



Neptune

Marine Trade Policy

nmu

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NP/17/V1

MARINE TRADE POLICY

INDEX

A.	INTRODUCTION.....	1
B.	COMPLAINTS.....	1
C.	CLAIMS HANDLING.....	2
D.	LAW AND JURISDICTION APPLICABLE TO THE CONTRACT.....	2
E.	DATA PROTECTION ACT 1998.....	2
F.	24 HOUR EMERGENCY CLAIMS HELP LINE.....	4
G.	DEFINITIONS.....	4
H.	GENERAL EXCEPTIONS.....	6
	1. WAR ETC.....	6
	2. TERRORISM.....	6
	3. RADIOACTIVE CONTAMINATION EXCLUSION.....	6
	4. SONIC BANGS.....	7
	5. POLLUTION.....	7
	6. COMPUTERS.....	7
	7. NORTHERN IRELAND CIVIL COMMOTION.....	8
	8. CONTRIBUTION.....	8
	9. PROGRESSIVE CAUSATION.....	8
I.	CONDITIONS AND CONDITIONS PRECEDENT APPLICABLE TO ALL SECTIONS.....	9
	1. FAIR PRESENTATION OF YOUR INSURANCE RISK.....	9
	2. YOUR DUTY - REASONABLE CARE.....	9
	3. HOT WORK CONDITIONS PRECEDENT.....	9
	4. CHANGE OF FACTS.....	10
	5. BREACH OF CONDITION PRECEDENT.....	10
	6. MINOR WORKS.....	10
	7. ASSIGNMENT OF THE POLICY.....	10
	8. CANCELLATION.....	10
	9. PREMIUM.....	11
J.	CLAIMS PROCEDURES.....	12
	1. CHECK THAT YOU HAVE A VALID CLAIM.....	12
	2. YOUR OBLIGATIONS.....	12
	3. OUR RIGHTS.....	13
	4. ABANDONMENT.....	13
	5. PAYMENT.....	13
K.	ENDORSEMENTS.....	14
	1. TIME ON RISK.....	14
	2. STOCK CONDITIONS.....	14
	3. LONG TERM UNDERTAKING.....	14
	4. OTHER INTERESTED PARTIES.....	14
	5. FIRST LOSS.....	15
	6. FORCIBLE AND VIOLENT ENTRY.....	15
	7. EXCLUDING DAMAGE TO PREMISES.....	15
	8. SPECIFIED SAFE(S).....	15
	9. THEFT EXCLUSION.....	15
	10. SPECIFIED WORKING EXPENSES.....	15
	11. RESTRICTED COVER - GOODS IN TRANSIT.....	15
	12. TREE FELLING EXCLUSION.....	15
	13. EXTERIOR CLEANING OF BUILDINGS EXCLUSION.....	16
	14. WOODWORKING MACHINERY EXCLUSION.....	16
	15. CLOAK-ROOM LIABILITY.....	16
	16. GUESTS' EFFECTS - HOTEL PROPRIETORS ACT LIABILITY.....	16
	17. POWER PRESSES AND GUILLOTINES EXCLUSION.....	16
	18. ASSOCIATED AND/OR SUBSIDIARY COMPANIES OF THE INSURED.....	16
	19. DETERIORATION OF STOCK BY THEFT EXCLUSION (PROPERTY DAMAGE).....	17
	20. COIN OPERATED MACHINES EXCLUSION.....	17

MARINE TRADE POLICY

INDEX - CONTINUED

21.	UNATTENDED VEHICLES - THEFT EXCLUSION (ALL RISKS).....	17
22.	PHOTOGRAPHIC EQUIPMENT - HAZARDOUS WORK EXCLUSION (ALL RISKS).....	17
23.	THEFT FROM BUSINESS VEHICLE (GOODS IN TRANSIT).....	17
24.	SCRATCHING OF FURNITURE (GOODS IN TRANSIT).....	17
25.	MAXIMUM INDEMNITY PERIOD (BUSINESS INTERRUPTION EXTENSIONS).....	17
26.	METAL WORKERS EXTENSION.....	17
27.	CO-INSURANCE CLAUSE.....	17
28.	STORAGE IN SPRINKLERED PREMISES.....	17
29.	RENT PAYABLE.....	18
30.	THEFT RESTRICTION.....	18
31.	INDEX LINKING.....	18
32.	MEMBER TO MEMBER CLAUSE.....	18
L.	CONDITIONS PRECEDENT.....	19
1.	FLAMMABLE LIQUIDS AND LIQUID PETROLEUM GASES REGULATIONS.....	19
2.	SPRAYING EXCLUSION CONDITION PRECEDENT.....	19
3.	FRYING CONDITION PRECEDENT.....	19
4.	FIRE ALARMS (AUTOMATIC) CONDITION PRECEDENT.....	19
5.	FIRE EXTINGUISHING APPLIANCE CONDITION PRECEDENT.....	20
6.	FIRE EXTINGUISHING APPLIANCE - 12 MONTHLY MAINTENANCE.....	20
7.	SPRINKLER INSTALLATION(S) CONDITION PRECEDENT.....	20
8.	FIREPROOF DOORS AND SHUTTERS CONDITION PRECEDENT.....	20
9.	STILLAGE CONDITION PRECEDENT.....	20
10.	TENANT CONDITION PRECEDENT.....	20
11.	WASTE AND CLOTH CONDITION PRECEDENT.....	21
12.	WASTE RECEPTACLE REMOVAL CONDITION PRECEDENT.....	21
13.	INTRUDER ALARM CONDITION PRECEDENT.....	21
14.	ELECTRICAL CIRCUIT CONDITION PRECEDENT.....	21
15.	MAINS SERVICES CONDITION PRECEDENT.....	22
16.	WEEKLY INSPECTION CONDITION PRECEDENT.....	22
17.	DAILY INSPECTION CONDITION PRECEDENT.....	22
18.	NO SMOKING CONDITION PRECEDENT.....	22
19.	CASH REGISTERS CONDITION PRECEDENT.....	22
20.	LAUNDERETTE CONDITION PRECEDENT.....	22
21.	GOODS IN TRANSIT (OWN TRANSITS) - SECURITY DEVICES CONDITION PRECEDENT.....	22
22.	WOODWORKING WASTE CONDITION PRECEDENT (PROPERTY DAMAGE).....	22
23.	PLASTIC WASTE CONDITION PRECEDENT (PROPERTY DAMAGE).....	22
24.	PREMISES INSPECTION CONDITION PRECEDENT (PROPERTY DAMAGE).....	23
25.	NO SMOKING CONDITION PRECEDENT (PROPERTY DAMAGE).....	23
26.	HEATING CONDITION PRECEDENT (PROPERTY DAMAGE).....	23
27.	SPARK EROSION (ELECTRO DISCHARGE MACHINERY CONDITION PRECEDENT) (PROPERTY DAMAGE).....	23
28.	UNATTENDED MACHINERY CONDITION PRECEDENT (PROPERTY DAMAGE).....	23
29.	NO WOODWORKING CONDITION PRECEDENT (PROPERTY DAMAGE).....	23
30.	NO PLASTIC WORK CONDITION PRECEDENT (PROPERTY DAMAGE).....	23
31.	NO MAGNESIUM CONDITION PRECEDENT (PROPERTY DAMAGE).....	23
32.	NO METAL OR WOOD WORK CONDITION PRECEDENT (PROPERTY DAMAGE).....	24
33.	NO INFLAMMABLES CONDITION PRECEDENT (PROPERTY DAMAGE).....	24
34.	INFLAMMABLES - RESTRICTED QUANTITY CONDITION PRECEDENT (PROPERTY DAMAGE).....	24
35.	INFLAMMABLES - RESTRICTS QUANTITY CONDITION PRECEDENT (PROPERTY DAMAGE).....	24
36.	FIREWORK CONDITION PRECEDENT.....	24
	SECTION 1 MATERIAL DAMAGE.....	25
	DEFINITIONS FOR SECTION 1 ONLY.....	25
	SECTION 1 (A) - BUSINESS PROPERTY.....	27
1.	COVER.....	27
2.	EXCLUSIONS PERILS.....	27
3.	EXTENSION.....	28
4.	OPTIONAL COVER SUBSIDENCE.....	28
5.	EXCLUSIONS ITEMS.....	29
6.	EXCLUDED PERILS.....	30
7.	AMOUNT PAYABLE.....	31
8.	BUILDING REGULATIONS.....	32

