself results from pollution or contamination.

Process exclusion

We will not cover **you** for **business interruption** arising directly or indirectly from loss, destruction or damage

- 1 to property used by **you** at the **premises** for the purpose of the **business** caused by fire, resulting from its undergoing any heating process or any process involving the application of heat
- 2 (other than by fire or explosion) to property used by **you** at the **premises** for the purpose of the **business** resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.

Property in the open exclusion

We will not cover **you** for **business interruption** resulting from loss, destruction or damage to fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, **flood**, dust, theft or attempted theft.

Radioactive contamination exclusion

We will not cover damage, or any other loss or expense resulting or arising from damage to any property, or any consequential loss, directly or indirectly caused by or contributed to by or arising from

- 1 ionising radiations or contamination by radioactivity from any nuclear fuel, nuclear waste from the combustion of nuclear fuel, radioisotopes, or any other nuclear or radioactive material

- 2 buildings, plant or equipment for the generation of nuclear power, or production, use or storage of nuclear fuel, nuclear waste from the combustion of nuclear fuel, radioisotopes, or any other nuclear or radioactive material
- 3 transportation of nuclear fuel, nuclear waste from the combustion of nuclear fuel, radioisotopes, or any other nuclear or radioactive material
- 4 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of that assembly
- 5 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

Steam pressure exclusion

We will not cover **you** for **business interruption** following loss, destruction or damage caused by or consisting of the bursting of any vessel, machine or apparatus (not being a boiler or economiser used for domestic purposes only) where the internal pressure is due to steam only belonging to **you** or under **your** control.

But **we** will cover subsequent **business interruption** which itself results from a cause covered by this section.

Subsidence exclusion

We will not cover **you** for **business interruption** caused by or resulting from

- 1 subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank apparatus or pipe
- 2 coastal or river erosion
- 3 normal settlement or bedding down of new structures

Part 1 of this exclusion does not apply if Specific cover 3 Subsidence is shown as covered in **your** schedule.

Terrorism and Northern Ireland exclusion

We will not cover **you** for consequential loss of any nature directly or indirectly caused by, resulting from or in connection with

- 1 In England, Scotland, Wales, the Channel Islands, Isle of Man and the Rest of the World
 - a any act of **terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - b any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**
- 2 In Northern Ireland
 - a any act of **terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - b any action taken in controlling, preventing, suppressing or in any way relating to any act of **terrorism**
 - c riot, civil commotion and (except for damage or interruption to the **business** caused by fire or explosion) strikers, locked-out workers or persons taking part in labour disturbances or malicious persons.

If any of the points above are found to be invalid or unenforceable, the remainder of the points shall remain in full force and effect.

In any action, lawsuit or other proceedings or where **we** state that any loss, damage, cost or expense is not covered by this section it will be **your** responsibility to prove that they are covered.

Theft or any attempted theft exclusion

We will not cover **you** for **business interruption** caused by or consisting of theft or any attempted theft

- 1 not involving entry to, or exit from building(s) or any part of the building(s) used by **you** at the **premises** by forcible and violent means
- 2 following assault or violence or threat of violence to **you** or any of **your** partners, directors or employees or any member of **your** family, or any other person lawfully at the **premises**

- 3 of property in the open or property not contained in a fully secured and locked building.

Unexplained losses exclusion

We will not cover **you** for **business interruption** arising directly or indirectly from

- 1 disappearance, unexplained or inventory shortage
- 2 misfiling or misplacing of information.

Unoccupied building exclusion

We will not cover **you** for **business interruption** for any building which is **unoccupied** caused by

- 1 freezing
- 2 escape of water from any tank, apparatus or pipe
- 3 malicious persons not acting on behalf of or in connection with any political organisation other than by fire or explosion
- 4 theft damage to the building
- 5 theft of fabric of the building.

War risks exclusion

We will not cover any claims caused by or happening through war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, civil rebellion, warlike operations, revolution, insurrection or military or usurped power, confiscation, nationalisation, requisition, seizure or destruction or damage to property by or under the order of any government or public or local authority.

Wear and tear, deterioration exclusion

We will not cover **you** for **business interruption** caused by or resulting from inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, faulty or defective design or materials. We will cover subsequent **business interruption** which itself results from a cause covered by this section.

Section conditions

These conditions of cover apply only to this section.

You must comply with the following conditions to have the full protection of **your policy**.

