

Policy Document

Contractors

Arranged by

Cornhill
Direct Business

A company of Allianz 

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Introduction

Thank you for choosing Cornhill Direct Business as your insurance intermediary. Your Contractors Policy is made up of several parts which must be read together as they form your contract of insurance with the Insurer. Please take time to read all parts of the Policy to make sure they meet your needs and that you understand the terms, exclusions and conditions. If you wish to change anything or if there is anything you do not understand, please contact Cornhill Direct Business Customer Helpline on 0845 872 1751 – adjustments are easily made and we will be pleased to help.

The parts of the Policy are:

- the Statement of Insurance
- this Introduction; the Insuring Clause; the Policy Definitions; Policy Conditions and the Policy Exclusions, all of which apply to all Sections of the Policy
- the Sections of cover provided, including the Section Definitions, Extensions, Conditions and Exclusions
- the Schedule, which confirms the Sections of cover that are insured and which includes any additional clauses applied to the Policy

Any Section stated to be 'not insured' in the Schedule shall be inoperative.

Any word or expression in the Policy which has a specific meaning under the Policy or Section Definitions has the same meaning wherever it appears in the Policy.

Allianz and DAS Legal Expenses Insurance Company Ltd contribute to the Financial Services Compensation Scheme (FSCS).

You may be entitled to compensation from the FSCS if Allianz or DAS Legal Expenses Insurance Company Ltd are unable to meet their liabilities. For compulsory insurance you may be entitled to compensation up to 100% of the claim. For all other types of insurance you may be entitled to compensation of up to £2,000 for the first part of the claim and 90% of the remainder of the claim. Further information about compensation scheme arrangements is available from the FSCS.

We strive to provide a first-class service. However, if you are in any way dissatisfied, contact Cornhill Direct Business Customer Helpline on 0845 872 1751.

The Contracts of Insurance and the Insurers

This insurance (other than Section 6) is underwritten by Allianz Insurance plc. Registered Office: 57 Ladymead, Guildford, Surrey GU1 1DB, UK. Allianz is authorised and regulated by the Financial Services Authority, registration number 121849.

Section 6 – Commercial Legal Protection is underwritten by DAS Legal Expenses Insurance Company Limited. DAS House, Quay Side, Temple Back, Bristol, BS1 6NH, UK. DAS is authorised and regulated by the Financial Services Authority, registration number 202106.

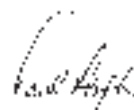
Insuring Clause

The Statement of Insurance together with any information supplied by or on behalf of the Insured forms the basis of this contract of insurance between the Insured and the Insurer.

In consideration of payment of the premium the Insurer will indemnify or otherwise compensate the Insured against loss, destruction, damage, injury or liability (as described in and subject to the terms, conditions, limits and exclusions of this Policy or any Section of it) occurring or arising in connection with the Business during the Period of Insurance or any subsequent period for which the Insurer agrees to accept a renewal premium.

Signed on behalf of
Allianz Insurance plc

Signed on behalf of DAS Legal
Expenses Insurance Company

Andrew Torrance
Chief Executive

Paul Asplin
Chief Executive Officer

Claims Services

Claims Line for all Policy Sections other than Commercial Legal Protection

Office hours – 0844 871 0940 Out of hours – 0870 606 1234

Phone the Claims Lines for the following services:

To Make a Claim (Policy Sections 1-5)

Phone the Claims Line immediately if you think you may have a claim with as much information as possible and we will tell you what to do next. We may forward to you a claim form for you to complete and sign. This should be returned to Allianz Insurance.

Please also see General Condition 3 - Claims, which details your obligations and Allianz rights in the event of a claim.

Glass Replacement Service

Phone the Claims Line if you have glass broken in windows, doors, display units or partitions and we will provide glass replacement assistance.

Emergency Assistance

Our out of hours emergency helpline service provides help when it is most needed, no matter what the damage or where or how inconvenient the time. If your property is damaged for example by storm or flood or during a break-in, we will take details of the problem and, if necessary, provide details of a contractor from our repair network who will be able to help.

Legal Protection Claims Line (Policy Section 6): - Telephone 0845 330 1180. This is a 24 hour line.

If you think you may have a claim under Section 6 - Commercial Legal Protection, phone the Commercial Legal Protection Claims Line and they will tell you what to do next.

A claim form for completion will be sent to you if required and this should be returned to DAS Legal Expenses Insurance Company Limited at the address shown at the end of Section 6.

Please also observe the Claims Procedures detailed at the end of Section 6.

Claims Handling - Policy Sections 1-5

If an accident, loss or damage occurs or any circumstances arise which may cause a claim to be made:

- You should notify the Claims Lines detailed above
 - promptly, if an incident occurs that may lead to you making a claim
 - immediately, in the event of a serious accident, loss or damage

Please provide as much information as possible about the claim and your policy reference if available

- We recommend you check that the accident, loss or damage is covered by your policy. If you are in any doubt please contact Cornhill Direct Business Customer Helpline telephone 0845 872 1751
- You should comply with the requirements for claim notification contained in the policy conditions which detail your obligations and our rights in the event of a claim. If you are in any doubt please contact the relevant Claims Line immediately
- You should carry out any emergency action to protect your property from further damage (e.g. turning off main services) or to make it waterproof or secure. We will be pleased to provide advice and assistance to find the right person or organisation to help you. If you do incur any charges please retain the bills as these may form part of your claim

Section 6 - Please observe the procedures at the end of Section 6

- If emergency work has been completed on your own authority please contact us via the Claims Line before permanent repairs begin
- Please do not dispose of damaged items before we have had the opportunity to inspect them
- You should report to the Police any loss or damage from theft, arson, malicious damage or riot or civil commotion and obtain a crime book reference from them
- Please ensure that your responsibility for injury to someone or damage to their property is not discussed with or admitted to anyone else
- If an Employee or someone else is holding you responsible for injury to them or for damage to their property then you should tell us promptly via the Claims Line, and send any letters, writs or summons to us unanswered
- Our aim is to deal with your claim promptly and fairly. Depending on the type of claim and value involved we may:
 - forward a claim form for you to complete and sign
 - appoint an independent Loss Adjuster to deal with your claim
 - arrange for one of our Claims staff to visit you
 - reply to you by letter or by telephone.

Helplines

Cornhill Direct Business Customer Helpline - telephone 0845 872 1751

Please phone the Customer Helpline:

- If you would like a quotation for additional covers.
- If your Policy details are incorrect.
- If your address is incorrect on the accompanying letter.
- If your details change i.e. change of address or bank account.
- If you lose your documents.

Legal & Taxation Advice Helpline - telephone 0845 330 1180

Phone the Legal Advice Helpline for confidential legal advice 24 hours a day. Advisors are suitably qualified and advice relates to any commercial legal problem or issue affecting your Business under the laws of the European Union, the Isle of Man and the Channel Islands. You will be given confidential advice on any tax matters affecting the Business under the laws of the United Kingdom. As long as your Policy remains in force this service may be used as often as necessary and the advice is free of charge.

Complaints Procedure

Our aim is to get it right, first time, every time. If we make a mistake we will try to put it right promptly. We will confirm receipt of your complaint within five working days and do our best to resolve the problem within four weeks. If we are unable to do so we will let you know when the answer may be expected. If we have not resolved the problem within eight weeks we will provide you with information about the Financial Ombudsman Service.

Should you wish to make a complaint then it should be directed to the appropriate one of the following:

Section 6 of the Policy – Commercial Legal Protection

Customer Relations Department, DAS Legal Expenses Insurance Company Ltd, DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

All other sections of the Policy:

Customer Satisfaction Manager, Allianz Insurance plc, 57 Ladymead, Guildford, Surrey GU1 1DB.

Any aspect of the Cornhill Direct Business service:

Customer Services Controller, Cornhill Direct Business, PO Box 640, Lancaster LA1 5XH.

Using the complaints procedure does not affect your legal rights.

Data Protection

The information you provide or which is supplied by third parties may be used by us and/or our carefully selected third parties to offer you a quotation, to deal with any aspects of your policy to search credit reference agencies (who may keep a record of the search) and for customer surveys, market research and compliance business reviews. It may include your name, address, date of birth, telephone number, email address, renewal date(s), bank details including your credit/debit card number and expiry date and details of your directors, officers, employees and partners. You must have obtained their consent to our using their details. Such information may be disclosed to regulatory bodies such as the Financial Services Authority and to other insurance organisations, professional advisers and mediation companies to administer and regulate your insurance, to help offset risks and prevent fraud. Any information you supply to us must be accurate and up to date and you should inform us if any such information requires updating.

It may be used by companies within the global Allianz group of companies, by DAS Legal Expenses Insurance Co. Ltd or other

carefully selected third parties to inform you about any products, services and offers we may consider to be of interest to you. We will do this by writing to you, by telephone (including by way of automatic dialing), by fax, by email or by access to our website. If for any reason you do not want to receive this information please write to us at The Marketing Department, Cornhill Direct Business, Caton Road, Lancaster, LA1 3PE.

Under the Data Protection Act 1998 we can only discuss your details with you. If you would like anyone else to act on your behalf please let us know. Your personal details may be transferred to countries outside the European Economic Area however they will at all times be held securely and handled with the utmost care in accordance with all principles of UK law. We will store your personal information on our secure database but will not keep it longer than is necessary. You are entitled to a copy of all the information we hold about you. You can do this by writing to us including your name and address to The Marketing Department, Cornhill Direct Business, Caton Road, Lancaster, LA1 3PE, enclosing a cheque or postal order for £10 made payable to Cornhill Direct Business.

Important Information for Employers

The Employers Liability (Compulsory Insurance) Regulations 1998 lay down certain obligations for employers and, in particular, you should be aware of the following:

Display of Certificates

Allianz Insurance will provide you with a certificate of Employers Liability insurance and this will state clearly the companies covered by the Policy. You must display an original copy of the certificate at each

Business premises where your Employees can see it easily.

Retention of Certificates

You must retain copies of certificates that have expired for at least 40 years. This is because certain claims e.g. disease, could be made many years after the disease is caused. This requirement applies only to policies that were in force on 31st December 1998 or later.

Policy Definitions

The following definitions apply to this Policy (unless amended by Section Definitions) and are denoted by a capital first letter throughout this Policy.

Business

The business description stated in the Schedule and which is conducted solely from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man including

- 1 the ownership maintenance and repair of premises used in connection with such business
- 2 the provision and management of canteen, social, sports and welfare organisations for the benefit of Employees and the ambulance, first aid, fire, medical and security services of the Insured
- 3 the execution of private duties by Employees for any partner director or senior official of the Insured.

Damage

Loss, destruction or damage.

Employee(s)

- 1 any person under a contract of service or apprenticeship with the Insured
- 2 any of the following persons whilst working for the Insured in connection with the Business
 - a) any labour master or labour only subcontractor or person supplied by him
 - b) any self-employed person providing labour only
 - c) any person who is borrowed by or hired to the Insured
 - d) any voluntary helper
 - e) any trainee or person undergoing work experience.

Excess

First part of each and every claim, for which the Insured is responsible, stated in the Schedule.