MARINE TRADE POLICY

INDEX - CONTINUED

9.	ADDITIONS.....	33
10.	CONTRACT PRICE.....	33
11.	DESIGNATION.....	33
12.	ACTS OF TENANTS.....	33
13.	REINSTATEMENT.....	33
14.	TEMPORARY REMOVAL.....	34
15.	VESSELS IN THE OPEN.....	34
16.	RESTORATION OF SUM INSURED.....	35
17.	DAY ONE BASIS (NON-ADJUSTABLE).....	35
18.	LANDSCAPED GARDENS.....	35
19.	METERED WATER.....	35
20.	TRACE AND ACCESS.....	36
21.	UNAUTHORISED USE OF ELECTRICITY, GAS OR WATER.....	35
22.	THEFT OF KEYS.....	36
23.	FIRE EXTINGUISHING EXPENSES.....	36
24.	TEMPORARY BOARDING UP.....	36
SECTION 1 (B) - GLASS.....		37
1.	COVER.....	37
2.	EXCLUSIONS.....	37
3.	AMOUNT PAYABLE UNDER SECTION 1 (B).....	37
4.	COVER EXTENSIONS.....	37
SECTION 1 (C) - BUSINESS PROPERTY AWAY FROM THE PREMISES.....		39
1.	COVER.....	39
2.	EXCLUSIONS.....	39
3.	AMOUNT PAYABLE UNDER SECTION 1 (C).....	40
SECTION 1 (D) - FROZEN FOOD.....		41
1.	COVER.....	41
2.	EXCLUSIONS.....	41
3.	AMOUNT PAYABLE UNDER SECTION 1 (D).....	41
4.	CONDITION PRECEDENT.....	41
SECTION 1 (E) - GOODS IN TRANSIT.....		42
1.	COVER.....	42
2.	EXCLUSIONS.....	42
3.	AMOUNT PAYABLE UNDER SECTION 1 (E).....	43
4.	CONDITION PRECEDENT.....	44
5.	SPECIAL CONDITIONS APPLICABLE TO SECTION 1 (E).....	44
SECTION 1 (F) - EXHIBITIONS.....		45
1.	COVER.....	45
2.	EXCLUSIONS.....	45
3.	AMOUNT PAYABLE UNDER SECTION 1 (F).....	46
4.	EXCLUSIONS.....	46
5.	SECURITY REQUIREMENTS.....	47
SECTION 2 - FINANCIAL LOSS.....		48
SECTION 2 (A) - BUSINESS INTERRUPTION COVER.....		49
1.	COVER.....	49
2.	EXCLUSIONS.....	49
3.	AMOUNT PAYABLE UNDER SECTION 2 (A).....	49
4.	LIMIT ON AMOUNT PAYABLE.....	49
5.	PROVISIONAL PREMIUM.....	50
6.	ACCOUNTANT'S COSTS OF CLAIM.....	50
7.	ADDITIONAL CLAUSES.....	50
8.	BOOK DEBTS.....	51
9.	COVER EXTENSIONS.....	52
SECTION 2 (B) - FINANCIAL LOSS - MONEY.....		59
1.	COVER.....	59
2.	EXCLUSIONS.....	59
3.	CONDITIONS PRECEDENT.....	59
4.	CONDITIONS PRECEDENT.....	60
5.	AMOUNT PAYABLE.....	60
6.	ASSAULT COVER EXTENSION.....	60

MARINE TRADE POLICY

INDEX - CONTINUED

SECTION 2 (C) - FINANCIAL LOSS - DEFECTIVE TITLE OF VESSELS.....	62
1. COVER.....	62
2. AMOUNT PAYABLE.....	62
3. CONDITIONS PRECEDENT.....	62
SECTION 3 - LIABILITIES.....	65
SECTION 3 (A) - EMPLOYERS LIABILITY.....	65
1. COVER.....	65
2. COMPULSORY LEGISLATION.....	65
3. EXCLUSIONS.....	65
4. AMOUNT PAYABLE.....	65
5. SPECIAL CONDITIONS.....	65
SECTION 3 (B) - PUBLIC LIABILITY.....	68
1. COVER.....	68
2. EXTENSIONS OF COVER.....	68
3. EXCEPTIONS TO SECTION 3 (B).....	71
4. NO INDEMNITY.....	73
5. AMOUNT PAYABLE.....	74
6. CONDITIONS PRECEDENT APPLYING TO SECTION 3 (B).....	74
7. CESSATION OF COVER.....	75
8. CONDITIONS PRECEDENT.....	75
9. SPECIAL CONDITION.....	75
SECTION 4 - MARINE.....	78
DEFINITIONS FOR SECTION 4.....	78
PART 1 - THE VESSEL/VESSEL STOCK.....	78
A COVER FOR THE VESSEL/VESSEL STOCK.....	78
B EXCLUSIONS TO COVER FOR THE VESSEL/VESSEL STOCK.....	78
C AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO THE VESSEL/VESSEL STOCK.....	80
D EXCLUSIONS TO AMOUNT PAYABLE.....	80
E ADDITIONAL SUMS PAYABLE.....	80
THE TRAILERS.....	81
A COVER FOR THE TRAILER(S).....	81
B EXCLUSIONS TO COVER FOR THE TRAILER(S).....	81
C AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO THE TRAILER(S).....	81
THIRD PARTY LIABILITY.....	82
A COVER FOR LIABILITY TO THIRD PARTIES.....	82
B EXCLUSIONS TO COVER FOR LIABILITY OF THIRD PARTIES.....	82
C EXCLUSIONS TO COVER FOR LIABILITY TO THIRD PARTIES.....	82
D AMOUNT PAYABLE IN RESPECT OF LIABILITY TO THIRD PARTIES.....	82
E EXCLUSIONS TO AMOUNT PAYABLE.....	82
CONDITIONS PRECEDENT.....	83
A LOW SPEED CONDITION PRECEDENT.....	83
B USE CONDITION PRECEDENT.....	83
C CRUISING AREA CONDITION PRECEDENT.....	83
D STRUCTURAL ALTERATION CONDITION PRECEDENT.....	83
E TRAILER CONDITION PRECEDENT.....	83
F SEAWORTHINESS CONDITION PRECEDENT.....	83
G CONDITION PRECEDENT THAT THE VESSEL WILL NOT TOW OR BE TOWED.....	83
H CREW CONDITION PRECEDENT.....	83
I LICENCE CONDITION PRECEDENT.....	83
GENERAL TERMS.....	84
A SALE OR CHANGE OF INTEREST IN THE VESSEL.....	84
B ROAD TRANSIT.....	84
C GAS.....	84
D AVERAGE.....	84
E ASSIGNMENT OF THE POLICY.....	84
ENDORSEMENTS.....	85
1. WAR, CIVIL DISTURBANCE AND TERRORISM.....	85
2. TRANSIT.....	85
3. WATER SKIERS.....	85
4. HIGH SPEED CLAUSE.....	86
5. PERMISSION TO CHARTER INLAND.....	87