Some conditions specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However, **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Accounts receivable condition

We will cover **you** for **business interruption** caused by or arising directly or indirectly from the loss, destruction or damage to **your** accounting records, other business books or records at the **premises**.

Provided that

- 1 at the end of each month **you** record the total amount of **accounts receivable**
- 2 **you** keep a copy of such record at a place other than at the **premises**

If **you** do not comply with this condition **you** will not be covered and **we** will not make any payment in respect of a claim.

Accumulated stocks condition

In adjusting any loss, an allowance will be made if any shortage of **turnover** due to the **damage** is postponed because the **turnover** is temporarily maintained from accumulated stocks of raw materials, work in progress or finished goods.

Alternative trading condition

If during the **indemnity period** goods are sold, accommodation provided or services rendered elsewhere other than at the **premises** for the benefit of the **business**, either by **you** or by others on **your** behalf the money paid or payable for these sales, accommodation or services will be included in arriving at the **turnover**, **gross revenue** or **gross rentals** during the **indemnity period**.

Arbitration condition

If **we** agree to pay **your** claim and **you** disagree with the amount to be paid, the amount of the difference will be referred to an arbitrator who is jointly appointed in accordance with the statutory requirements. **You** will not be able to take legal action against **us** over this disagreement until the arbitrators have made their award.

Cessation or discontinuation condition

We will not cover **you** if after the start of the **period of insurance** the **business** is wound up or carried on by a liquidator or receiver or permanently discontinued.

Claims condition

In event of a claim being made under this section **you** will at **your** own expense

- 1 a other than in respect of **accounts receivable** provide **us** within 30 days after the end of the **indemnity period** or within such time as agreed by **us** with written details of **your** claim
b provide **us** with details of any other insurances covering the property used by **you** at the **premises** for the purpose of the **business** or any part of it or any consequential loss.
- 2 deliver to **us** any books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs and any other information required by **us**, for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of truth of the claim and any matters connected with it.

If **you** do not comply with this condition

- 1 **we** have the right to refuse to pay **your** claim
- 2 if **we** refuse to pay **your** claim **you** must repay **us** any amount **we** may have already paid.

Contribution condition

If the cover provided by this section is insured by any other policy, **we** will only cover **you** for **business interruption** up to the limits of **our** rateable proportion.

Departmental condition

If the **business** is conducted in departments, where the independent trading results can be ascertained, the basis of settlement for **gross profit** or **gross revenue** or **gross rentals** will apply separately to each department affected by the **incident**. Where the sum insured for **gross profit**, **gross revenue** or **gross rentals** is less than the total sum produced by applying the rate of **gross profit**, **gross revenue** or **gross rentals** for each department of the **business** (whether affected by the **incident** or not) to the **annual turnover**, **annual gross revenue** or **annual gross rentals** (or to a proportionately increased multiple thereof where the **maximum indemnity period** exceeds 12 months) the amount payable shall be proportionately reduced.

Limit of cover condition

If **we** cover more than one person, firm, subsidiary, company, organisation or premises the amount payable by **us** in total, on behalf of all entitled to cover under this section, shall not in any circumstances exceed in total the sum insured including any limit shown in this section or **your** schedule.

Any payment or payments that **we** make to any or all insured parties will reduce **our** liability by the amount of the payment to all insured parties for any loss covered by this section and (if applicable) in the **period of insurance**.

New business condition

For the purpose of any claim arising from an **incident** occurring before the completion of the first years trading of the **business** at the **premises**, the following meanings apply and not as otherwise stated in this section.

1 Rate of gross profit

The rate of gross profit earned on the **turnover** during the period between the start date of the **business** and the date of the **incident**.

2 Annual turnover

The proportional equivalent for a 12 month period, of the **turnover** earned during the period between the start of the **business** and the date of the **incident**.

3 Standard turnover

The proportional equivalent for a period equal to the **indemnity period** of the **turnover** earned during the period between the start of the **business** and the date of the **incident**.

4 Annual gross revenue

The proportional equivalent for a period of 12 months of the **gross revenue** earned during the period between the start date of the **business** and the date of the **incident**.

5 Standard gross revenue

The proportional equivalent for a period equal to the **indemnity period** of the **gross revenue** earned during the period between the start date of the **business** and the date of the **incident**.

6 Annual gross rentals

The proportional equivalent for a period of 12 months of the **gross rentals** earned during the period between the start date of the **business** and the date of the **incident**.