Injury

Bodily injury, death, disease, illness, mental injury or nervous shock.

Insured

Insured named and shown in the Schedule.

Insurer

Allianz Insurance – other than Section 6

DAS Legal Expenses Insurance Company Ltd – Section 6.

Limit of Indemnity

Limit of indemnity stated in the Schedule.

Offshore Installations

- 1 any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- 2 any installation in the sea or tidal waters which is intended for the storage or recovery of gas
- 3 any pipe or system of pipes in the sea or tidal waters
- 4 any installation which is intended to provide accommodation for persons who work on or from the locations specified in paragraphs 1, 2 or 3 of this definition.

Period of Insurance

Period from the effective date to the renewal date as shown in the Schedule.

Policy

Document as described in the Introduction.

Pollution or Contamination

- 1 all pollution or contamination of buildings or other structures or of water or land or the atmosphere and
- 2 all Injury or Damage directly or indirectly caused by such pollution or contamination.

All pollution or contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

Schedule

Part of this Policy that details information forming the basis of this contract and that shows the Sections of this Policy operative.

Section/Sections

Parts of this Policy that detail the insurance cover provided for each individual section of this Policy.

Statement of Insurance

The information provided at the time of quotation or mid term alteration and any other information given by you or on your behalf. The Statement of Insurance incorporates a statement of your demands and needs in relation to insurance cover.

Sum Insured

The maximum amount the Insurer will pay for each item insured under any Section.

Total Sum Insured

Total amount payable by the Insurer under any Section.

Policy Conditions

Applicable to the Policy (except Section 6) unless stated to the contrary under the conditions in the Sections.

1 Law Applicable

This Policy shall be governed by and construed under English Law.

2 Reasonable Precautions

The Insured shall take all reasonable care

- a) to prevent accidents and any Injury or Damage
- b) to observe and comply with statutory or local authority laws, obligations and requirements
- c) in the selection and supervision of Employees
- d) to maintain the buildings, contents and everything used in the Business in efficient and safe working order
- e) to make good or remedy any defect or danger which becomes apparent and take such additional precautions as the circumstances may require.

3 Change of Risk

This insurance shall cease to be in force if there is any alteration in the Business which increases the risk of Injury or Damage, unless such alteration is agreed in writing by the Insurer.

4 Fraud

If the Insured or anyone acting on behalf of the Insured makes any false or fraudulent claim or supports a claim by false or fraudulent document, device or statement, this Policy shall be void and the Insured will forfeit all rights under the Policy. In such circumstances, the Insurer retains the right to keep the premium and to recover any sums paid by way of benefit under the Policy.

5 Policy Voidable

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of any material particular.

6 Cancellation

Insured's Cancellation Rights

The Insured has the right to cancel the cover within a period which begins fourteen (14) days from the commencement of cover or the receipt of Policy documentation, whichever is the later (this period is referred to as the "cooling off period"). The Insured should exercise this right by writing to Cornhill Direct Business, Caton Road, Lancaster LA1 3PE.

If the Insured does exercise their right to cancel during the "cooling off period", they will be entitled to a return of premium. Any return of premium will be calculated on a proportionate basis, less £25 to cover operational costs. The amount of premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

If the "cooling off period" has expired, the Insured may cancel the Policy during the Period of Insurance by giving fourteen (14) days notice in writing to Cornhill Direct Business, Caton Road, Lancaster LA1 3PE. Provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance they will be entitled to a proportionate return of the premium paid, less £25 to cover operational costs. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

In the event of cancellation the Insured must return to the Insurer the current certificate(s) of Employers' Liability insurance.

The Insurer's Cancellation Rights

The Insurer may cancel this Policy by giving the Insured fourteen (14) days' notice in writing sent to the Insured's last known address. The Insured will be entitled to a proportionate return of the premium in respect of the unexpired Period of Insurance. The amount of premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

If the premium for the Policy is paid by instalments, please refer to the instalment agreement for details of the cancellation procedure that will apply.

In the event of cancellation the Insured must return to the Insurer the current certificate(s) of Employers' Liability insurance.

7 Claims – Action by the Insured

The Insured shall in the event of any Injury, Damage or consequential loss as a result of which a claim is or may be made under this Policy or any Section of it and again upon the receipt by the Insured in writing of any notice of any claim or legal proceeding

- a) notify the Insurer within seven (7) days of Damage or consequential loss due to riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons or theft or within thirty (30) days of Damage in any other case
- b) notify the Insurer immediately upon being advised of any prosecution, inquest or enquiry connected with any Injury, Damage or consequential loss which may form the subject of a claim under this Policy
- c) notify the Police as soon as it becomes evident that any Damage has been caused by theft or malicious persons
- d) pass immediately and unacknowledged, any letter of claim to the Insurer
- e) carry out and permit to be taken any action that may be reasonably practicable to prevent further Damage or consequential loss
- f) retain unaltered and unrepaired anything in any way connected with the Injury, Damage or consequential loss for as long as the Insurer may reasonably require
- g) furnish with all reasonable despatch at the Insured's expense
 - i such further particulars and information as the Insurer may reasonably require
 - ii if required, a statutory declaration of the truth of the claim
 - iii details of any other insurances covering the subject matter of the claim under this Policy and any matters connected with it
- h) make available at the Insured's expense any documents required by the Insurer with regard to any letter of claim
- i) not pay or offer or agree to pay any money or make any admission of liability without the previous consent of the Insurer
- j) allow the Insurer in the name of and on behalf of the Insured to take over and, during such periods as the Insurer thinks proper, to have the absolute conduct and control of all negotiations and proceedings which may arise in respect of any claim and the settlement thereof and the Insured shall give the Insurer all necessary assistance for that purpose.

No claim under this Policy shall be payable and any payment on account of a claim already made shall be repaid to the Insurer if the terms of this Policy Condition are not complied with.

8 Claims – The Rights of the Insurer

In respect of Damage for which a claim is made the Insurer and any person authorised by the Insurer may, without incurring any liability or diminishing any of the Insurer's rights under this Policy, enter premises where such Damage has occurred and take possession of or require to be delivered to the Insurer any property insured and to deal with such property for all reasonable purposes and in any reasonable manner.

No property may be abandoned to the Insurer or deemed to have been abandoned whether taken possession of by the Insurer or not.

The Insurer will not pay for any claim unless the terms of this Policy Condition have been complied with.

9 Subrogation

Any claimant under this Policy shall at the Insurer's request and expense take or permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after the Insurer makes any payment.

10 Discharge of Liability

The Insurer may absolve itself from any further liability in connection with any occurrence or all occurrences of a series consequent on or attributable to one source or original cause by the payment of the specified Limit of Indemnity in respect thereof (after deducting there from any sums already paid) or by the payment of any balance of any maximum Limit of Indemnity for any one Period of Insurance whichever is the less, together with the amount of any costs and expenses to the date of such payment.

11 Arbitration

If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted by the Insurer) such difference shall be referred to an arbitrator to be appointed by the Insured and the Insurer in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against the Insurer.

12 Number of Persons

The premium for this Policy is based on the maximum number of persons engaged in the Business at any one time. The Insured shall notify the Insurer immediately if this number shall change.

13 Rights of Third Parties

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

14 Other Insurances

If at the time of any Damage there is any other insurance covering such incidents, the Insurer will only pay their rateable proportion of such loss.

15 Law Applicable to Contract

Unless the Insurer agrees otherwise:

- a) the language of the Policy and all communications relating to it will be English; and
- b) all aspects of the Policy including negotiation and performance are subject to English law and the decision of the English courts

Policy Exclusions

This Policy does not cover:

1 War

Damage, Injury, disablement or liability or any consequential loss occasioned by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power

2 Radioactive Contamination

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from, or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

3 Sonic Bangs

Damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

4 Northern Ireland Exclusion

Damage and any consequential loss in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion and (except in respect of Damage or any consequential loss by fire or explosion) strikers, locked out workers, persons taking part in labour disturbances or malicious persons.

5 Computer Date Exclusion

Damage or liability directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of the Insured or not, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date including the failure

- a) correctly to recognise any date as its true calendar date
- b) to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- c) to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any date

but the insurance shall not exclude any subsequent Damage which is not otherwise excluded.

6 Trade Exclusions

Liability in respect of

- a) any work of demolition except
 - i of buildings or part of a building when such work forms part of a contract for reconstruction alteration or repair by the Insured
 - ii of other structures not exceeding four (4) metres in height and not comprising or forming part of any building

- b) work in or on
 - i aircraft and/or aerospace devices runways and/or ancillary areas to which aircraft and/or aerospace devices have access
 - ii any vessel or craft or device designed to float on or in or travel through water and/or harbours and ancillary areas to which such vessels or craft or devices have access
- c) work on
 - i bulk oil, petrol, gas or chemical storage tanks or chambers
 - ii railways, tunnels or motorways
 - iii blast furnaces, bridges, chimney shafts, collieries, docks, gas works, mines, oil refineries, power stations, pylons, reservoirs, steeples, towers or viaducts
- d) quarrying, blasting or diving operations, water diversion, dam construction or work behind dams
- e) the use of explosives, tunnelling or piling work, underpinning, deliberate de-watering of the site, welding or flame cutting
- f) the making of excavations exceeding in any part a depth of two (2) metres from the surface
- g) the construction of public roads or the laying of main sewers unless incidental to any building contract undertaken by the Insured.

7 Excess

Any Excess

8 E-Risks

- a) loss or destruction of or damage to any Computer Equipment (as defined below) consisting of or caused directly or indirectly by:
 - i programming or operator error whether by the Insured or any other person
 - ii Virus or Similar Mechanism (as defined below)
 - iii Hacking (as defined below)
 - iv malicious persons
 - v failure of external networks

unless, in respect of i, ii and iii above, such loss or destruction or Damage results from a concurrent or subsequent cause not excluded by this or any other policy exclusion
- b) any financial loss or expense of whatsoever nature, including but not limited to business interruption, resulting directly or indirectly from the type of loss or destruction or Damage described in paragraph a of this exclusion unless, in respect of a i, ii or iii above, the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other policy exclusion
- c) loss or destruction of or Damage to any property other than Computer Equipment where it arises directly or indirectly out of loss or destruction of or Damage to any Computer Equipment of the type described in paragraph a of this exclusion unless, in respect of loss or Damage to other property arising from a i, ii or iii above, resulting from a concurrent or subsequent cause not excluded by this or any other policy exclusion
- d) loss or destruction of or Damage either to Computer Equipment or any other property where it consists of or arises directly or indirectly out of:
 - i the erasure, loss, distortion, corruption or unauthorised access to or modification of

information on computer systems or other records, programs or software by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions or malicious persons

- ii the erasure, loss, distortion, corruption or unauthorised access to or modification of information on computer systems or other records, programs or software due to any cause not included in d i above
- iii any misinterpretation, use or misuse of information on computer systems or other records, programs or software

unless, in respect of d ii and iii above, such loss, destruction or damage results from a concurrent or subsequent cause not excluded by this or any other policy exclusion

- e) any financial loss or expense of whatsoever nature, including but not limited to business interruption, where it arises directly or indirectly from the type of loss or destruction or Damage described in paragraphs c and d of this exclusion unless, in respect of c, d ii and iii above, the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other policy exclusion.