MARINE TRADE POLICY

INDEX - CONTINUED

6.	PERMISSION TO CHARTER COASTAL.....	87
7.	RACING RISK EXTENSION CLAUSE.....	87
8.	CREW.....	88
9.	PASSENGERS.....	88
10.	THIRD PARTY LIABILITY ONLY.....	88
11.	ADDITIONAL EQUIPMENT.....	88
12.	RESCUE BOAT.....	89
13.	LOST REVENUE.....	89
14.	LOSS OF HIRE.....	89
15.	EXPERIENCED SKIPPER AND CREW.....	90
16.	TAKING ASHORE.....	90
17.	SMALL CRAFT MOORING PERMISSION.....	90
18.	LOSS OF TRAILERS ENDORSEMENT.....	90
19.	WATER TOYS.....	90
PART 2 - BUILDERS RISK.....		91
THE VESSEL IN CONSTRUCTION OR RECONSTRUCTION.....		91
A.	COVER FOR THE VESSEL(S).....	91
B.	EXCLUSIONS TO COVER FOR THE VESSEL(S).....	91
C.	INSURED SITUATIONS.....	92
D.	UNINSURED SITUATIONS.....	92
E.	PERIOD OF INSURANCE.....	92
F.	AMOUNT PAYABLE.....	92
G.	EXCLUSIONS TO AMOUNT PAYABLE.....	92
H.	ADDITIONAL SUMS PAYABLE.....	93
I.	ADDITIONAL COVER.....	93
1.	DELAY IN DELIVERY.....	93
2.	USE ON WATER.....	93
3.	TRANSIT BY LAND.....	93
4.1	PERSONS COVERED.....	94
4.3	PERSONS NOT COVERED.....	94
4.4	LIABILITY NOT COVERED.....	94
4.7	AMOUNT PAYABLE.....	94
4.8	EXCLUSIONS.....	94
SECTION 5 - FIDELITY GUARANTEE INSURANCE.....		96
A	COVER.....	96
B	LIMIT OF LIABILITY.....	96
C	EXCLUSIONS.....	96
D	CONDITIONS.....	96

NEPTUNE MARINE TRADE POLICY

A INTRODUCTION

- 1 Your Policy and Schedule form a legally binding contract between us, Munich Re Syndicate Limited at Lloyd's, whose address is St.Helens, 1 Undershaft, London EC3A 8LE, through Northern Marine Underwriters Limited and you, the Insured named in the Schedule.
- 2 The Policy is arranged through Northern Marine Underwriters Limited who, together with Munich Re Syndicate Limited at Lloyds, are members of the Munich Re Group. Northern Marine Underwriters Limited's address is 8th Floor, Walker House, Exchange Flags, Liverpool L2 3YL, telephone number 0151 473 8080, facsimile number 0151 473 8060, e.mail trade@nmu.co.uk
- 3 Please read these documents carefully. The cover that you have is shown in the Schedule. If the Policy and the Schedule do not provide you with the protection you want either now or at any time in the future please inform your broker if you have one or us immediately.
- 4 This contract is based upon the Proposal Form, any other information you provided to us and if this information and any other information you gave to us contains any material untruth or is not a fair presentation of your insurance risk you should inform us immediately since if you do not do so the validity of the Policy may be affected. You should inform us immediately of any change in the information that you have passed to us and if at any time the risk of loss, damage or liability is increased.
- 5 Please read the documents carefully. We are obliged to give you certain information before you make your decision to buy this Policy or alternatively to give you a "cooling off" period of 14 days from the time you received this Policy. If the Policy and Schedule do not provide you with the protection you want and you do not want to continue with the insurance you may cancel the Policy within this period and we will return to you part of the premium retaining a proportionate part of the premium for that period for which we have been on risk providing no claims have been made.
- 6 You are responsible to your Broker, if you have one, for the payment of the Premium.
- 7 We insure you under those Sections shown as included in the Schedule subject to the Conditions Precedent and other terms of the Policy during any Period of Insurance.
- 8 References to the payment of Premiums includes payments by instalments. If you pay by this method the Policy remains an annual contract and the date of payment and the amount of the instalments are governed by the terms of the Credit Agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 to 2006 and regulations made thereunder you will be given written notice giving 10 days in which to remedy the default prior to your Policy and the Credit Agreement being cancelled, the Policy being cancelled from the date when the payment became due. If you pay the premium by instalment we shall be entitled to deduct the balance of premium from any payment we make to you in respect of any claim you make.

B COMPLAINTS

If for any reason you are dissatisfied with our service or if you have any questions over the handling of your claim, you may state your complaint either orally or in writing. If in writing, mark your letter or e-mail "For the attention of the Compliance Manager". Our address for complaints is Northern Marine Underwriters Limited, The Exchange, New York Street, Manchester, M1 4HN. If sending your complaint in writing by facsimile our facsimile number is 0161 236 0633. If electronically our email address for complaints is compliance@nmu.co.uk Our telephone number is 0161 236 3380. We will acknowledge any complaint within five working days. We will attempt to provide you with our decision within two weeks. If we do not do so or if the complaint cannot be resolved amicably you have the right to refer your complaint to Lloyd's.

Their address is:

Complaints
Fidentia House
Walter Burke Way
Chatham Maritime
Chatham
Kent
ME4 4RN

Email: complaints@lloyds.com
Tel: +44 (0)20 7327 5693
Fax: +44 (0)20 7327 5225

Details of Lloyd's complaints procedures are set out in a leaflet "How We Will Handle Your Complaint" available at www.lloyds.com/complaints and are also available from the above address.

If Lloyd's fail to do so or if you remain dissatisfied after Lloyd's has considered your complaint, you may have the right to refer your complaint to the Financial Ombudsman Service. You may refer your complaint to the Financial Ombudsman Service (FOS) if you are either:

- (i) A Consumer; or
- (ii) A Business employing fewer than ten persons that has an annual turnover or balance sheet that does not exceed €2,000,000 or;
- (iii) A Charity with an annual turnover of less than £1,000,000; or
- (iv) A Trustee of a Trust with a net asset value of less than £1,000,000.

If you are unsure whether the FOS will consider your complaint please contact them for further information. You are entitled to contact the FOS at any stage of your complaint.

The contact details for the FOS are: The Financial Ombudsman Service, Exchange Tower, London E14 9SR. Telephone 0800 023 4567 (calls to this number are free from "fixed lines" in the UK) or 0300 123 9123 (calls to this number are charged at the same rate as 01 and 02 numbers on mobile phone tariffs in the UK). Email complaint.info@financial-ombudsman.org.uk Website www.financial-ombudsman.org.uk

This is in addition to any other action you may subsequently wish to take including legal action. An application to the Financial Ombudsman Service must be made within six months of being notified of Lloyd's final decision about your complaint.

If you were sold this product online or by other electronic means within the European Union (EU) you may refer your complaint to the EU Online Dispute Resolution (ODR) Platform. Upon receipt of your complaint, the ODR will escalate the complaint to your local dispute resolution service, this process is free and conducted entirely online. You can access the ODR platform on <http://ec.europa.eu/odr>

C CLAIMS HANDLING

Northern Marine Underwriters Limited are a Lloyd's Service Company and in matters of claims act upon the behalf of Munich Re Syndicate Limited.

