



Business interruption section – Specified perils

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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 blue 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 on page 5 of 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 landlords 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 and accessories on the **premises** and extending to the public mains, but only to the extent of **your** responsibility.

Business interruption

Loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** as a result of **damage** to property used by **you** at the **premises** for the purpose of the **business**.

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.

Damage

Accidental loss, destruction or damage.

Data

Any data of any sort whatsoever, 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 whatsoever.

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.

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**.

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 Her 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.

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, mainly 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 loss 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**

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- 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 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 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 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 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** by any of the Specified perils during the **period of insurance** and as a result the **business** is interrupted or interfered with, then **we** 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

adjusted in accordance with the Inflation protection cover if shown as operative in **your** schedule.

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** by any of the Specified perils 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.

The sums insured will be adjusted in accordance with the Inflation protection cover if shown as operative in **your** schedule.

Specified perils

Your schedule will detail which perils are covered

- A**
 - i** Fire excluding **business interruption** caused to any of the property insured by
 - 1** explosion resulting from fire
 - 2** earthquake or subterranean fire
 - 3** its own spontaneous fermentation or heating
 - 4** its undergoing any heating process or any process involving the application of heat
 - ii** lightning
 - iii** explosion
 - 1** of boilers used for domestic purposes only
 - 2** of any boilers or economisers at the **premises**
 - 3** of gas used for domestic purposes onlybut excluding **business interruption** caused by explosion as a result of earthquake or subterranean fire.
- B** Explosion excluding **business interruption**
 - i** caused by or consisting of the bursting of any vessel, machine or apparatus (not being a boiler or economiser at the **premises**) in which internal pressure is due to steam only and belonging to **you** or under **your** control
 - ii** by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- C** Aircraft or other aerial devices or articles dropped from them, excluding **business interruption** by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
- D** Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding **business interruption** arising from
 - i** confiscation, requisition or destruction by order of the government or any public authority
 - ii** cessation of work.
- E** Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding **business interruption**
 - i** arising from confiscation, requisition or destruction by order of the government or any public authority
 - ii** arising from cessation of work
 - iii** (other than by fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation
 - 1** by theft
 - 2** to any building which is **unoccupied**
 - 3** arising from the deliberate erasure, loss, distortion or corruption of information on computer systems or other records or programs or software.

Business interruption section – Specified perils *continued*

- F** Earthquake.
- G** Subterranean fire.
- H** Storm excluding **business interruption**
 - i** by **flood** whether resulting from storm or otherwise
 - ii** attributable solely to a change in the water table level
 - iii** by frost, subsidence, ground heave or landslip
 - iv** for movable property in the open, fences and gates.
- I** **Flood** excluding **business interruption**
 - i** attributable solely to a change in the water table level
 - ii** by frost, subsidence, ground heave or landslip
 - iii** for movable property in the open, fences and gates.
- J** Escape of water from any tank, apparatus or pipe excluding **business interruption**
 - i** by water discharged or leaking from any automatic sprinkler installation
 - ii** for any building which is **unoccupied**.
- K** Impact by any road vehicle (including goods falling from them) or animal not belonging to **you** or under **your** control or any occupier of the **premises** or their respective employees.
- L** Impact by any road vehicle (including goods falling from them) or animal.
- M** Accidental escape of water from any automatic sprinkler installation in the **building(s)** not caused by
 - i** freezing whilst the building is **unoccupied**, if it is in **your** ownership or tenancy
 - ii** explosion, earthquake, subterranean fire or heat caused by fire.
- N** Fire only resulting from the property's own spontaneous fermentation or heating.
- O** Theft or attempted theft
 - i** 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
 - ii** 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**.
- P** Escape of oil from any fixed heating installation excluding **business interruption** for any building which is **unoccupied**.

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 any loss insured by this section resulting from interruption of or interference with the **business** as a result of **damage to property** within a 1 mile radius of **your premises** which prevents or hinders the access to or the use of **your premises** whether **your premises** or **your** property suffers **damage** or not but **we** will not cover loss, destruction or damage to property of any supply undertaking from which **you** obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of these services.

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

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 **your premises** is restricted or hindered for more than the franchise period shown in **your** schedule, arising directly from

- 1 the actions taken by the police or any other statutory body in response to a danger or disturbance at **your premises** or 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 shall only apply for the period starting with the restriction or hindrance and ending after 12 weeks during which time the results of the **business** are affected
- 2 **our** liability for any one claim will not exceed the limit shown in **your** schedule.

We will not cover **you** where access to **your premises** is restricted or hindered as a result of

- 1 physical **damage** to property at **your premises** or elsewhere
- 2 strikes, 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 notifiable diseases as detailed in the Murder suicide or disease cover
- 5 actions where **you** have been given prior notice.

Essential employees cover

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

- 1
 - a death of an employee
 - b permanent total disablement arising out of bodily injury 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 the employee winning a prize on the national lottery, premium bonds or football pools providing that their win exceeds £100,000 but excluding losses where the 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 exceeding 4 weeks at the time of their win.

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 of an employee and end 12 weeks after this date.

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

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 claim will not exceed the limit shown in **your** schedule.

Exhibition expenses cover

The following meanings highlighted in bold 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 any of the circumstances below, provided that after the application of all other terms and conditions of the section, **our** liability for any one claim will not exceed the limit shown in **your** schedule.