For the purpose of this exclusion:

Computer Equipment – means computer equipment, component, system or item which processes, stores, transmits or retrieves data, or any part thereof, whether the property of the Insured or not, whether tangible or intangible and including without limitation any information, programs or software.

Virus or Similar Mechanism – means any program code, programming instruction or other set of instructions intentionally constructed with the ability to Damage, interfere with or otherwise adversely affect computer programs, data files or operations (whether involving self replication or not), including but not limited to 'Trojan Horses', 'Worms' or 'Logic Bombs'.

Hacking – means unauthorised access to any computer or computer equipment, component, system or item, whether the property of the Insured or not, which processes, stores, transmits or retrieves data.

9 Terrorism

- a) in respect of England, Wales and Scotland but not the territorial seas adjacent thereto as defined in the Territorial Sea Act 1987:
 - loss or destruction or Damage or consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with
 - i any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism
 - ii any action taken in controlling, preventing or suppressing any Act of Terrorism, or in any other way related to such Act of Terrorism

In respect of a above an Act of Terrorism means:

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.

- b) in respect of territories other than those stated in a above
 - loss or destruction or Damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with
 - i any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism

- ii any action taken in controlling, preventing or suppressing any Act of Terrorism, or in any way related to such Act of Terrorism

In respect of b above an Act of Terrorism means:

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

In any action suit or other proceedings where the Insurer alleges that by reason of this exclusion any loss or destruction or damage or any consequential loss is not covered (or is covered only up to a specified limit of liability), the burden of proving to the contrary shall be upon the Insured.

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

Section 1 Public Liability

Definitions

Territorial Limits

- 1 Great Britain, Northern Ireland, the Channel Islands and the Isle of Man
- 2 any other member country of the European Union
- 3 elsewhere in the world in respect of Injury or Damage caused by or arising from non-manual activities of any partner director or Employee of the Insured normally resident within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man and occurring during any journey or temporary visit.

Injury

- 1 bodily injury, death, disease, illness, mental injury or nervous shock
- 2 invasion of the right of privacy, false arrest, false imprisonment, false eviction or malicious prosecution of any person other than an Employee.

Act of Terrorism

Any 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 to put the public or any section of the public in fear.

Cover

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of accidental

- a) Injury to any person
- b) Damage to material property
- c) nuisance, trespass, obstruction or interference with any right of way, light, air or water resulting in financial loss

occurring within the Territorial Limits during the Period of Insurance in connection with the Business.

Costs and Expenses

In addition the Insurer will pay costs and expenses incurred by the Insured with the Insurer's written consent

- a) in connection with the defence of any claim
- b) for representation of the Insured
 - i at any coroner's inquest or fatal accident inquiry in respect of death
 - ii at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of any alleged breach of statutory duty resulting in Injury or Damage

which may be the subject of indemnity under this Section.

Limit of Indemnity

- a) the Insurer's liability for all compensation payable in respect of
 - i any one occurrence or all occurrences of a series consequent on or attributed to one source or original cause
 - ii all claims arising from Pollution or Contamination which is deemed to have occurred during any one Period of Insurance

shall not exceed the Limit of Indemnity.

- b) the Insurer's liability in respect of all claims against the Insured made within the legal jurisdiction of the United States of America or Canada or any dependency or trust territory shall be inclusive of the amount of all
 - i claimants' costs and expenses
 - ii costs and expenses incurred by the Insurer or with the written consent of the Insurer in connection with the defence of such claims

and shall not exceed the Limit of Indemnity.

- c) The Insurer's liability shall not exceed the Limit of Indemnity or £5,000,000 (whichever is the lesser) in respect of an Act of Terrorism. If the Insurer alleges that by reason of this limitation any loss, damage, cost or expense is not covered the burden of proving the contrary shall be upon the Insured.

Extensions

1 Indemnity to Other Parties

If the Insured so requests the Insurer will indemnify the following parties:

- a) any officer, committee member or other member of the Insured's canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services against liability incurred in such capacity
- b) any partner, director or Employee of the Insured against liability incurred in such capacity and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured as though each such party was individually named as the Insured in this Section
- c) any principal for whom the Insured has agreed to execute work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured is legally liable and would have been entitled to indemnity under this Section if the claim had been made against the Insured.

Provided that

- i each such party shall observe fulfil and be subject to the terms and conditions of this Section and the Policy Conditions in so far as they can apply
- ii the Insurer's liability to the Insured and all parties indemnified shall not exceed in total the Limit of Indemnity.

2 Health and Safety at Work – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so requests any partner, director or Employee of the Insured in the terms of this Section in respect of

- a) costs and expenses incurred with the Insurer's written consent
- b) costs and expenses of the prosecution awarded against any such party

in connection with criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed or alleged to have been committed during the Period of Insurance in connection with the Business.

Provided that

- i the proceedings relate to the health safety or welfare of any person other than an Employee
- ii the Insurer shall have the absolute conduct and control of all the said proceedings and appeals

The Insurer will not pay for

- a) fines or penalties of any kind
- b) proceedings or appeals in respect of any deliberate act or omission
- c) costs or expenses insured by any other policy.

3 Motor Contingent Liability

The Insurer will indemnify the Insured in the terms of this Section against liability arising out of the use in connection with the Business of any vehicle not owned provided or being driven by the Insured but this Section does not cover any such liability

- a) in respect of Damage to the said vehicle
- b) arising out of any such use in any country outside the European Union
- c) incurred by any party other than the Insured
- d) incurred by any party identified in Extension 1 – Indemnity to Other Parties other than an Employee

4 Court Attendance Compensation

If during the Period of Insurance any partner, director or Employee of the Insured is required to attend court as a witness at the request of the Insurer in connection with a claim which is the subject of indemnity under this Section the Insurer will pay compensation to the Insured on the

Section 1 Public Liability continued

following scale for each day that attendance is required:

- i any director or partner £250
- ii any Employee £150

5 Joint Insured Cross Liabilities

If more than one party is named as the Insured this Section shall apply as though each were insured separately provided that the Insurer's liability to all parties indemnified shall not exceed in total the Limit of Indemnity.

6 Overseas Personal Liability

The Business is extended to include personal activities (not connected with any gainful occupation or profession nor with the ownership or tenure of any land or building) of any partner, director or Employee of the Insured or family member of such partner, director or Employee normally resident within the Territorial Limits as defined in this Section, in the course of any journey or temporary visit to any other country made in connection with the Business.

7 Data Protection

The Insurer will indemnify the Insured and at the Insured's request any partner, director or Employee of the Insured against the sums which the Insured or any director, partner or Employee of the Insured become(s) legally liable to pay as compensation for Damage or distress resulting from failure of the Insured to comply with data protection legislation and caused in connection with the Business during the Period of Insurance.

Provided that the Insured is

- i a registered user in accordance with the terms of the Act
- ii not in business as a computer bureau

The total amount payable including all costs and expenses under this extension in respect of all claims occurring during any one Period of Insurance is limited to £250,000

The Insurer will not pay for

- i any Damage or distress caused by any deliberate act or omission by the Insured the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission
- ii any Damage or distress caused by any act of fraud or dishonesty
- iii the costs and expenses of rectifying rewriting or erasing data
- iv liability arising from the recording processing or provision of data for reward or to determine the financial status of any person
- v the payment of fines or penalties.

8 Defective Premises Act 1972

The Insurer will indemnify the Insured in the terms of this Section against liability incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises or land disposed of by the Insured.

The Insurer will not pay for

- a) the cost of rectifying any Damage or defect in the premises or land disposed of
- b) liability for which the Insured is entitled to indemnity under any other insurance.

9 Contractual Liability

In respect of liability assumed by the Insured by a contract or agreement entered into by the Insured and which would not have attached in the absence of such contract or agreement the indemnity provided by this Section shall only apply if the sole conduct and control of any claim is vested in the Insurer.

The Insurer will not pay for liquidated damages or fines or damages imposed by or payable under any penalty clause.

10 Consumer Protection and Food Safety Acts – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of legal costs and expenses incurred with the written consent of the Insurer in connection with the defence of any criminal proceedings or an appeal

against conviction arising from such proceedings brought in respect of any offence under

- a) part 2 of the Consumer Protection Act 1987 or
- b) section(s) 7, 8, 14 and/or 15 of the Food Safety Act 1990 committed or alleged to have been committed during the Period of Insurance in connection with the Business.

Provided that the Insurer shall have the conduct and control of all said proceedings and appeals.

The Insurer will not pay for

- i fines or penalties of any kind
- ii proceedings or appeals in respect of any deliberate act or omission
- iii costs or expenses insured by any other policy.

Exclusions

Policy Exclusions 1, 2, 5 and 6 apply to this Section and in addition the Insurer will not pay for:

1 Injury to Employees

Liability in respect of Injury to any Employee arising out of and in the course of the employment or engagement of such person by the Insured.

2 Work on Offshore Installations

Liability in respect of Injury or Damage arising in connection with work on, or travel to or from Offshore Installations.

3 Fines, penalties, liquidated, punitive, exemplary or aggravated damages

Liability in respect of

- a) fines, penalties or liquidated damages
- b) punitive, exemplary or aggravated damages or any damages resulting from the multiplication of compensatory damages.

4 Pollution and Contamination

Liability in respect of

- a) Pollution or Contamination occurring in the United States of America or Canada or any dependency or trust territory
- b) Pollution or Contamination occurring elsewhere unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

5 Mechanically Propelled Vehicles

Liability arising out of the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (or trailer attached thereto) which is required by any road traffic legislation to be the subject of compulsory insurance or other security but this exclusion shall not apply

- a) while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under road traffic legislation)
- b) in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle except where more specifically insured by any other policy.

6 Vessels or Craft

Liability arising out of the ownership, possession or use by or on behalf of the Insured of any vessel or craft designed to travel in, on or through water, air or space (other than hand-propelled watercraft).

7 Property in the charge or control of the Insured

Liability in respect of Damage to any property belonging to or in the charge or control of the Insured other than

- a) personal effects or vehicles of any partner, director or Employee of or visitor to the Insured
- b) premises (and their contents) not belonging, leased, rented or hired to the Insured but temporarily in the charge of the Insured for the purpose of carrying out work
- c) premises (including their fixtures and fittings) leased, rented or hired to the Insured but this Section does not cover liability attaching to the Insured solely under the terms of any tenancy or other agreement.

Section 1 Public Liability continued

Exclusions (continued)

8 Damage to Goods Supplied

Liability in respect of

- a) Damage to any goods or other property sold, supplied, delivered, installed or erected by or on behalf of the Insured
- b) all costs of or arising from the need for making good, removal, repair, rectification, replacement or recall of
 - i any such goods or property
 - ii any defective work executed by or on behalf of the Insured

except that 8a and 8bi above shall not apply to liability in respect of loss or Damage to the said goods or property if such loss or Damage is caused by or arises from

- 1 any alteration, repair or servicing work executed
- 2 any other goods or property sold, supplied, delivered, installed or erected by the Insured under a separate contract.