D LAW AND JURISDICTION APPLICABLE TO THE CONTRACT

1. The law applicable to this insurance contract is subject to agreement between the parties.
2. Unless a special Endorsement to the contrary has been requested by you and agreed by us, the law applying to this insurance contract will be as follows:
 - (i) if you are applying for insurance protection as a private individual, the law applicable to that part of the United Kingdom, Channel Islands or Isle of Man in which you or the first named Policy Holder normally resides; or
 - (ii) if you are applying for insurance protection in your capacity as a sole trader or as a company the law applicable to that part of the United Kingdom, Channel Islands or Isle of Man in which you have your principal place of business; or
 - (iii) if the above does not apply, the law of England and Wales.
3. Unless this Policy insures vessels for their commercial purposes or cargo carried on vessels, when the English courts have exclusive jurisdiction in respect of any dispute between us and you, you may bring proceedings against us in the jurisdiction either where you are domiciled or in England or in respect of liability, if the court procedure allows, in the jurisdiction where the harmful event took place.

E DATA PROTECTION

Please read this notice as it explains the purposes for which we or Munich Re Syndicate Limited will use personal data and sensitive personal data which we hold. You should show this notice to anyone who has an interest in the Policy. To enable us to provide a fast and efficient service to our clients we operate a database of all information relating to your Policy including information provided to us, information contained within the Schedule of Insurance, Policy periods and renewal dates, together with any correspondence that we might exchange. Under the Data Protection Act 1998 we need to obtain your consent to holding this information on our system.

If we should need to store any additional information we will of course approach you first to obtain your permission. This information is used for underwriting purposes and in the unfortunate event of a claim.

YOUR PERSONAL DATA

For mutual security calls may be recorded and may be monitored for training purposes and to prevent and detect fraud. For the purposes of the Data Protection Act 1998, the Data Controllers in relation to the personal data you supply are Northern Marine Underwriters Limited and Munich Re Syndicate Limited jointly.

**INSURANCE
ADMINISTRATION
RENEWAL AND
CLAIMS HANDLING**

Information you supply may be used for the purpose of insurance administration, renewal and claims handling by us, Munich Re Syndicate Limited, its agents, reinsurers and your intermediary. In assessing any claims made, we may undertake checks against publicly available information such as Electoral Register, County Court Judgements, bankruptcy or repossession information. Information may also be shared with other insurers either directly or via those acting for us such as loss adjusters or investigators. We may also be required to provide information to authorities particularly if you or your Vessel are resident or registered outside of the United Kingdom.

**CLAIMS &
UNDERWRITING
EXCHANGE REGISTERS**

When we deal with your request for insurance we may search these registers and any other relevant registers. Under the conditions of your Policy, you must tell us about any incident (such as an accident or theft) which may give rise to a claim. When you tell us about an incident, we may pass this information to the registers and any other relevant registers. You can ask us for more information about this.

**YOUR ELECTRONIC
INFORMATION**

If you contact us electronically, we may collect your electronic identifier, e.g Internet Protocol (IP) address or telephone number supplied by your service provider. This information may be used by us to aid in the detection of fraud.

**SENSITIVE PERSONAL
DATA**

In order to assess the terms of the insurance contract or administer claims, we will need to collect personal data which the Data Protection Act 1998 defines as sensitive, such as medical history or criminal convictions and we may need to transfer this data overseas. By proceeding with this contract, you will signify your explicit consent to such information being processed by us.

**CREDIT SEARCHES
AND USE OF THIRD
PARTY INFORMATION**

In assessing your application/renewal, to prevent fraud, check your identity and to maintain our policy records, we or any credit provider may:

Search files made available to them by any credit reference agencies who may keep a record of that search. We or any credit provider may also pass to credit reference agencies information we or they hold about you and your payment record. The information will be used by other credit providers for making credit decisions about you and the people with whom you are financially associated for fraud prevention, money laundering prevention and for tracing debtors. We or any credit provider may ask credit reference agencies to provide a credit scoring computation. Credit scoring uses a number of factors to work out risks involved in any application. A score is given to each factor and a total score obtained. Where automatic credit scoring computations are used by us or any credit provider, acceptance or rejection of your application/renewal will not depend only on the results of the credit scoring process.

**OVERSEAS TRANSFER
OF DATA**

We and the other companies processing your data for the purposes mentioned above may from time to time need to undertake some of the processing in countries outside of the European Economic Area which may not have laws to protect your personal data, but in all cases we will ensure that it is kept securely and only used for the purposes for which you provided it. Details of the companies and countries involved can be provided on request.

FRAUD PREVENTION

In order to prevent and detect fraud we may at any time share information about you with other organisations including the Police; undertake credit searches or checks and/or share your details with fraud prevention and detection agencies. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We, or other organisations may also access and use this information to prevent fraud and money laundering, for example when:

- Checking details on applications for credit and credit related or other facilities;
- Managing credit and credit related accounts or facilities;
- Recovering debt;
- Tracing beneficiaries;
- Checking details on proposal and claims for all types of insurance.

Please contact us on the number shown on your policy documentation if you want to receive details of the relevant fraud prevention agencies. We or other organisations may access and use from other countries the information recorded by fraud prevention agencies.

**MARKETING AND
MARKET RESEARCH**

Northern Marine Underwriters Limited, its group companies, its agents and suppliers may use your information to keep you informed by post, telephone, e.mail or other means of products and services which may be of interest to you. They may also contact you to conduct market research. Your information may also be used for the above purposes after your Policy has lapsed. If you do not wish your information to be used for these purposes please write to the Data Protection Officer at the address stated in Section A.2.

Group company is any company of which Munich Re Holding Company (UK) Limited is the ultimate holding company or which is a subsidiary of Munich Re Holding Company (UK) Limited.

**F 24 HOUR
EMERGENCY
CLAIMS HELP
LINE**

We have dedicated Chartered Loss Adjusters to assist you in respect of any events that may give rise to a claim under this Policy and in the event of any serious loss or damage outside of our normal business hours, you should contact those Chartered Loss Adjusters who are:

Crawford-THG (UK) Limited have a dedicated telephone number 0151 242 3275. The principal person for your account is:

Michael Davy ACII, FCILA, FUEDI-ELAE - Director.

G DEFINITIONS

BUSINESS

Business or activities directly connected with the Business described in your Proposal Form to us and specified in the Schedule carried on, at or from the Premises.

BUILDINGS

Unless otherwise specified in the Schedule means a structure covered in by a roof and constructed of brick, stone, concrete or incombustible hollow or solid building blocks and roofed with slates, tiles, asphalt, metal or sheets or slabs composed entirely of incombustible mineral ingredients and the interior being lit by electricity. The term 'Building' includes annexes and other incidental outside buildings, fixed glass in windows and doors, conveyors, pipes and wires for the conducting of water, sound, light and electricity, fixed water and oil tanks and other similar equipment, walls, gates and fences together with landlord's fixtures and fittings if specified in the Schedule.

BUSINESS HOURS

Your usual office, marina, sales or workshop hours on the Premises (including overtime).

**CONDITIONS
PRECEDENT**

1. A condition of the Policy with which you must comply if we are to be liable in respect of any claim by you for loss, damage or liability;
2. If you give us prior notice in writing that you wish to alter or delete a Condition Precedent we may, in our absolute discretion, and upon payment of any additional premium required, agree in writing to such alteration or deletion.

DECLARED VALUE

Your assessment of the cost of reinstatement or replacement of an Item by a similar item in a condition equal to but no better or more extensive than that at the commencement of the Period of Insurance together with the cost of complying with Public Authority requirements together with professional fees and debris removal.

ENDORSEMENT

An alteration in writing to the terms of the Policy.

EXCESS

The amount noted in the Schedule for each Section to be deducted from each claim arising under that Section.

**GEOGRAPHICAL
LIMITS**

Great Britain, [including Northern Ireland] the Isle of Man and the Channel Islands or those areas specified in the Schedule.

INDEMNITY

The amount payable under the relevant Section or part of a Section.