The failure 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

but **we** will not cover

- a any failure
 - i which does not involve a cessation of supply for at least the franchise period shown in **your** schedule
 - ii that does not result from a Specified peril
- b loss resulting from failure caused by
 - i the deliberate act of any supplier or by them using their power to withhold or restrict supply or services
 - ii strikes or any labour or trade dispute
 - iii 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 any of the circumstances below, provided that after the application of all other terms and conditions of the section, **our** liability for any one claim will not exceed the limit shown in **your** schedule

The failure 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**

Business interruption section – Specified perils *continued*

but **we** will not cover

- a any failure
 - i which does not involve a cessation of supply for at least the franchise period shown in **your** schedule
 - ii that does not result from a Specified peril
 - iii that exceeds 12 weeks in duration
- b loss resulting from failure caused by
 - i the deliberate act of any supplier or by them using their power to withhold or restrict supply or services
 - ii strikes or any labour or trade dispute
 - iii 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 any loss insured by this section resulting from interruption of or interference with the **business** for at least the franchise period shown in **your** schedule as a result of **damage** to property within a 1 mile radius of **your premises** which causes **you** to lose custom.

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

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**.

Murder suicide or disease cover

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

1 the occurrence of any of the following specified human infectious or human contagious diseases

- i Acute Encephalitis
- ii Acute Poliomyelitis
- iii Anthrax
- iv Chicken Pox
- v Cholera
- vi Diphtheria
- vii Dysentery
- viii Legionellosis
- ix Legionnaires' Disease
- x Leprosy
- xi Leptospirosis
- xii Malaria
- xiii Measles
- xiv Meningococcal Infection
- xv Mumps
- xvi Ophthalmia Neonatorum
- xvii Paratyphoid fever
- xviii Plague
- xix Rabies
- xx Rubella
- xxi Scarlet Fever
- xxii Smallpox
- xxiii Tetanus
- xxiv Tuberculosis
- xxv Typhoid Fever
- xxvi Viral Hepatitis
- xxvii Whooping Cough
- xxviii Yellow Fever

manifested by any person whilst at the **premises** or within a 25 mile radius of it

- 2 murder or suicide at the **premises**
- 3 injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided at the **premises**
- 4 the discovery of vermin or pests in the **building(s)** that prevents the use of or part use of the **building(s)** by order of the public authority

5 the closing of the whole or part of the **premises** by order of the public authority as a result of a defect in the drains or other sanitary arrangements at the **premises**.

This cover will only apply for the period starting with the occurrence of the loss and ending after 12 weeks, during which time the results of the **business** are affected.

We will not cover any costs incurred in the cleaning, repair, replacement, recall or checking of the property insured.

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, dies, 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

Where peril **O** is shown as covered in **your** schedule **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

Where peril **O** is shown as covered in **your** schedule **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 wherever it is used in the Unspecified customers cover.

Customers

The companies, organisations or individuals who at the date of the **incident 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** as a result of

- 1 **damage** as insured by this section 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

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

Unspecified suppliers and storage sites cover

The following meaning highlighted in bold black print will have the same meaning wherever 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 **incident 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 shown in **your** schedule.

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

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

x What is not covered

Collusion 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**.

Date recognition exclusion

We will not cover **you** for **business interruption** directly or indirectly caused by, contributed to or arising from the failure of equipment (including hardware and software) to correctly recognise any given date, process data or to operate properly due to failure to recognise any given date but **we** will cover subsequent **business interruption** which results from a Specified peril covered by this section.

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 Specified peril covered by this section.

Electronic risks exclusion

We will not cover **you** for any losses directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

- 1 damage to or the destruction of any **computer systems**; or
- 2 any alteration, modification, distortion, erasure or corruption of **data**

in each case, whether **your** property or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from a **virus or similar mechanism** or **hacking** or **phishing** or **denial of service attack**.

We will cover subsequent **business interruption** which is covered by this section, which itself results from a **defined peril** covered by this section, except for loss, destruction or damage caused by malicious persons other than thieves.

Fraud and dishonesty exclusion

We will not cover **you** for **business interruption** arising directly or indirectly from acts of fraud or dishonesty by **your** employees or any partner, director or member of **your** family. **We** will cover

subsequent **business interruption** as a result of a Specified peril covered by this section.

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 Specified peril provided that peril is covered by this section
- 2 a Specified 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.

Radioactive contamination exclusion

We will not cover damage or any other loss or expense resulting or arising from loss, destruction or 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 or from any nuclear waste from the combustion of nuclear fuel
- 2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of that assembly.

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 and the Isle of Man
 - 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.

Unexplained losses exclusion

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

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

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.

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**.

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.

Accounts receivable condition

We will cover **you** for **business interruption** caused by or arising directly or indirectly from the loss, destruction or damage by a Specified peril 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 pay **your** 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 indemnity 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 rent** will apply separately to each department affected by the **incident**. Where the sum insured for **gross profit**, **gross revenue** or **gross rent** 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.

New business condition

For the purpose of any claim arising from an **incident** occurring before the completion of the first year's 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.

Business interruption section – Specified perils *continued*

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 loss 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 cover

- 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**
- 3 **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** stated 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

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 interruption or interference with the **business** caused by

- 1 **damage** to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a **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 excavation at 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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