9 Advice and Design

Liability for Injury or Damage arising out of or in connection with advice, design, formula, specification, inspection, certification or testing provided or performed for a fee by or on behalf of the Insured.

10 Contract Works and J.C.T. Clause 21.2.1

Liability in respect of Damage to any property

- a) comprising or to be incorporated in the contract works in respect of any contract undertaken by the Insured
- b) against which the Insured is required to effect insurance under the terms of Clause 21.2.1. of the J.C.T. (R.I.B.A.) Conditions of Contract or of any other contract condition requiring insurance of a like kind.

11 Excess

The Excess.

12 Temporary Employees

Liability in respect of Employees engaged on a temporary basis unless a figure in respect of temporary employees is shown on the Schedule.

13 Asbestos

Liability in respect of Injury or Damage directly or indirectly caused by arising from in consequence of or in any way involving asbestos.

Provided that this exclusion shall not apply to liability for Injury or Damage caused by any commodity article or thing containing asbestos where the presence of asbestos is not in itself a direct or indirect cause of such Injury or Damage.

Conditions

The Policy Conditions apply to this Section and in addition

1 Fire Precautions

It is a condition precedent to any liability that the following precautions shall be complied with by the Insured, their Employees or by their sub-contractors whenever carrying out any work involving the application of heat or use of angle grinders and no liability shall attach to the Insurer unless the precautions shall have been complied with:

- a) when blow torches, blow lamps, hot air guns or angle grinders are to be used
 - i a thorough examination of the immediate vicinity of the work (including the area of work itself and including the area on the other side of any wall or partition) shall be made to see whether any combustible material is in danger of ignition either directly and/or by conduction of heat and a record of inspection kept
 - ii all moveable and combustible materials (including materials to be worked upon or which have been worked upon and to the greatest extent practicable, any materials in the course of being worked upon) shall be removed away from the immediate vicinity of the work (to a

distance of not less than fifteen (15) metres from the point of application of heat or use of angle grinders)

- iii all combustible materials which cannot be moved (including materials to be worked upon or which have been worked upon and to the greatest extent practicable, any materials in the course of being worked upon) shall be covered and fully protected by overlapping sheets or screens of non-combustible material
- b) there shall be available for immediate use at the site of the work either
 - i two (2) portable multi-purpose dry powder fire extinguishers to European Standard BS EN3 or British Standard BS 5423 with a minimum capacity of 4.0 kilograms each and serviced in accordance with BS 5306-3 or
 - ii a hydraulic hose reel provided the situation is one where water would not aggravate a fire or explosion
- c) the lighting of all blow lamps, blow torches, welding and cutting equipment shall be carried out strictly in accordance with the manufacturers instructions and no piece of lighted equipment shall be left unattended
- d) where the equipment involves the use of gas cylinders, those not required for immediate use shall be kept outside the building in which the work is taking place (and in any event at least fifteen (15) metres from the point of application of heat or use of angle grinders)
- e) any tar bitumen or asphalt boiler shall not be left unattended and shall be located at ground level on a non-combustible surface and in the open air whilst lighted
- f) for one (1) hour after completion of each period of work or stage of work involving the application of heat or use of angle grinders or for one (1) hour after the completion of work involving the application of heat or use of angle grinders in any area in all circumstances that the area previously worked upon ceases to be sufficiently visible to ensure that any outbreak of fire or signs of the possible outbreak of fire will be noticed any area or areas in which work has been carried out shall not be left unattended and a thorough inspection of the area surrounding the work (including that described in paragraph a i of this condition) shall be made at frequent intervals up to the end of the period of one (1) hour to ensure that nothing is smouldering and there is no risk of fire (and a record of inspections shall be kept).

2 Underground Services

It is a condition precedent to any liability in respect of Damage to pipes, cables, mains or other underground services arising out of or caused by digging, drilling, boring, excavation or earth moving operations, that

- a) the Insured shall prior to the commencement of such work
 - i have made enquiries with the owner or relevant authority responsible as to the location of existing pipes, cables, mains or other underground services and shall have received written confirmation or have confirmed any conversation in writing
 - ii carry out investigation using remote electrical devices to locate existing pipes, cables, mains or other underground services where practicable
 - iii convey the location of such pipes, cables, mains and underground services to those Employees or contractors carrying out such work on behalf of the Insured
- b) the Insured shall adopt or cause to be adopted a method of work which minimises the risk of Damage to pipes, cables, mains and other underground services
- c) the Insured shall retain a full written record of the enquiries and measures taken to locate and minimise the risk of Damage to such pipes, cables, mains and other underground services.

Section 2 Employers' Liability

Definitions

Territorial Limits

- 1 Great Britain, Northern Ireland, the Channel Islands and the Isle of Man
- 2 elsewhere in the world in respect of Injury sustained by any Employee resident within the territories specified in definition 1 above and caused whilst such Employee is temporarily employed outside these territories provided that any action for compensation in respect of such Injury is brought in a court of law within the said territories or any other member country of the European Union.

Act of Terrorism

Any 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 to put the public or any section of the public in fear.

Cover

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants costs and expenses in respect of Injury sustained by any Employee arising out of and in the course of the employment or engagement of such person by the Insured in connection with the Business and caused within the Territorial Limits during the Period of Insurance.

Costs and Expenses

The Insurer will also pay costs and expenses incurred by the Insured with the Insurer's written consent

- a) in connection with the defence of any claim
- b) for representation of the Insured
 - i at any coroner's inquest or fatal accident inquiry in respect of death
 - ii at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of any alleged breach of statutory duty resulting in Injury which may be the subject of indemnity under this Section.

Limit of Indemnity

- a) the Insurer's liability under this Section for all compensation costs and expenses payable in respect of any one claim or series of claims arising out of one occurrence shall not exceed the Limit of Indemnity
- b) the Insurer's liability under this Section shall not exceed the Limit of Indemnity of £5,000,000 in respect of an Act of Terrorism. If the Insurer alleges that by reason of this limitation any loss damage cost or expense is not covered the burden of proving the contrary shall be upon the Insured.

Extensions

1 Indemnity to Other Parties

If the Insured so requests the Insurer will indemnify the following parties

- a) any officer or committee member or other member of the Insured's canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services against liability incurred in such capacity
- b) any partner, director or Employee of the Insured against liability incurred in such capacity and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured

as though each party was individually named as the Insured in this Section

- c) any principal for whom the Insured has agreed to execute work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured is legally liable and would have been entitled to indemnity under this Section if the claim had been made against the Insured.

Provided that

- i each such party shall observe fulfil and be subject to the terms and conditions of this Section and the Policy Conditions in so far as they can apply

- ii the Insurer's liabilities to the Insured and all parties indemnified shall not exceed in the aggregate the Limit of Indemnity.

2 Health and Safety at Work – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so requests any partner, director or Employee of the Insured in the terms of this Section in respect of

- a) costs and expenses incurred with the Insurer's written consent
- b) costs and expenses of the prosecution or an appeal against any such party

in connection with criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed or alleged to have been committed during the Period of Insurance in connection with the Business.

Provided that

- i the proceedings relate to the health, safety or welfare of any Employee
- ii the Insurer shall have the absolute conduct and control of all the said proceedings and appeals
- iii the Insurer will not pay for
 - a) fines or penalties of any kind
 - b) proceedings or appeals in respect of any deliberate act or omission
 - c) costs or expenses insured by any other policy.

3 Unsatisfied Court Judgements

If a judgement for compensation or costs in respect of Injury sustained by any Employee arising out of and in the course of employment or engagement by the Insured in connection with the Business and caused within the Territorial Limits during the Period of Insurance

- a) is obtained by such Employee in any court situate within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man against any person or corporate body domiciled or operating from premises within such territories and
- b) remains wholly or partly unsatisfied six (6) months after the date of such judgement

the Insurer will if the Insured so requests pay to the said Employee the amount of any such compensation and costs to the extent that they remain unsatisfied.

Provided that

- i there is no appeal outstanding
- ii the Employee shall have assigned the judgement to the Insurer
- iii this Section was shown as operative in the Schedule at the time of the Injury.

4 Court Attendance Compensation

If during the Period of Insurance any partner, director or Employee of the Insured is required to attend court as a witness at the request of the Insurer in connection with a claim which is the subject of indemnity under this Section the Insurer will pay compensation to the Insured on the following scale for each day that attendance is required

- | | | |
|----|-------------------------|------|
| i | any director or partner | £250 |
| ii | any Employee | £150 |

Section 2 Employers' Liability continued

Exclusions

Policy Exclusions 2 and 6 apply to this Section and in addition this Section does not cover:

- 1 Work on Offshore Installations**
Injury to any Employee who is working on visiting or travelling to or from Offshore Installations.
- 2 Mechanically Propelled Vehicles**
Liability in respect of Injury to any Employee arising out of the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle or trailer attached thereto if such liability is required by any road traffic legislation to be the subject of compulsory insurance or other security.
- 3 Temporary Employees**
Liability in respect of Employees engaged on a temporary basis unless a figure in respect of temporary employees is shown on the Schedule.

Conditions

The Policy Conditions apply to this Section and in addition:

- 1 Compulsory Insurance Legislation**
The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in the territories specified by the Territorial Limits definition of this Section but the Insured shall repay to the Insurer all sums paid by the Insurer which the Insurer would not have been liable to pay but for the provisions of such law.
- 2 Certificate of Employers Liability Insurance**
If this Policy or Section is cancelled the certificate of Employers' Liability insurance is cancelled from the same date.

Section 3 TOOLS

Definitions

Tool(s)

Any hand tool or any hand held portable power tool or their parts including portable computer, surveying, measuring and monitoring equipment, mobile telephones and pagers belonging to or hired or leased by any Insured Person for which they are legally responsible.

Territorial Limits

- 1 Great Britain, Northern Ireland, the Channel Islands and the Isle of Man
- 2 any other country in the European Union

Insured Person

Insured or any partner director or permanent Employee of the Insured.

Cover

The Insurer will indemnify the Insured against Damage to Tools occurring during the Period of Insurance and within the Territorial Limits definition of this Section.

The Insurer will pay the value of such Tools or at its option replace, reinstate or make good the Damage.

Limit of Indemnity

The Insurer's liability under this Section shall not exceed the Sum Insured in respect of any one Tool and any one Period of Insurance in respect of Tools.

Exclusions

The Policy Exclusions apply to this Section and in addition this Section does not cover

- 1 the Excess
- 2 any consequential loss
- 3 any Damage by theft or attempted theft of Tools
 - a) by any Insured Person or persons employed by the Insured
 - b) left unattended on any site or premises where the Insured or any Employee is carrying out work in connection with the Business unless stored in a securely locked building
 - c) from within any unattended vehicle unless
 - i all doors and windows and other points of access have been closed and securely locked
 - ii such vehicle is in a securely locked building overnight. (For the purpose of this Section overnight shall mean from 9.00pm, or whenever the vehicle was last occupied, whichever is the earlier to 6.00am or until the vehicle is first used, whichever is the later).
 - d) elsewhere within the Territorial Limits unless stored in a securely locked building.
- 4 any Damage caused by or arising out of wear and tear, corrosion, obsolescence, rust, mildew, wet or dry rot, frost or other deterioration, normal upkeep or making good, depreciation, mechanical or electrical breakdown or derangement failures or breakages
- 5 any Damage to any mechanically propelled vehicle or waterborne vessel or craft
- 6 any Damage to cutting edges, cutting tools, trailing cables, flexible pipes, driving chains, conveyor belts, driving belts or articles of a brittle nature unless caused by fire lightning or storm or the theft of a complete item
- 7 unexplained disappearance or inventory shortage
- 8 any Damage to rubber tyres by the application of brakes or by punctures, cuts or bursts

Conditions

The Policy Conditions except number 10 apply to this Section.