INSURED

The person or entity described in the Schedule who is entitled to benefit by this Policy. If there are two or more persons named in the Schedule then the limit referred to will apply in aggregate and in respect of all claims paid in respect of the same Insured Peril.

INSURED PERIL

Those risks which are a direct cause of:

1. loss or damage to the Property; or
2. liability;

for which we insure you.

INTRUDER ALARM	The alarm system (including the component parts) agreed by us including (if any) the means or lines of communication used to transmit signals, designed and installed to the requirement of either: <ol style="list-style-type: none"> 1. PD6662; or 2. EN50131- European Standard for Alarm Systems- Intruder and Holdup Systems.
ITEM	An individual piece of property or liability for which we insure you.
LIMIT OF OUR LIABILITY	The maximum amount as shown in the Policy or Schedule for which we are liable to indemnify you arising out of any one event or series of events due to one cause.
MARINA INSTALLATIONS	Includes but is not limited to piers, quays, docks, gangways, pontoons, moorings, piles, dolphins, staging, jetties, breakwaters and their equipment and services, fuel installations but not fuel barges, building or engineering works that do not require planning permission.
MONEY	All current bank notes, coins and other generally recognised monetary instruments.
PERIL	The direct cause of a loss or damage to the Property or liability whether or not insured by us.
PERIOD OF INSURANCE	The period shown in the Schedule and any further period agreed by us in writing, each such period being a Period of Insurance.
PREMISES	Buildings, outbuildings, yards, slipways, piers, quays, docks, gangways, pontoons, moorings, driveways, paths, walls, fences, gates at the address(es) shown in the Schedule and the land belonging to it.
PREMIUM	The amount paid or to be paid by you to us for the benefits provided by the Policy.
THE PROPERTY	All Items described in the relevant Sections.
STOCK	Stock and Materials (including work in progress) belonging, or in trust, to you for the purposes of your Business but does not include: <ol style="list-style-type: none"> 1. wines, spirits, tobacco, cigarettes; 2. televisions, videos, radio, audio and computer equipment including their accessories; 3. audio, video and computer discs, tapes and cassettes; 4. watches, cameras, binoculars and imaging equipment; 5. gold, platinum and silver articles; 6. unprocessed gold, platinum, silver and non-ferrous metals; 7. precious stones or articles containing precious stones; 8. pyrotechnics; 9. tools; 10. clothing; <p>unless specifically agreed to be insured in writing by being noted in the Schedule.</p>
THE SUM INSURED	The amount shown on the appropriate Schedule for an Item or Section which is (together with any adjustments for index-linking where applicable) the maximum amount we will pay you for all claims arising out of any one Insured Peril for that Item or Section and where the Policy names more than one Insured, the maximum amount that we will pay you in aggregate and less the Excess.
TERRORISM	Any act of any person(s) acting on behalf of, or in connection with, any organisation which carries out activities directed towards the over-throwing or influencing, by force or violence, of HM Government in the United Kingdom or any other Government De Jure or De Facto.
TURNOVER	All monies paid or due to you for goods sold or delivered and for services provided by or from your Business.

UNOCCUPIED

Premises in which you do not nor intend to have authorised person(s) present during Business Hours.

H GENERAL EXCEPTIONS

APPLICABLE TO ALL SECTIONS (EXCEPT AS EXPRESSLY STATED)

This Policy does not cover:

1. WAR ETC

Physical loss or damage, loss or expense, consequential loss or any legal liability directly or indirectly occasioned by or happening through war, invasion, act of foreign enemy, hostilities, (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation, destruction, nationalisation, requisition or seizure by order of the Government or any Public Authority.

2. TERRORISM

Physical loss or damage, legal liability or any consequential loss or any consequence whatsoever resulting directly or indirectly from or in connection with Terrorism.

2.1. In any action, suit or other proceedings where we allege that by reason of this exclusion cover is not provided under this Policy the burden of proving that such loss, damage, legal liability or consequential loss is covered shall be upon you;

2.2. for the purposes of this exclusion Terrorism shall mean:

2.2.1. in respect of any occurrence in England including the Channel Tunnel up to the frontier with the Republic of France as set out by the Treaty of Canterbury 1986, Wales, Scotland, Northern Ireland, the Isle of Man and Channel Islands but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987, the Territorial Sea Act 1987 (Isle of Man) Order 1991, the Territorial Sea Act 1987 (Jersey) Order 1997 and Territorial Sea Act 1987 (Jersey) (Amendment) Order 2002 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 UK or any other Government De Jure or De Facto;

2.2.2. in respect of any occurrence elsewhere than as described in 2.2.1 above any act or preparation in respect of action or threat of action designed to influence the Government De Jure or De Facto of any nation or any political division thereof or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or Government De Jure or De Facto and which:

- (i) involves violence against one or more persons;
- (ii) involves damage to property;
- (iii) endangers life other than that of the person committing the action;
- (iv) creates a risk to health or safety of the public or a section of the public;
- (v) is designed to interfere with or disrupt an electronic system;

2.2.3. any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in 2.2.1 or 2.2.2 above.

3. RADIATION AND CYBER EXCLUSION

Physical loss or damage, loss or expense, consequential loss or any legal liability, directly or indirectly caused by or contributed to, by or arising from:

3.1. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;

- 3.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- 3.3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 3.4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. This exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- 3.5. any chemical, biological, biochemical or electromagnetic weapon;
- 3.6. the use or operation, as a means of inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.

4. SONIC BANGS

Physical loss or damage, loss or expense, consequential loss, death, injury or disablement directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

5. POLLUTION

Physical loss or damage to any Item caused by pollution or contamination or any cost or expense or any consequential loss resulting therefrom. This does not exclude destruction or damage to Property or business interruption resulting from destruction or damage to Property used by you at the Premises for the purpose of the Business, not otherwise excluded, caused by:

- 5.1. pollution or contamination which itself results from an Insured Peril; or
- 5.2. any Insured Peril which itself results from pollution or contamination.

6. COMPUTERS

Any loss, damage, expense, consequential loss, additional expenditure or extra expenses, legal liability, fees, costs, expenses, disbursements, awards or other expenses of whatsoever nature directly or indirectly caused by or consisting of or arising in whole or in part from:

- 6.1. the way in which any Data Processing System responds to or deals with or fails to respond to or fails to deal with any true calendar date;
- 6.2. any Data Processing System responding to or dealing in any way with:
 - (i) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates;
 - (ii) whether such processing system is your property or not and whether operating before, during or after the year 2000.
- 6.3. directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible including but without limitation any information or programmes of software and whether the property is insured or not;

For the purposes of this exclusion the following definitions shall apply:

DATA PROCESSING SYSTEM

Any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

**DENIAL OF SERVICE
ATTACK**

Any actions or instructions constructed or generated with the ability to damage, interfere or otherwise affect the availability of networks, network services, network connectivity or information systems including but not limited to the generation of excess network traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non genuine traffic between and amongst networks;

HACKING

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

**VIRUS OR SIMILAR
MECHANISM**

Programme, code, programming instruction or any set of instruction intentionally constructed with the ability to damage, interfere with or otherwise adversely affect the computer programs, data files or operations whether involving self replication or not including but not limited to Trojan horses, worms and logic bombs.

7. NORTHERN IRELAND CIVIL COMMOTION

Physical loss or damage to any property or any loss or expense resulting or arising therefrom or any consequential loss in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of civil commotion.

8. CONTRIBUTION

We will not pay for any loss or damage if at the time the loss or damage occurs the Property or any Item or any Liability is or would, but for this insurance, be covered under any other policy or policies of insurance including any marine policy except in respect of any excess beyond the amount which would have been payable under the Policy or Policies had this insurance not been effected.