7 Standard gross rentals

The proportional equivalent for a period equal to the **indemnity period** of the **gross rentals** earned during the period between the start of the **business** and the date of the **incident**.

We will make adjustments as necessary for trends of the **business** and for variations and other circumstances affecting the **business**, either before or after the **incident**, or which would have affected the **business** had the **incident** not occurred so that the adjusted figures represent as closely as possible, the results which would have been obtained during the **indemnity period** after the **incident**.

Payments on account condition

At **your** request, payments on account may be made to **you** monthly during the **indemnity period**.

Premium adjustment condition

The premium paid may be adjusted by **us** following a declaration of **gross profit, gross rentals** or **gross revenue** earned during the financial year most closely concurrent with the **period of insurance** as reported by **your** auditors

- 1 if any **incident** occurred resulting in a claim for loss of **gross profit, gross rentals** or **gross revenue, we** will increase the declaration for the purpose of premium adjustment, by the amount by which the **gross profit, gross rentals** or **gross revenue** was reduced during the financial year solely as a result of the **incident**.
- 2 if either declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months) is less than the sum insured on **gross profit, gross rentals** or **gross revenue** for the relative **period of insurance, we** will allow a pro rata return in the premium but **we** will not return more than 25% of the original premium.

Note: Accountants may be substituted for auditors for companies exempt from credit requirements.

Professional accountants condition

Any particulars or details contained in **your** books of account, other business books or documents that are required by **us** for investigation or verifying any claim under the Claims condition for this section, may be produced by professional accountants if, at the time they are regularly acting for **you**. Their report will be prima facie evidence of the particulars and details to which the report relates to.

We will pay **you** the reasonable charges that **you** have to pay for professional accountants in producing the particulars or details or any other proofs, information or evidence that **we** may require under the Claims condition for this section and reporting these particulars or details are in accordance with **your** accounting records, other business books or documents.

Provided that the total amount payable under this condition and the amount otherwise payable under the section does not exceed the sum insured shown in **your** schedule.

Reinstatement of sum insured after loss condition

In the event of **business interruption**, the sum insured by this section will be automatically reinstated from the date of the **damage** unless written notice is given to the contrary either by **us** or by **you**.

Provided that in the event of reinstatement **you** will

- 1 pay the necessary premiums that may be required for the reinstatement, from the date of reinstatement
- 2 complete any additional risk improvements which **we** may reasonably require.

Salvage sales condition

If following a loss insured by this section resulting from interruption of or interference with the **business you** hold a salvage sale during the **indemnity period** paragraph 1 a of the **gross profit/estimated gross profit** item of the Basis of claims settlement is amended as follows

for reduction in **turnover**, the sum produced by applying the **rate of gross profit** earned on the **turnover** during the financial year immediately before the date of the **incident**, to the amount by which the **turnover** during the **indemnity period** (less **turnover** for the period of the salvage sale) as a result of the **incident**, falls short of the **turnover** during the corresponding period in the 12 months immediately before the date of the **incident** from which amount shall be deducted the **gross profit** actually earned during the period of the salvage sale.

Subrogation waiver condition

In the event of a claim under this section **we** agree to waive any rights, remedies or relief to which **we** might have become entitled by subrogation against

- 1 any company standing in relation of parent to subsidiary (or subsidiary to parent) to **you**
- 2 any company which is a subsidiary of a parent company of which **you** are a subsidiary

in each case as defined by current law at the time of the **damage**.

Uninsured working expenses condition

If any working expenses of the **business** are not insured by this section (having been deducted in arriving at the **gross profit**) then in calculating the amount recoverable as increase in cost of working, that proportion only of any additional cost will be taken into account which the **gross profit** relates to the sum of the **gross profit** and the **uninsured working expenses**.

Specific section conditions and covers

The following conditions and covers only apply if shown as covered in **your** schedule

You must comply with the following conditions to have the full protection of **your policy**.

Conditions may specify circumstances whereby non-compliance will mean that **you** will not receive payment for a claim. However, **you** will be covered and **we** will pay **your** claim if **you** are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

1 Deposit premium condition

The first and annual premiums are provisional, being 75% of the premiums which are payable at the start of the **period of insurance** and the balance of 25% to be paid within 6 months of the end of that period, except for any item on **gross profit**, **gross revenue** or **gross rentals** the premium paid will be adjusted on receipt by **us** of a declaration of **gross profit**, **gross revenue** or **gross rentals** earned during the financial year most closely concurrent with the year of insurance as reported by **your** auditors.