Section 4 Contract Works

Definitions

Contract Price

The sum agreed between the Insured and his principal or employer as payment for completion of the works or where there is no principal or employer, the value of the works to be completed on site.

Territorial Limits

- 1 Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.
- 2 any other country of the European Union.

Insured Person

The Insured or any partner director or permanent Employee of the Insured.

Maintenance Period

Period specified in the contract during which the Insured is responsible for rectifying defects arising from the Contract Works.

Mechanically Propelled Construction Plant

Self propelled vehicles designed to be used solely as a tool of trade on a contract site or vehicles which are not licensed for road use and used solely as a tool of trade on a contract site.

Money

Cash, bank and currency notes, cheques, crossed bankers drafts, postal orders, luncheon vouchers, current postage stamps, trading stamps, holiday with pay stamps, National Savings stamps, National Savings certificates, Premium Bonds, credit sales vouchers or receipts, VAT purchase invoices, unexpired units in franking machines, gift tokens, deeds, bonds, bills of exchange, promissory notes, treasury notes or securities and consumer redemption vouchers belonging to the Insured or for which the Insured is responsible.

Site Materials

All unfixed materials and goods delivered to or placed on or adjacent to the Contract Works and intended for incorporation in them but excluding Own Plant and Tools, Hired in Plant and Tools, Temporary Buildings and Hired in Temporary Buildings

Property Insured

Any property belonging to the Insured or for which they are responsible and for which a Sum Insured is included in the Schedule whilst on or adjacent to the Contract Works and intended for use in connection with the contract including

a) Contract Works

The permanent and temporary works undertaken by or on behalf of the Insured in performance of the contract or speculative development anywhere within the Territorial Limits including Site Materials but excluding any contract

- i where the original Contract Price or period exceeds the maximum amount specified in the Schedule
- ii which is separately insured

b) Own Plant and Tools

Tools, contractors plant and equipment belonging to the Insured or hired to them under a hire purchase or lease agreement or on free loan and for use in connection with the Contract Works

c) Hired in Plant and Tools

Tools, contractors plant and equipment hired by the Insured and for which they are responsible under the terms of their hiring agreement or otherwise but not plant on hire purchase or subject to a lease agreement or on free loan and for use in connection with the Contract Works

d) Temporary Buildings

Site huts and other temporary accommodation and their contents (other than computer or other data processing equipment) belonging to the Insured or hired by them under a hire purchase or lease agreement or on a free loan and for use in connection with the Contract Works

e) Hired in Temporary Buildings

Site huts and other temporary accommodation and their contents (other than computer or other data processing equipment) hired by the Insured and for which they are responsible under the terms of their hiring agreement but not site huts and other temporary accommodation and their contents on a hire purchase agreement or subject to a lease agreement or on a free loan and for use in connection with the Contract Works

f) Employees Tools and Personal Effects

Employees hand tools and personal effects whilst on or adjacent to the Contract Works and intended for use in connection with the contract.

Terrorism

Any 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 to put the public or any section of the public in fear.

Tool(s)

Any hand tool or any hand held portable power tool or their parts (other than any Mechanically Propelled Constructional Plant)

Unoccupied Building

Any building or part of any building which is empty or not in use by the Insured or any tenant of the Insured.

Cover

- 1 The Insurer will indemnify the Insured against Damage to the Property Insured occurring during the Period of Insurance by any cause not excluded by this Section.
- 2 In addition the Insurer will indemnify the Insured against Damage to the Contract Works occurring during the Period of Insurance
 - a) happening during any Maintenance Period and arising from a cause occurring prior to the commencement of the Maintenance Period
 - b) caused by the Insured in the course of any operations carried out by them during the Maintenance Period for the purpose of complying with their obligations in respect of maintenance or making good of defects as may be referred to in the conditions of contract.

Limit of Indemnity

The Insurer's liability for any one loss during any one Period of Insurance shall not exceed in total the maximum Contract Price or Sum Insured for each item shown on the Schedule.

Inflation Protection

If at any time the Contract Price is exceeded, the Sum Insured shown as the maximum Contract Price shall be increased similarly by an amount not exceeding 10%.

This provision does not override the requirement that the original Contract Price shall not exceed the maximum amount specified in the Schedule.

Extensions

1 Employer's Interest

This Section extends to include the interest of any employer for whom the Insured is carrying out a contract to which this Section applies but only to the extent that such interest is required to be insured jointly with that of the Insured under the contract conditions.

2 Professional Fees

The maximum Contract Price includes an amount in respect of architects, surveyors, consulting engineers and other fees necessarily incurred in the reinstatement, repair or replacement of the Property Insured following Damage by any cause insured by this Section but not such fees for preparing or contending any claim. The amount payable for such fees shall not exceed that authorised by the appropriate professional body.

3 Debris Removal

The insurance by this Section includes costs and expenses necessarily incurred with the Insurer's consent in:

- a) removing debris
- b) dismantling or demolishing
- c) shoring up or propping
- d) cleaning or repairing drains, service mains, gullies, manholes and the like within the site of the Contract Works

of the portion or portions of the Property Insured damaged in circumstances giving rise to a claim under this Section.

The Insurer will not pay for such costs and expenses

- i arising from Pollution or Contamination of property not insured by this Section
- ii exceeding 10% of the Sum Insured under each item of this Section and provided always the Sum Insured shown in the Schedule remains the Insurer's maximum liability.

Section 4 Contract Works continued

4 Property Stored

The insurance by this Section extends to include Damage to Site Materials which are intended for incorporation within the Contract Works whilst temporarily stored anywhere within the Territorial Limits but only to the extent that the Insured is liable under the contract conditions and such Site Materials have been allocated to a specific contract undertaken or to be undertaken by the Insured.

5 Property in Transit

The insurance by this Section extends to include the Property Insured whilst in transit in the Territorial Limits by road, rail or inland waterway including Mechanically Propelled Construction Plant whilst under its own power.

6 Immobilised Plant

The insurance by this Section extends to include any necessary costs incurred in the recovery of Own Plant and Tools or Hired in Plant and Tools which may become immobilised or immovable whilst being used in connection with the contract provided that the cause of such immobilisation or immovability is the subject of an admissible claim under this Section.

7 Free Materials

Property for which the Insured is responsible shall include all materials and goods supplied free of charge for incorporation in contracts insured by this Section provided always that the Insurer's maximum liability shall be the Sum Insured shown in the Schedule applicable to maximum Contract Price.

8 Re-drawing Plans and Documents

The insurance by this Section extends to include Damage to plans, drawings, specifications, documents and records whilst anywhere in the Territorial Limits (except on sites of contracts not insured by this Section) provided that the Insurer's liability is limited to

- a) the value of the materials as stationery together with the cost of clerical labour involved in their reproduction and not the value to the Insured of the information contained therein
- b) £25,000 in respect of any one claim or any one Period of Insurance.

9 Local Authorities

The insurance in respect of the Contract Works extends to include such additional cost of reinstatement following Damage to the Property Insured as may be incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament or with bye-laws of any public authority.

The Insurer will not pay for

- a) such additional cost incurred
 - i which can be recovered elsewhere
 - ii where notice has been served upon the Insured prior to Damage
 - iii for which there is an existing requirement which has been implemented within a given period
 - iv in respect of any part of such Property Insured which is undamaged other than the foundations or that part which is the subject of Damage
- b) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable by reason of compliance with any of the aforesaid regulations or bye-laws provided that the work of reinstatement shall be commenced and carried out without unreasonable delay.

10 Negligent Breakdown and Continuing Hire Charges

Subject to a Sum Insured appearing against the Hired in Plant and Tools and Hired in Temporary Buildings items on the Schedule the Insurer will indemnify the Insured in respect of

- a) Damage to Hired in Plant and Tools or Hired in Temporary Buildings hired by the Insured to undertake a contract arising from any breakdown of such property due to the negligence of or misuse or misdirection of the property on the part of the Insured or his Employees. Provided always that in respect of each occurrence the Insured shall be responsible for the first £250 of any Damage and the Insurer's liability shall not exceed the sum of £5,000 for any one item.
- b) the Insured's liability under the terms of a hiring agreement or otherwise to pay continuing hire charges consequent

upon Damage to or negligent breakdown of Hired in Plant and Tools or Hired in Temporary Buildings hired in by the Insured.

The period in respect of which payment is made under this extension in respect of any one occurrence shall be the period beginning 72 hours after the Damage and ending not later than three (3) months after the Damage. The Insurer's liability shall not exceed the sum of £10,000 for any one loss.

11 Speculative Building – Property Awaiting Sale

The Insurer will indemnify the Insured in respect of Damage to any property awaiting sale occurring during a period of ninety (90) days after the date of practical completion.

Provided that

- a) in respect of each occurrence the Insurer's liability shall not exceed £100,000 in respect of any one claim or series of claims arising out of any one original cause
- b) in respect of each occurrence the Insured shall be responsible for the first £500 of any Damage
- c) whenever any show house or show flat is closed for business all security devices shall be put into full and effective operation and that such devices shall include
 - i British Standard locks on all external doors
 - ii key operated window locks on all ground floor and other accessible windows
 - iii an intruder alarm with an audible signalling device.

12 Employees Tools and Personal Effects

The insurance provided under this Section includes Damage to Employees Tools and Personal Effects whilst anywhere within the Territorial Limits.

13 Own Plant and Tools

The insurance provided under this Section extends to include Own Plant and Tools at the Insured's own premises or elsewhere in a locked building or compound.

14 Consecutive Damage

Any Damage to the Property Insured at any one contract site during any period of 72 hours caused by or arising from storm, tempest, subsidence, collapse, flood or other water damage shall for the purpose of the Excess be deemed to be one occurrence.

15 Expediting Costs

The insurance provided under this Section extends to include any additional costs of overtime, weekend and shift working hours, bonus payments, plant hire charges, express delivery and the like necessarily and reasonably incurred by the Insured with the consent of the Insurer to expedite reinstatement or replacement or repair of or Damage to the Contract Works for which an indemnity is being provided by this Section.

Provided that

- a) the Insurer will not be liable for any costs incurred which relate either to expedition or the completion of any construction, erection or installation of Property Insured not damaged or to the expedition of the completion of the Contract Works at a faster rate than would have been obtained had no Damage occurred
- b) the Insurer's liability for such additional costs is limited to 10% of the Contract Price but not exceeding £25,000.

16 Housing Grants Act

The insurance by this Section will indemnify the Insured against an award (or any part thereof) made in respect of a construction dispute and resulting from an adjudication procedure which complies with the provisions of the Housing Grants Construction and Regeneration Act 1996.