9. PROGRESSIVE CAUSATION

If loss, damage or injury (including death) is caused or contributed by you together with any third party over a period of time and we have only insured you for part of that time we shall only cover you for a proportion of any sum agreed by us as payable to any claimant, awarded or adjudged against you, that proportion being found by multiplying the sum of any judgement, award or payment agreed by us by the period during which we have insured you divided by the period of time over which the loss, damage or injury was caused and/or contributed by you and any other party.

General Exceptions 1 and 3 do not apply to Section 3 (A) in so far as it relates to bodily injury sustained by an Employee arising out of and in the course of the Employee's employment or engagement by you. General Exceptions 2 and 4 do not apply to Section 3 (A). General Exception 5 is applicable to Sections 1 and 2 only.

**I CONDITIONS
AND
CONDITIONS
PRECEDENT
APPLICABLE
TO ALL
SECTIONS**

1. FAIR PRESENTATION OF YOUR INSURANCE RISK

If you or anyone acting for you have:

- 1.1. omitted to inform us of any material fact so that any presentation of risk is not a fair one; or
- 1.2. misrepresented any material fact so that any presentation of risk is not a fair one; or
- 1.3. failed to make disclosure in a clear and accessible manner; or
- 1.4. any representation is not substantially correct; or
- 1.5. any representation made in relation to fact is not made in good faith; or
- 1.6. made any statement or declaration in support of a claim which is not true; or
- 1.7. suppressed any information material to our consideration of a claim; or
- 1.8. exaggerated a claim or part of a claim;

we may at our option avoid this Policy and retain the Premium and you will lose all your benefits and rights and you will reimburse to us, any payments made by us.

2. YOUR DUTY - REASONABLE CARE

It is a **Condition Precedent** to our liability that you will:

- 2.1. take all reasonable precautions to prevent loss, damage, injury, illness, accident or any other occurrence which might give rise to a liability upon us under the Policy;
- 2.2. exercise reasonable care in the selection and supervision of employees;
- 2.3. take all reasonable steps:
 - 2.3.1. to comply with all statutory and other obligations and regulations imposed by any competent authority; and
 - 2.3.2. to ensure that all Buildings or other structures, ways, implements, plant, machinery and appliances for which you are responsible are substantial, sound and kept in proper order and fit for the purpose for which they are used;
- 2.4. as soon as possible after discovery, cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require;
- 2.5. keep proper books of accounts which are regularly entered up and shall allow us to have access to such books and to inspect the same.

3. HOT WORK CONDITIONS PRECEDENT

It is a **Condition Precedent** to our liability in connection with any work undertaken by you or your Employee involving the use or application of heat:

- 3.1.1. to any property belonging to any person; or
- 3.1.2. at any place;

for the purposes of the Business that the following actions and precautions are taken:

- 3.2.1. specific permission is obtained to commence work from a responsible person at the place at which such work is to be undertaken; and
- 3.2.2. before operations commence:

- (i) the area in which the work is to be undertaken is to be cleared of moveable combustible material; and
- (ii) other combustible material, including floors and fixtures will be covered with adequate fire resistant covers; and
- (iii) the area on the other side of the bulkheads, hulls, decks, walls, partitions or floors where work is to be undertaken is inspected (by a responsible person) to ensure that there are no combustible materials capable of being ignited;
- (iv) appropriate fire extinguishing appliances are kept near the scene of work for immediate use; and
- (v) an examination is carried out after each period of work to ensure that there is no likelihood of fire breaking out and that a period of at least 30 minutes shall elapse after such work before the area is vacated; and
- (vi) a suitable Employee is employed at each site of operation to be responsible for fire safety for each period of work and to ascertain the location of fire alarms and fire extinguishing appliances installed by the occupier(s) and that fire alarms and fire extinguishing appliances are capable of immediate use; and
- (vii) blow lamps, blow torches and other similar heating or cutting apparatus are lit strictly in accordance with manufacturer's instructions and not left unattended whilst alight; and
- (viii) gas cylinders not required for immediate use are kept outside the building or vessel in or upon which the work is to be undertaken and stored away from any obvious fire hazard.

4. CHANGE IN FACTS

It is a **Condition Precedent** to our liability under this policy that you will inform us in writing immediately of:

- 4.1. any alteration in the Premises or in the Business or otherwise whereby the risk of loss, damage, injury, illness, accident or of your incurring liability is increased or altered;
- 4.2. any change of the facts stated in the Proposal Form or Schedules. We shall be entitled to cancel this insurance or to charge an increased Premium for such alteration or change in facts.

5. BREACH OF CONDITION PRECEDENT

If any claim would be recoverable under any Section of the Policy but is prohibited from recovery under that Section by any Breach of any **Condition Precedent** or Condition it shall not be recoverable under any other Section of the Policy.

6. MINOR WORKS

We allow workmen in and about the Premises for the purposes of making minor new erections or alterations, repair, decoration, plant installation, general maintenance and the like.

7. ASSIGNMENT OF THE POLICY

Neither this Policy nor any part of it nor any benefit under it will be assigned by you to any third party without our prior written consent.

8. CANCELLATION

This Policy may be cancelled by us at any time where there is a valid reason for doing so by 15 days written notice (except in respect of direct debit default when the period shall be 10 days) setting out the reason for cancellation sent by pre-paid post to the address shown in the Schedule or by mutual agreement. If we cancel we will set out the reason for cancellation in our notice. Valid reasons may include but are not limited to:

- (i) where we have been unable to collect a premium payment or Excess. In this case we will contact you in writing requesting payment by a specific date. If we do not receive payment by this date we will write to you again notifying you that payment has not been received and giving you 10 days notice of a final date for payment. This letter will also notify you that if payment is not received by this date your Policy will be cancelled from the day when the instalment was due. If payment is not received by that date we will cancel your Policy with immediate effect and notify you in writing that such cancellation has taken place;
- (ii) where you are required in accordance with the terms of this Policy to co-operate with us, or send us information or documentation and you fail to do so in a way that materially affects our ability to process a claim, or our ability to defend our interests. In this case we may issue a cancellation notice and we will cancel your Policy if you fail to co-operate with us or provide the required information or documentation by the end of the 15 day cancellation notice period;
- (iii) where there is a material failure by you to comply with any **Condition Precedent** or Limitation contained in the Policy or you act with Wilful Misconduct.
- (iv) where we reasonably suspect fraud; or
- (v) use of threatening or abusive behaviour or language or intimidation or bullying of our staff or suppliers.

If we do cancel your Policy we will return to you a proportion of the premium paid in respect of the unexpired Period of Insurance less a cancellation fee of £50 to take into account our costs in providing the Policy.

If we cancel your Policy because we have been unable to collect the premium by direct debit instalments, we will charge the cancellation fee of £50 to take account of our costs in providing your Policy and for recovering any premium owed to us for the period of cover.

9. PREMIUM

ADJUSTMENT

- 9.1. If any part of the Premium is calculated on estimates, you will keep an accurate record containing all relevant particulars and will, within one month of the expiry of each Period of Insurance let us have the particulars and information we require. The Premium for such a period shall then be adjusted and the difference paid by or allowed to you, as the case may be, subject to a minimum Premium being retained by us as we may require.
- 9.2. If the information required by us for the expired period is not provided by you within the specified month, we may make a reasonable estimate of such information, bearing in mind the rate of inflation and any other relevant factors and the Premium shall be adjusted by us on such estimate and the difference paid or allowed to you as described in 9.1 above.
- 9.3. When the information required by us is provided after the procedure described in 9.2 above, the Policy will be adjusted in accordance with 9.1 above but taking into account any amounts paid or allowed as a result of the operation of 9.2 above.