Note: Accountants may be substituted for auditors for companies exempt from audit requirements.

If any **incident** occurred resulting in a claim for loss of **gross profit**, **gross revenue** or **gross rentals**, **we** will increase the above declaration for the purpose of premium adjustment by the amount by which the **gross profit**, **gross revenue** or **gross rentals** was reduced during the financial year solely because of the **incident**.

If the declaration (adjusted as above and proportionately increased where the **maximum indemnity period** exceeds 12 months)

- 1 is less than 75% of the sum insured on **gross profit**, **gross revenue** or **gross rentals** for the relative period, **we** will allow a pro rata return of premium not exceeding 33 1/3 % of the provisional premium paid
- 2 is greater than 75% of the sum insured on **gross profit**, **gross revenue** or **gross rentals** for the relative period, **you** will pay a pro rata additional premium not exceeding 33 1/3 % of the provisional premium paid.

In the event that no declaration is received within 6 months of the end of the **period of insurance** **you** must pay the balance of 25% of the premium.

Part 1 of the Premium adjustment condition does not apply.

2 Declaration linked condition

- 1 Before each renewal **you** will supply **us** with the **estimated gross profit**, **estimated gross revenue** or **estimated gross rentals** for the financial year most closely concurrent with the following year of insurance.
- 2 The first and annual premiums for each item on **estimated gross profit**, **estimated gross revenue** or **estimated gross rentals** are provisional and are based on the **estimated gross profit**, **estimated gross revenue** or **estimated gross rentals**.

You must provide **us** with a declaration confirmed by **your** auditors, of the **gross profit**, **gross revenue** or **gross rentals** earned during the financial year most closely concurrent with the **period of insurance**. **We** must receive this no later than 6 months after the end of each **period of insurance**

Note: Accountants may be substituted for auditors for companies exempt from audit requirements.

If any **incident** occurred resulting in a claim for loss of **gross profit, gross revenue or gross rentals**, **we** will increase the above declaration for the purpose of premium adjustment by the amount which the **gross profit, gross revenue or gross rentals** was reduced during the financial year solely as a result of the **incident**.

If the declaration (adjusted as provided above and proportionately increased where the **maximum indemnity period** exceeds 12 months)

- 1 is less than the **estimated gross profit, estimated gross revenue or estimated gross rentals** for the relative **period of insurance**, **we** will allow a pro rata return of the premium paid on the **estimated gross profit, estimated gross revenue or estimated gross rentals** but not exceeding 25% of the premium
- 2 is greater than the **estimated gross profit, estimated gross revenue or estimated gross rentals** for the relative **period of insurance**, **you** will pay a pro rata addition to the premium paid on the **estimated gross profit, estimated gross revenue or estimated gross rentals**.

Our liability under Part 1 b i under 'What is covered' is restated so that **our** liability will not exceed for **gross profit, gross revenue or gross rentals** the uplifted sum insured shown in **your** schedule for **estimated gross profit, estimated gross revenue or estimated gross rentals** and for each other item 100% of the sums insured by the items or other amounts as may be agreed by **us**.

Part 1 of the Premium adjustment condition is deleted.

3 Subsidence cover

If this cover is shown as covered in **your** schedule, the Subsidence exclusion under the heading 'What is not covered' does not apply.

We will cover **you** for any loss, insured by this section, resulting from interruption of or interference with the **business** caused by subsidence or ground heave of any part of the site on which the **premises** stands or landslip, but **we** will not cover interference or interruption of the **business** caused by

- 1 damage to yards, car parks, roads, pavements, walls, gates and fences unless also affecting the **building(s)** insured by this **policy**
- 2 damage caused by or consisting of
 - a the normal settlement or bedding down of new structures
 - b the settlement or movement of made-up ground
 - c coastal or river erosion
 - d defective design or workmanship or the use of defective materials
 - e fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- 3 damage which originated before the start of this cover
- 4 damage resulting from
 - a demolition, construction, structural alteration or repair of any property
 - b ground works or excavationat the **premises**

Special conditions applicable to Subsidence cover

You must notify **us** as soon as possible if **you** become aware of any demolition, ground works, excavation or construction being carried out on any adjoining site and **we** will then have the right to vary the terms or cancel the cover.

If **you** do not comply with this condition **you** will not be covered and **we** will not make any payment in respect of a claim for subsidence, ground heave or landslip.

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