Provided that

- a) indemnity shall only apply to the extent that such an award relates to loss Damage or liability for which an indemnity is provided by this Section
- b) any payment made by the Insurer in respect of such an award shall be made without prejudice to any other rights of the Insurer under this Section
- c) it is a condition precedent to any liability of the Insurer to make any payment under this Section that where

Section 4 Contract Works continued

there is a construction contract dispute relating to Damage or liability for which an indemnity is or may be provided by this Section

- i any notice received by the Insured from any party of intention to refer such a dispute for adjudication shall be forwarded to the Insurer immediately upon receipt
- ii the Insured shall provide notice to the Insurer of any intention by the Insured to refer any such dispute for adjudication
- iii the Insured shall not accept any award made by an adjudicator to such a dispute as being final without prior agreement of the Insurer.

Exclusions

Policy Exclusions apply to this Section and, in addition, this Section does not cover:

- 1 Damage to:
 - a) any aircraft, aerospace device, tower crane, vessel, craft or device designed to float in or on or travel through water or plant and equipment mounted on board
 - b) any mechanically propelled vehicle (including any attached trailer) for which a certificate of motor insurance is required other than Mechanically Propelled Construction Plant
 - c) Money
 - d) property forming or which has formed part of any structure prior to the commencement of the Contract Works
 - e) property for which the Insured is relieved of responsibility by conditions of contract
 - f) property more specifically insured
 - g) the Contract Works or any part of them for which a certificate of practical completion has been issued or which have been handed over to the employer or purchaser or occurring after the Contract Works have been completed pending sale other than to the extent stated in respect of the:
 - i Maintenance Period
 - ii Extension 11 Speculative Building – Property Awaiting Sale
 - iii period of 14 days immediately following the issue of a certificate of practical completion during which the Insured shall under the conditions of the contract remain responsible for such permanent work or any part thereof
 - h) cutting edges, tools, trailing cables, flexible pipes, driving belts and chains or conveyor belts unless accompanied by Damage to the complete item
 - i) rubber tyres by the application of brakes or by punctures, cuts or bursts
 - j) trees, shrubs and plants caused by frost and failure of seeds to germinate
 - k) any amounts in excess of £2,500 in respect of computer and ancillary equipment.
- 2 Damage to and the cost necessary to repair, replace or rectify Property Insured
 - a) which is in a defective condition due to a defect in design, plan, specification, materials or workmanship of such Property Insured or any part thereof
 - b) damaged to enable the replacement, repair or rectification of Property Insured excluded by 2a above

Exclusion 2a shall not apply to other Property Insured which is free of such defective condition but is damaged as a consequence of such defect.

For the purpose of this Section and not merely this Exclusion the Property Insured shall not be regarded as damaged solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in the Property Insured or any part thereof.
- 3 any Damage by theft or attempted theft of Tools
 - a) by any Insured Person or persons employed by the Insured
 - b) left unattended on any site or premises where the Insured or any Employee is carrying out work in connection with the Business unless stored in a securely locked building
 - c) from within any unattended vehicle unless

- i all doors and windows and other points of access have been closed and securely locked
- ii such vehicle is in a securely locked building overnight. (For the purpose of this Section overnight shall mean from 9.00pm or whenever the vehicle was last occupied, whichever is the earlier, to 6.00am or until the vehicle is first used, whichever is the later)

- d) elsewhere within the Territorial Limits unless stored in a securely locked building.

- 4 Damage caused by
 - a) mechanical or electrical breakdown or derangement of machinery, plant or equipment
 - b) wear, tear, corrosion, obsolescence, rust, mildew, wet or dry rot or other deterioration
 - c) direct application of tools or the entry of foreign bodies unless solely due to the acts of malicious persons
 - d) Pollution or Contamination other than that of or to the Property Insured
 - e) confiscation, commandeering, nationalisation or requisition or destruction by or under the order of any government or public municipal or local authority
- 5 Damage caused by or arising from disappearance or shortage which is only revealed when an inventory is made or is not traceable to an identifiable event.
- 6 Liquidated damages or penalties for non-completion or delay in completion of the Contract Works or for non-compliance with contract conditions or consequential Damage of any kind or description.
- 7 The Excess.
- 8 The site of any Contract Works
 - a) involving work on waterways or motorways
 - b) following stoppage of work from any cause for a period of three (3) consecutive months.
- 9 Normal upkeep or normal making good.

Conditions

The Policy Conditions except number 10 apply to this Section and in addition

1 Reasonable Precautions

The Insured shall take all reasonable precautions in the selection of labour and maintain in efficient condition all plant and appliances used in connection with any contract covered by this Section and the Insurer shall at all times have access to examine any such plant and appliances. The Insured shall ensure that all equipment and plant requiring inspection under any statute or order shall be so inspected.

2 Additional Claims Requirement

The Insured shall if required by the Insurer produce or give access to any property alleged to be damaged and the Insured shall be bound to satisfy the Insurer by such evidence as may be reasonably required that the loss or damage in respect of which a claim is made has actually arisen from one of the risks insured against.

3 Subrogation Waiver

In the event of a claim arising under this Section following Damage to the Contract Works, the Insurer agrees to waive any rights, remedies or relief to which they might become entitled by subrogation against any nominated or domestic sub-contractor referred to in any contract under the Joint Contracts Tribunal standard form of building contract.

4 Automatic Reinstatement of Sum Insured

The insurance by this section shall not be reduced by the amount of any claim paid provided the Insured pays the appropriate additional premium on the amount of any loss from the date of the loss to the expiry of the Period of Insurance.

5 Reinstatement

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

Section 5 Personal Accident

Definitions

Accidental Bodily Injury/Injuries

Bodily injury caused by

- 1 accidental violent external and visible means or
- 2 exposure to the elements following a mishap to any vehicle, vessel or aircraft in which the Member is travelling.

Loss of Sight

Total and permanent loss of sight will be considered as having occurred:

- 1 in both eyes if the Member's name has been added to the Register of Blind persons on the authority of a fully qualified ophthalmic specialist

or

- 2 in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen Scale

which has lasted three (3) consecutive months of the Member's lifetime and is at the end of that period in the opinion of an independent optician (acceptable to the Insurer) beyond hope of improvement.

Loss of Limb

Total and permanent loss by physical separation or total and permanent loss of use of a hand at or above the wrist or a foot at or above the ankle.

Operative Time of Cover

- 1 While a Member is carrying out their occupational duties for the Insured or while travelling between:
 - i a Member's place of residence and place of work
 - ii between places of work
 where the travel is at the expense of the Insured.
- 2 At any time where Accidental Bodily Injury is the direct result of an unprovoked physical assault by another person.

Member

Any partner, proprietor or working director of the Insured between the ages of 16 and 65 years.

Permanent Total Disablement

Disablement including Loss of Sight or Loss of Limb which permanently, completely and continuously prevents the Member from performing each and every function of his/her Usual Occupation and which having lasted 104 weeks of the Member's lifetime is at the end of that period beyond hope of improvement.

Temporary Total Disablement

A disablement which wholly prevents the Member from performing each and every function of his/her Usual Occupation but is not Permanent Total Disablement.

Capital Compensation

Compensation payable as a result of Permanent Total Disablement.

Weekly Compensation

Compensation payable as a result of Temporary Total Disablement.

Sum Insured

The sum or sums of money that the Insurer has agreed to pay the Insured as stated in the Schedule.

Usual Occupation

The tasks, duties and other functions which the Insured normally pays the Member to perform in connection with the Business of the Insured.

Cover

The Insurer will pay the Insured compensation in accordance with the Sum Insured stated in the Schedule if any Member shall sustain an Accidental Bodily Injury during the Period of Insurance and Operative Time of Cover which within twelve (12) months thereof directly and independently of any other cause results in Permanent Total Disablement or Temporary Total Disablement of a Member.

Limitations

In respect of each Member:

- 1 this Section shall cease to be in force immediately after the occurrence of any Accidental Bodily Injury qualifying for payment under Permanent Total Disablement.
- 2 Weekly Compensation in respect of one or more Accidental Bodily Injuries occurring in any one Period of Insurance will not be paid for more than 104 weeks in total.
- 3 Weekly Compensation will be paid at the end of each period of four (4) consecutive weeks disablement.
- 4 Weekly Compensation will not be paid for the first two (2) weeks of each period of Temporary Total Disablement.

Exclusions

Policy Exclusion 1 applies to this Section.

In addition the Insurer will not be liable to make any payment in respect of Injury or disablement of any Member

- 1 sustained whilst or consequent upon or contributed to directly or indirectly by the Member engaging in
 - a) motor cycling (other than in respect of mopeds or scooters up to 50cc), hunting, winter sports (other than curling or skating), mountaineering or rock climbing (necessitating the use of ropes or guides), pot-holing, caving, any underwater activities involving the use of external breathing apparatus, armed or unarmed combat sports, riding or driving in any kind of race or endurance test (or practice therefore)
 - b) aviation other than as a passenger (not as a member of the crew nor for the purpose of undertaking any trade or technical operation) in a fully licensed passenger-carrying aircraft
 - c) any gainful occupation outside the Business
- 2 arising as a consequence of the suicide, intentional self-injury or insanity of or the influence of alcohol or drugs (other than drugs taken in accordance with the treatment prescribed and directed by a qualified medical practitioner but not for the treatment of drug addiction)
- 3 caused or contributed to directly or indirectly by
 - a) pregnancy or childbirth
 - b) sexually transmitted diseases
 - c) HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or any mutant derivative or variations thereof however caused
- 4 arising from travel to or from or work on Offshore Installations
- 5 arising out of or consequent upon service in the Armed Forces of any Nation or International Authority or other such organisation
- 6 arising out of or consequent upon or contributed directly or indirectly by any Member(s) committing a criminal act or taking part or whilst engaged in civil commotions or riots of any kind
- 7 arising out of Accidental Bodily Injury, death or disablement as a result of or contributed to by
 - a) sickness or disease
 - b) any naturally occurring condition or gradually operating cause
- 8 arising under Permanent Total Disablement
 - a) involving sight or limbs except as defined under Loss of Sight or Loss of Limb
 - b) arising out of loss or diminishment of hearing capacity
- 9 for any claim or series of claims arising out of or consequent upon (or contributed to directly or indirectly by) any one originating event in excess of £750,000

Section 5 Personal Accident continued

as a result of any event directly or indirectly arising out of any nuclear, chemical or biological contamination due to any Act of Terrorism regardless of any other cause or any other event contributing at the same time or in any other sequence to such event.

For the purpose of this Exclusion:

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

Contamination means contamination or poisoning of people by nuclear and/or biological substances which cause illness and/or disablement and/or death.

If the Insurer alleges that by reason of this exclusion any Accidental Bodily Injury/Injuries are not covered, the burden of proving the contrary shall be upon the Insured.

Conditions

The Policy Conditions 1–6 and 11–15 apply to this Section and in addition

1 Claims (1)

If anything occurs which is likely to give rise to a claim under this Section the Insured or the Member concerned or his/her legal personal representative shall as soon as reasonably possible notify the Insurer in writing and shall when required by the Insurer and with all reasonable speed and at their own expense give the Insurer such further particulars as the Insurer may require.