J CLAIMS PROCEDURES

CONTACT DETAILS FOR CLAIMS

**Post: Northern Marine Underwriters Limited,
8th Floor, Walker House, Exchange Flags, Liverpool L2 3YL
Telephone: 0151 473 8080
Facsimile: 0151 473 8063
Email: tradeclaims@nmu.co.uk**

1. CHECK THAT YOU HAVE A VALID CLAIM

- 1.1. You should establish the cause of the loss, damage or liability and consult the relevant Section of the Policy to ensure that we cover the loss or damage and to ensure that you have complied with the **Conditions Precedent** and other terms of this Policy. It is essential that you provide immediate advice if the damage is serious.
- 1.2. If the damage is serious, telephone Northern Marine Underwriters Limited Claims Department on the number shown above and be ready to quote the Policy number.
- 1.3. Except for the purpose of reducing loss or liability do not instruct repairers or other appropriate contractors without first checking with us.
- 1.4. If somebody is holding you responsible for damage to their property or bodily injury to them, follow the procedure outlined above for serious accidents but do not admit liability under any circumstances.

2. YOUR OBLIGATIONS

Your obligations are **Conditions Precedent** to our liability.

You must:

- | | |
|--|--|
| NOTIFICATION | 2.1. immediately notify us of any event which may result in a claim under the Policy and give us a written report as soon as possible; |
| POLICE | 2.2. immediately notify the Police of any theft, attempted theft, malicious damage or other crime involving any Item; |
| WRITTEN DETAILS | 2.3. at your own expense, provide in writing such particulars and information as we may require within: |
| RIOT/CIVIL COMMOTION | 2.3.1. seven days of loss or damage by riot or civil commotion; |
| BUSINESS INTERRUPTION | 2.3.2. ninety days of the expiry of the Indemnity Period in respect of a claim under Section 2(A); |
| ANY OTHER LOSS | 2.3.3. thirty days of the occurrence of any other loss, damage, injury, illness or accident; |
| COMMUNICATIONS FROM THIRD PARTIES | 2.4. as soon as possible pass on to us unanswered all communications from third parties relating to a matter which might give rise to a claim under the Policy; |
| ADMISSION | 2.5. not admit liability, offer to settle, compromise or make a payment in respect of any event which might give rise to a claim under the Policy without our prior written consent; |
| MITIGATION | 2.6. minimise or mitigate any loss, damage, injury or interruption of or interference with the Business; |
| STATEMENT OF TRUTH | 2.7. return to us or our representative duly signed or comment constructively upon any statement of truth that we may require from you for prosecution or defence of any claim which is or may be the subject of indemnity under this Policy within 7 days; |
| DISCLOSURE | 2.8. search for and provide to us any documents that may be required by us for the purposes of prosecution or defence of any claim which may be the subject of indemnity under this Policy within 14 days of request by us or our representative and to sign and return to us within 7 days any disclosure statement we or our representatives may require of you. |

3. OUR RIGHTS

We have the right to:

- | | | |
|-------------------------|------|---|
| REPAIR | 3.1. | decide where and how any damaged Item will be repaired; |
| DEFENCE | 3.2. | commence or take over and conduct the Defence of any claim against or prosecution of you or an Insured as defined under the Policy arising out of an event which might give rise to a claim under the Policy; |
| RECOVERY | 3.3. | commence, take over and conduct any claim brought in the name of an Insured to recover sums which are or might be payable under the Policy; |
| FORMAL INQUIRIES | 3.4. | commence, take over and conduct the representation of an Insured at any inquest, enquiry or similar proceeding that might give rise to a claim under the Policy; |
| ENTRY | 3.5. | enter the Premises where the loss or damage has occurred and take and keep possession of any Item insured and deal with any salvage in a reasonable manner. |

4. ABANDONMENT

No property may be abandoned to us.

5. PAYMENT

We will have the absolute right in our discretion:

- | | | |
|---------------------------------|------|---|
| | 5.1. | at any time to pay the Limit of our Indemnity or the Sum Insured (after deduction of any sum already paid) or any lesser amount for which a claim can be settled and shall thereafter be under no further liability except for the payment of costs and expenses incurred prior to the date of payment; and |
| REDUCTION OF SUM INSURED | 5.2. | to reduce the Sum Insured of any Item by the amount of any claim that we pay you. |

K ENDORSEMENTS

IF THE SCHEDULES INCLUDE ANY OF THE FOLLOWING ENDORSEMENTS YOUR COVER IS SUBJECT TO THE TERMS AND CONDITIONS OF THE POLICY AND OF THE ENDORSEMENT AND MAY BE SUBJECT TO AN ADJUSTMENT IN PREMIUM

1. TIME ON RISK

We hold covered, in accordance with details in our possession, until the date shown against this Endorsement number.

2. STOCK CONDITIONS

The cover in respect of each Item, to which this Endorsement applies, is separately subject to the following conditions:

- 2.1. the Premium for the Item is only provisional and is subject to adjustment as follows:
 - 2.1.1. you shall within thirty days of the last day of each month, declare to us in writing the value of the Property on the last day of the month, in the absence of such declaration you shall be deemed to have declared the maximum sum insured as the value at risk;
 - 2.1.2. annually the actual Premium shall be calculated on the average amount declared, i.e. the total of the sum declared divided by the number of declarations. If the actual Premium be greater than the Premium paid you shall pay the difference; if it be less, the difference shall be repaid to you, but such repayment shall not exceed one-third of the provisional premium paid;
- 2.2. if any Declared Value of the Property exceeds the Sum Insured, the Limit of our Liability remains the Sum Insured until you notify us in writing of the increase required and pay any additional Premium we may require;
- 2.3. in consideration of the Sum Insured not being reduced by the amount of any loss you shall pay the appropriate additional premium, on the amount of the loss, from the date of the loss to the date of expiry of the Period of Insurance in which the loss occurs;
- 2.4. It is a **Condition Precedent** to our liability under this extension that any other insurance on the Property described in the aforementioned Item be identical in wording with this insurance.

3. LONG TERM UNDERTAKING

A discount of 5% off the gross Premium on the Section is allowed in consideration of you undertaking to offer at each renewal, until the date shown against this Endorsement number, the insurance under the Policy on the terms and conditions in force at the expiry of each Period of Insurance and to pay the Premium annually in advance, it being understood that:

- 3.1. we shall be under no obligation to accept an offer made in accordance with the said undertaking;
- 3.2. the Sum(s) Insured may be reduced at any time to correspond with any reduction in value/business.

The above mentioned undertaking applies to any policy, or policies, which may be issued by us in substitution for this Section and the same discount shall be allowed off the gross Premium on any substituted policy, or policies, issued by us.

Payment of the first/renewal Premium due should be deemed acceptance by you of the Policy terms including but in no way limited to this clause.

4. OTHER INTERESTED PARTIES

The party/parties shown against this Endorsement number has/have an interest in this Insurance, the nature and extent of such interest to be disclosed in the event of loss.

The interest of the said party/parties in the insurance shall not be prejudiced by any act or neglect by you or by the act or neglect of the occupier of any Property hereby insured, whereby the risk of destruction or damage is increased without the authority or knowledge of the said party/parties, provided that the said party/parties shall, immediately on becoming aware of such act or neglect, notify us in writing and pay the reasonable additional premium we may require.

5. FIRST LOSS

The condition of Average in the relevant Section named in the Schedule is inoperative in respect of the Item to which this Endorsement applies.

You have declared the total value of the Property insured hereunder to be the amount stated against this Endorsement number, if the Property shall, at the time of the happening of any loss or damage, be collectively of greater value than the amount declared then you shall bear such a proportion of the loss or damage as the Excess over the sum declared bears to the total value at the time of the loss or damage and you shall, to that extent, be considered as being your own insurer.