2 Claims (2)

As soon as reasonably possible after the occurrence of an accident the Member concerned must place themselves under the care of a duly qualified medical practitioner whose advice they shall follow. The said Member shall submit to any medical examination made on the Insurer's behalf and in the event of death of the Member, the Insurer shall be entitled to make a post-mortem examination at the Insurer's own expense.

3 Material Facts

The Insured shall give the Insurer notice in writing of any material alteration affecting the risk insured and of any variation in the Business, occupation or activities or the health of any Member. This Section shall continue in force until expiry of the current Period of Insurance notwithstanding any variation in the health of any Member during such period but in the event of any other alteration or variation in the risk insured the Insurer shall not be liable to make any payment under this Section unless the Insurer has agreed in writing to maintain the Section in force following such alteration or variation.

4 Maximum Sum Insured

The maximum Sum Insured for Temporary Total Disablement should in no instance exceed 100% of the Member's normal weekly wage. It is the duty of the Insured and Member(s) to inform the Insurer if any claim payment does exceed these limits and payment will be proportionately reduced until these limits are not exceeded.

5 Compensation Payment Adjustment

If a claim or series of claims under this Section arising out of or consequent upon (or contributed to directly or indirectly by) any one originating event exceeds £750,000 the amount of compensation paid will be proportionately reduced to an amount that does not exceed £750,000.

Section 6 Commercial Legal Expenses

This section is underwritten by DAS Legal Expenses Insurance Company Limited.

Helpline Services

We provide these services 24 hours a day, 7 days a week during the Period of Insurance. To help Us check and improve Our service standards, We record all calls.

Eurolaw Commercial Legal Advice

We will give the Insured confidential legal advice over the phone on any commercial legal problem affecting the business, under the laws of the member countries of the European Union, the Isle of Man, the Channel Islands, Switzerland and Norway.

Tax Advice

We will give the Insured confidential advice over the phone on any tax matters affecting the business, under the laws of the United Kingdom.

To contact the above services, phone Our Legal & Taxation Advice Helpline on 0845 330 1180.

We will not accept responsibility if the Helpline Services fail for reasons We cannot control. Please do not phone us to report a general insurance claim.

To make sure that you get the most from your DAS cover, please take time to read the policy which explains the contract between us. Please take extra care in following the procedures under Employment Compensation Awards cover (insured incident 1 B).

The Cover

The Insurer will cover the Insured person in respect of any Insured Incident arising in connection with the Business shown in the Schedule.

We agree to provide the insurance in this section as long as:

- the Date of Occurrence of the Insured Incident happens during the Period of Insurance and within the Territorial Limit; and
- any legal proceedings will be dealt with by a court, or other body which We agree to, in the Territorial Limit; and
- in civil claims it is always more likely than not that an Insured Person will recover damages (or obtain any other legal remedy which We have agreed to) or make a successful defence.

For all insured incidents, We will help in appealing or defending an appeal as long as the Insured Person tells us within the time limits allowed that they want Us to appeal. Before We pay any Costs and Expenses for appeals, We must agree that it is always more likely than not that the appeal will be successful.

If an Appointed Representative is used, We will pay the Costs and Expenses incurred for this.

We will pay Compensation Awards that We have agreed to.

Definitions applying to this Section only

Appointed Representative The lawyer, accountant or other suitably qualified person, who has been appointed to act for an Insured person in accordance with the terms of this Section of the Policy.

Aspect Enquiry An examination by HM Revenue & Customs which considers one or more specific aspects of Your self assessment and/or corporation tax return.

Company/We/Us/Our DAS Legal Expenses Insurance Company Limited.

Insured/You/Your The person(s) or company shown in the Schedule as The Insured.

Costs and Expenses:

- Legal costs

All reasonable and necessary costs chargeable by the Appointed Representative on a standard basis. Also the costs incurred by opponents in civil cases if an Insured Person has been ordered to pay them, or pays them with Our agreement.

- Accountant's costs

A reasonable amount in respect of all costs reasonably incurred by the Appointed Representative.

- Attendance expenses

The Insured Person's salary or wages for the time that the Insured Person is off work to attend any arbitration, court or tribunal hearing at the request of the Appointed Representative or while attending jury service. We will pay for each half or whole day that the court, tribunal or the Insured Person's employer will not pay for.

The amount We will pay is based on the following:

- the time the Insured Person is off work including the time it takes to travel to and from the hearing. This will be calculated to the nearest half day assuming that a whole day is eight hours;
- if the Insured Person works full time, the salary or wages for each whole day equals 1/250th of the Insured Person's yearly salary or wages;
- if the Insured Person works part-time, the salary or wages will be a proportion of the Insured Person's Weekly salary or wages.

Date of Occurrence:

- For civil cases (other than under insured incident - 5 Tax Protection), the date of occurrence is when the cause of action first accrued.
- For criminal cases, the Date of Occurrence is when the Insured Person commenced or is alleged to have commenced to violate the criminal law in question.
- For licence or registration appeals, the Date of Occurrence is when the Insured first became aware of the proposal by the relevant licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel the Policyholder's licence or British Standard Certificate of Registration.
- For Full Enquiries or Aspect Enquiries, the Date of Occurrence is when HM Revenue & Customs first notifies in writing the intention to make enquiries.

For Tax Intervention Enquiries, the Date of Occurrence is when HM Revenue & Customs first contacts You in relation to commencing an Intervention Enquiry into Your business accounts.

- For Employers' Compliance and Value Added Tax disputes, the Date of Occurrence is when the relevant authority sends an assessment or written decision to You.

Full Enquiry An extensive examination by the HM Revenue & Customs which considers all aspects of Your tax affairs, excluding those enquiries which are limited to one or more specific aspects of Your self assessment and/or corporation tax return.

Insured Person You and Your directors, partners, managers and employees.

Limit of Indemnity The most We will pay for all claims resulting from one or more event arising at the same time or from the same originating cause is shown as the limit of indemnity in the Policy Schedule.

Tax Intervention Enquiry An examination by HM Revenue & Customs to measure the level of compliance in Your financial accounting records to highlight areas where errors have or may occur.

Territorial Limit For Insured Incidents 2 Legal Defence (excluding 2(4)), and 4(B) Bodily Injury

The European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey (West of the Bosphorus).

For all other Insured Incidents

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

Insured Incidents Covered

1 Employment Disputes And Compensation Awards

A Employment Disputes

We will defend Your legal rights:

- prior to the issue of legal proceedings in a court or tribunal following the dismissal of an employee; or
- in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme; or
- in legal proceedings in respect of any dispute with
 - an employee or ex-employee or a trade union acting on behalf of an employee or ex-employee which arises out of, or relates to, a contract of employment with You; or
 - an employee, prospective employee or ex-employee arising from an alleged breach of their statutory rights under employment legislation.

Section 6 Commercial Legal Expenses continued

Exclusions to Insured Incident 1 (A)

- 1 Any employment dispute where the cause of action arises within the first 90 days of the indemnity provided by the policy.
- 2 Any dispute with an employee who was subject to a written or oral warning (formal or informal) within 180 days immediately preceding the inception date of the indemnity provided by this section if the Date of Occurrence was within the first 180 days of the indemnity provided by this Section.
- 3 Any redundancy or alleged redundancy or unfair selection for redundancy arising within the first 180 days of the indemnity provided by this Section.
- 4 Any claim in respect of damages for personal injury or loss of or damage to property.
- 5 Any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Transfer of Employment (Pension Protection) Regulations 2005.

B Compensation Awards

We will pay:

- 1 any basic and compensatory award; and/or
- 2 an order for compensation following a breach of Your statutory duties under employment legislation

in respect of a claim We have accepted under Insured Incident 1(A).

Provided that

- 1 In cases relating to performance and/or conduct, You have throughout the employment dispute either:
 - a) followed the ACAS Code of Disciplinary Practice and Procedures in Employment as prepared by the Advisory Conciliation and Arbitration Service; or
 - b) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
 - c) sought and followed advice from Our legal advice service.
- 2 For an order of compensation following Your breach of statutory duty under employment legislation You have at all times sought and followed advice from our legal advice service since the date when You should have known about the employment dispute.
- 3 For any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, You have sought and followed advice from Our Claims Department prior to serving notice of redundancy.
- 4 The compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by Us.
- 5 The total of the compensation awards payable by Us shall not exceed £1,000,000 in any one Period of Insurance.

Exclusions to Insured Incident 1 (B)

- 1 Any compensation award relating to the following:
 - trade union activities, trade union membership or non-membership;
 - pregnancy or maternity rights;
 - health and safety related dismissals brought under section 44 of the Employment Rights Act 1996;
 - statutory rights in relation to trustees of occupational pension schemes;
 - statutory rights in relation to Sunday shop and betting work.
- 2 Non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
- 3 Any award ordered as a result of a breach of statutory rights in relation to the provision of relevant records to employees under the National Minimum Wage Act 1998.
- 4 Any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

C Service Occupancy

We will negotiate for Your legal rights against an employee or

ex-employee to recover possession of premises owned by, or for which you are responsible.

Exclusion to Insured Incident 1 (C)

Any claim relating to defending Your legal rights other than defending a counter-claim.

2 Legal Defence

At Your request

- 1 We will defend the Insured Person's legal rights:
 - a) prior to the issue of legal proceedings when dealing with the
 - Police
 - Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officer
 where it is alleged that the Insured Person has or may have committed a criminal offence; or
 - b) following an event which leads to the Insured Person being prosecuted in a court of criminal jurisdiction; or
 - c) if civil action is taken against the Insured Person for compensation under section 13 of the Data Protection Act 1998. We will also pay any compensation award made against the Insured Person under section 13 of the Data Protection Act 1998.
- 2 We will defend Your legal rights following civil action taken against You for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the Period of Insurance.
- 3 We will defend the Insured Person's (other than Your) legal rights if:
 - a) an event arising from their work as an employee leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief or political opinion; or
 - b) civil action is taken against them as a trustee of a pension fund set up for the benefit of Your employees.
- 4 We will represent the Insured Person in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting Your Business.
- 5 We will represent You in appealing against the refusal of the Information Commissioner to register Your application for registration.
- 6 We will pay the attendance expenses of an Insured Person for jury service.

Provided that

- 1 In so far as proceedings under the Health and Safety at Work etc Act 1974 are concerned, the territorial limit shall be any place where the Act applies.
- 2 At the time of the Insured Incident, You have registered with the Information Commissioner in respect of Insured Incident 1 (c).

Exclusion to Insured Incident 2

Any claim which leads to the Insured Person being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

3 Contract Disputes

We will negotiate for Your legal rights in a contractual dispute arising from that agreement or that alleged agreement which has been entered into by or on behalf of You for the purchase, hire, sale or provision of goods or of services.

Provided that

- 1 The amount in dispute exceeds £250. If the amount in dispute exceeds £5,000, You will be responsible for the first £500 of Legal costs in each and every claim.
- 2 If the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £250.
- 3 If the dispute relates to money owed to You, a claim under the policy is made within 90 days of the money becoming due and payable.

Section 6 Commercial Legal Expenses continued

Exclusions to Insured Incident 3

- 1 Any dispute arising from an agreement entered into prior to the inception date of the indemnity provided by the policy if the Date of Occurrence is within the first 90 days of the indemnity provided by the policy.
- 2 Any claim relating to the following:
 - a) the settlement payable under an insurance policy;
 - b) a lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or tenancy agreement;
 - c) a loan, mortgage, pension or any other financial product and choses in action;
 - d) a motor vehicle owned by, or hired or leased to, You other than agreements relating to the sale of motor vehicles where You are engaged in the business of selling motor vehicles.
- 3 A dispute with an employee or ex-employee which arises out of, or relates to, a contract of employment with You.
- 4 A dispute which arises out of the:
 - a) sale or provision of computer hardware, software, systems or services; or
 - b) purchase or hire of computer hardware, software, systems or services; tailored by a supplier to Your own specification.
- 5 A dispute arising from a breach or alleged breach of professional duty by an Insured Person.
- 6 The recovery of money and interest due from another party other than disputes where the other party intimates that a defence exist.

4 Property Protection And Bodily Injury

A Property Protection

We will negotiate for Your legal rights in any civil action relating to material property which is owned by You, or is Your responsibility, following:

- 1 any event which causes or could cause physical damage to such material property; or
- 2 any nuisance or trespass.

Exclusions to Insured Incident 4 (A)

Any claim relating to the following:

- 1 a contract entered into by You.
- 2 goods in transit or goods lent or hired out.
- 3 goods at premises other than those occupied by You unless the goods are at such premises for the purpose of installations or use in work to be carried out by You.
- 4 mining subsidence.
- 5 defending Your legal rights other than in defending a counter-claim;
- 6 a motor vehicle owned or used by, or hired or leased to an Insured Person other than damage to motor vehicles where You are engaged in the business of selling motor vehicles.

B Bodily Injury

At Your request, We will negotiate for an Insured Person's and their family members' legal rights following an event which causes the death of, or bodily injury to them.

Exclusions to Insured Incident 4 (B)

Any claim relating to the following:

- 1 any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident;
- 2 defending an Insured Person's or their family members' legal rights other than in defending a counter-claim; or
- 3 a motor vehicle owned or used by, or hired or leased to an Insured Person or their family members.

5 Tax Protection

A Full or Aspect Enquiries

We will negotiate on behalf of You and represent You in any appeal proceedings in respect of a Full Enquiry and/or Aspect Enquiry.

B Tax Intervention Enquiries

We will negotiate on behalf of You and represent You in any dealings with HM Revenue & Customs in respect of a Tax Intervention Enquiry.

C Employers' Compliance

We will negotiate on behalf of You and represent You in any appeal proceedings in respect of a dispute concerning Your compliance with Pay As You Earn or Social Security Regulations following a review by HM Revenue & Customs.

D VAT Disputes

We will negotiate on behalf of You and represent You in any appeal proceedings following an assessment issued by HM Revenue and Customs in respect of Value Added Tax due.

Provided that

- 1 For all Insured Incidents, You have taken reasonable care to ensure that all returns are complete and correct and that such returns are submitted within the statutory time limits allowed.
- 2 We will not pay more than £2000 for claims in respect of Aspect Enquiries or Tax Intervention Enquiries.

Exclusions to Insured Incident 5

- 1 In respect of Aspect Enquiries and Tax Intervention Enquiries the first £200 of Costs and Expenses in each and every claim.
- 2 Any Insured Incident arising from a tax avoidance scheme.
- 3 Any Insured Incident caused by Your failure to register for Value Added Tax.
- 4 Any Insured Incident arising from any investigation or enquiries undertaken by the HM Revenue and Customs Special Investigation Section or Special Civil Investigations or the Revenue & Customs Prosecution Office.
- 5 Any Insured Incident arising from any investigation or enquiry by HM Revenue and Customs into alleged dishonesty or alleged criminal offences.

6 Statutory Licence Protection

We will represent You in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in a licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling Your licence or British Standard Certificate of Registration.

Exclusions to Insured Incident 6

- 1 An original application or application for renewal of a statutory licence or British Standard Certificate of Registration.
- 2 Any licence appeal relating to the ownership, driving or use of a motor vehicle.

Exclusions Applying to This Section

Policy Exclusions 1, 2 and 3 apply to this Section and in addition the Insurer will not pay for:

- 1 Any claim reported to us more than 180 days after the date the Insured Person should have known about the Insured Incident.
- 2 Any Costs and Expenses incurred before the written acceptance of a claim by Us.
- 3 Fines, penalties, compensation or damages which the Insured Person is ordered to pay by a court or other authority other than compensation awards as covered under Insured Incident 1(B) Compensation Awards and 2 Legal Defence.
- 4 Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
- 5 Any claim relating to franchise rights, or agency rights where You have the legal capacity to alter the legal relations of another.
- 6 Any Insured Incident deliberately or intentionally caused by an Insured Person.
- 7 A dispute with Us not otherwise dealt with under Condition 7.
- 8 Any claim relating to a shareholding or partnership share in the Insured unless such shareholding was acquired under a scheme open to all Your employees or a substantial number of them of a certain minimum grade other than Your directors or partners.

Section 6 Commercial Legal Expenses continued

Exclusions Applying to This Section continued

- 9 An application for judicial review.
- 10 Legal action an Insured Person takes which We or the Appointed Representative have not agreed to or where the Insured Person does anything that hinders Us or the Appointed Representative.
- 11 When either at the commencement of or during the course of a claim, You are bankrupt or have filed a bankruptcy petition or winding-up petition, or have made an arrangement with Your creditors, or have entered into a deed of arrangement or are in liquidation or part or all of Your affairs or property are in the care or control of a receiver or administrator.
- 12 Any claim relating to any non-contracting party's right to enforce all or any part of this section. The Contracts (Rights of Third Parties) Act 1999 does not apply to this section.

Conditions Applying to this Section

- 1 An Insured Person must:
 - a) keep to the terms and conditions of this Section.
 - b) notify Us immediately of any alteration which may materially affect Our assessment of the risk;
 - c) take reasonable steps to keep any amount We have to pay as low as possible;
 - d) try to prevent anything happening that may cause a claim;
 - e) send everything We ask for, in writing;
 - f) give Us full details of any claim as soon as possible and give Us any information We need.
- 2
 - a) We can take over and conduct in the name of the Insured Person, any claim or legal proceedings at any time. We can negotiate any claim on behalf of an Insured Person.
 - b) If We agree to start legal proceedings and it becomes mandatory for an Insured Person to be represented by a lawyer, or if there is a conflict of interest, an Insured Person can choose an Appointed Representative by sending Us the suitably qualified person's name and address. We may choose not to accept the choice of representative, but only in exceptional circumstances. If there is a disagreement over the choice of Appointed Representative, another suitably qualified person can be appointed to decide the matter.
 - c) Before an Insured Person chooses a lawyer or an accountant, We can appoint an Appointed Representative.
 - d) An Appointed Representative will be appointed by Us and represent an Insured Person according to Our standard terms of appointment. The Appointed Representative must co-operate fully with Us at all times.
 - e) We will have direct contact with the Appointed Representative.
 - f) An Insured Person must co-operate fully with Us and with the Appointed Representative and must keep Us up-to-date with the progress of the claim.
 - g) An Insured Person must give the Appointed Representative any instructions that We require.
- 3
 - a) Insured Person must tell Us if anyone offers to settle a claim and must not agree to any settlement without Our written consent.
 - b) If an Insured Person does not accept a reasonable offer to settle a claim, We may refuse to pay further Costs and Expenses.
 - c) We may decide to pay the Insured Person the amount of damages that the Insured Person is claiming or is being claimed against them instead of starting or continuing legal proceedings.
- 4
 - a) If We ask, an Insured Person must tell the Appointed Representative to have Costs and Expenses taxed, assessed or audited.
 - b) An Insured Person must take every step to recover Costs and Expenses that We have to pay and must pay Us any Costs and Expenses that are recovered.
- 5 If an Appointed Representative refuses to continue acting for an Insured Person with good reason or if an Insured Person dismisses an Appointed Representative without good reason, the cover We provide will end at once, unless We agree to appoint another Appointed Representative.

- 6 If an Insured Person settles a claim or withdraws their claim without Our agreement, or does not give suitable instructions to an Appointed Representative, the cover We provide will end at once and We will be entitled to re-claim any Costs and Expenses paid by Us.
- 7 If We and an Insured Person disagree about the choice of Appointed Representative, or about the handling of a claim, We and the Insured Person can choose another suitably qualified person to decide the matter. We must both agree to this in writing. If We cannot agree with the Insured Person about the choice of the second suitably qualified person, We will ask the president of a relevant national law society to choose a suitably qualified person. Whoever loses the disagreement will have to pay the costs of settling it.
- 8 We may at our discretion require You to obtain an opinion from counsel at Your expense as to the merits of a claim or proceedings. If counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid by Us.
- 9 We will not pay any claim covered under any other policy, or any claim that would have been covered by any other policy if this policy did not exist.
- 10 This Policy will be governed by English law.
- 11 All Acts of Parliament within the policy wording shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands as the case may be.

Claims Procedure for this Section

If you think You may have a claim please telephone us on 0845 330 1180. We will ask you about Your legal dispute and if necessary give You legal advice. If Your dispute needs to be dealt with as a claim under this policy, we will provide you with a claim reference number. At this point we will not be able to confirm that You are covered but We will pass the information you have given Us to Our specialist claims handling teams, and explain what to do next. If You wish to report Your claim in writing You can send it to the following address:

Legal Claims Centre, DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol, BS1 6NH.

Alternatively You can email your claim to Us on newclaims@das.co.uk

We normally deal with claims through our Legal Claims Centre but sometimes We use appointed lawyers.

Claims outside the United Kingdom may be dealt with by other DAS offices elsewhere in Europe.

Once You have sent details of Your claim and We have accepted it, We will start to resolve Your legal problem.

When We cannot help

Please do not ask for help from a solicitor or accountant before We have agreed. If you do, We will not pay the costs involved.

If you use this service, it does not affect your right to take legal action.

DASBUSINESSLAW

At www.dasbusinesslaw.co.uk you will find a free, online reference full of the sorts of letters, articles and forms that will help you run your business successfully. DASbusinesslaw users can also access interactive document builders, to help make composing common commercial documents as easy as possible.

From new legislation and employment issues to property law and taxation, you will find the content provided by DASbusinesslaw is updated regularly by legal experts to help you keep your business one step ahead. To access DASbusinesslaw, go to www.dasbusinesslaw.co.uk and register using Password DAS472301 and Policy Number TS5/3720777. When prompted to input your company name, please enter the prefix PREM followed by the name of your business.

If you experience any problems accessing the service, please e-mail the problem to businesslaw@das.co.uk, quoting policy number TS5/3720777. Please note that if you have a specific problem or dispute, you should always contact the legal advice helpline for advice.

Telephone helpline: 0845 872 1751

www.cornhilldirectbusiness.co.uk

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