The Limit of our Liability shall be restricted to the Sum(s) Insured stated in the Schedule.

6. FORCIBLE AND VIOLENT ENTRY

This Insurance shall only apply in respect of loss or damage to Items shown in the Schedule, following upon forcible and violent entry to the Premises.

7. EXCLUDING DAMAGE TO PREMISES

We shall not be liable for any damage to the Premises.

8. SPECIFIED SAFE(S)

This Section does not cover loss of Money in Section 2B in the Premises out of Business Hours from any locked safe or strongroom other than the safe(s) shown in this Endorsement and the Limit payable for any one claim in respect of such money is the amount(s) shown in the Schedule against such safe(s).

9. THEFT EXCLUSION

The Section noted in the Schedule does not cover loss of or damage to property by theft:

- 9.1. if contained in an unlocked and unattended vehicle; or
- 9.2. during the period the Property has been left for the hours 21.00 to 07.30 unless contained in the Premises or a private dwelling.

10. SPECIFIED WORKING EXPENSES

The Definition of Specified Working Expenses, shown in the Schedule Section 2 means the expenses shown against this Endorsement number.

11. RESTRICTED COVER - GOODS IN TRANSIT

The Insurance by the Section noted in the Schedule excludes all loss or damage other than loss or damage caused by:

- 11.1. fire; or
- 11.2. theft or attempted theft; or
- 11.3. the accidental overturning or accidental collision with any object by the Vehicle (as defined) carrying the goods, provided that such overturning or collision causes damage to the Vehicle (as defined);

subject otherwise to the terms of the Section.

12. TREE FELLING EXCLUSION

The Section noted in the Schedule does not cover liability in respect of injury, loss or damage caused by or through or in connection with tree felling and/or lopping.

13. EXTERIOR CLEANING OF BUILDINGS EXCLUSION

The Section noted in the Schedule does not cover liability in respect of injury, loss or damage caused by or through or in connection with the external cleaning of buildings other than window cleaning.

14. WOODWORKING MACHINERY EXCLUSION

The Section noted in the Schedule does not cover any claim(s) arising in conjunction with the use by Employees of Woodworking Machinery driven by mechanical power.

(The expression "Woodworking Machinery" referred to in this Endorsement shall not include lathes, fretsaws, boring machines, sanding machines and mechanically-driven portable tools applied to the work by hand other than pendulum and swing saws).

15. CLOAK-ROOM LIABILITY

We will indemnify you in respect of your legal liability for accidental loss of or accidental damage to your guests' personal effects whilst deposited in any Cloakroom at your Premises.

Provided that:

- 15.1. the Limit of our Liability for any one article shall not exceed £500;
- 15.2. the Limit of our Liability for all such loss or damage, occurring during any one Period of Insurance shall not exceed £1,000.

16. GUESTS' EFFECTS - HOTEL PROPRIETORS ACT LIABILITY

- 16.1. The Section noted in the Schedule shall extend to indemnify you against all sums which you shall become legally liable to pay as damages in respect of accidental loss of or accidental damage to your guests':
 - 16.1.1. personal effects (other than vehicles) contained in the buildings at the Premises;
 - 16.1.2. motor vehicles placed in any garage or parking area used in connection with the Business at the Premises.

Provided that, for the purposes of this Endorsement only, the Limit of Indemnity shall not exceed £500 any one claim or £1,000 any one Period of Insurance.

- 16.2. This Endorsement does not cover liability incurred solely by reason of the terms of the Hotel Proprietors Act 1956 or similar legislation unless:
 - 16.2.1. a copy of the notice set out in the Schedule to the Act (or any similar legislation) is displayed on the Premises in a position where it may be easily read, at or near the reception office or desk or if there is no office or desk, at or near the main entrance to the buildings at the Premises; and
 - 16.2.2. any valuables entrusted for safe custody by any guest are secured in a locked safe or locked strongroom.

17. POWER PRESSES AND GUILLOTINES EXCLUSION

The Section noted in the Schedule does not cover liability in respect of any claim(s) arising in connection with the use, by employees, of power operated presses or guillotines.

18. ASSOCIATED AND/OR SUBSIDIARY COMPANIES OF THE INSURED

- 18.1. The Associated and/or Subsidiary Companies of you are as stated against this Endorsement number; and
- 18.2. the insurance by this Policy shall operate in respect of each such company with effect from the date set out against its name.

19. DETERIORATION OF STOCK BY THEFT EXCLUSION (PROPERTY DAMAGE)

The Section noted in the Schedule does not cover any loss or damage to refrigerated stock caused by deterioration or putrefaction following theft or attempted theft.

20. COIN OPERATED MACHINES EXCLUSION

The Section noted in the Schedule does not cover any loss or damage to automatic coin operated machines or their contents caused by malicious persons or vandals or by theft or attempted theft.

21. UNATTENDED VEHICLES - THEFT EXCLUSION (ALL RISKS)

This Policy does not cover:

21.1 theft or attempted theft; or

21.2 loss by unexplained shortages from any unattended Vehicle.

22. PHOTOGRAPHIC EQUIPMENT - HAZARDOUS WORK EXCLUSION (ALL RISKS)

This Policy does not cover loss of, or damage to, photographic equipment and accessories used for underwater photography.

23. THEFT FROM BUSINESS VEHICLE (GOODS IN TRANSIT)

This Policy does not cover theft, or attempted theft of property, or any unexplained shortage or disappearance from any unattended business Vehicle.

24. SCRATCHING OF FURNITURE (GOODS IN TRANSIT)

The Section noted in the Schedule does not cover loss of, or damage to, furniture, paintings, drawings or etchings resulting from scratching, rubbing, abrasion, bruising, denting and marring.

25. MAXIMUM INDEMNITY PERIOD (BUSINESS INTERRUPTION EXTENSIONS)

The Policy Indemnity Period in respect of Section 2A is limited to 3 months.

26. METAL WORKERS EXTENSION

The insurance by each Item of this Policy relating to Stock and Materials extends to cover the Property insured whilst:

26.1. at any machine makers, engineers, founders or other metal workers premises;

26.2. at any customers, agents, suppliers and/or exhibition premises;

26.3. at any sub-contractors premises;

26.4. in transit by road, rail or inland waterway;

all in the Geographic Limits but excluding any portion of the Premises occupied by you subject to our maximum Limit of our Liability in respect of any one location of 10% of the Sum Insured or £5,000, whichever is the less for any one loss.

27. CO-INSURANCE CLAUSE

In respect of any valid claim under this Policy for loss or damage to or theft at the Premises, caused by theft or attempted theft, you shall bear the percentage amount in respect of each and every claim as stated in the Schedule alongside this Endorsement number, or the minimum amount stated, whichever is the greater, as ascertained after the application of all the terms of the Policy including any condition of Average.

It is a **Condition Precedent** to our liability that you shall not effect insurance in respect of these amounts stated in the Schedule.

28. STORAGE IN SPRINKLERED PREMISES

It is a **Condition Precedent** to our liability that:

- 28.1. there will be prominently displayed at each sprinklered storage area, a notice, the terms of which shall be agreed with us which specifies:
 - 28.1.1. the description of goods which may be stored;
 - 28.1.2. the maximum height of storage;
 - 28.1.3. the minimum permitted clearance between goods stored and the sprinkler deflectors;
- 28.2. you shall comply with the terms of the notice referred to above.

29. RENT PAYABLE

We will only be liable to pay loss of rent of a Building if the Building or any part of the Building become unfit for occupation as a result of loss or damage by an Insured Peril. The amount payable will be that proportion of the Sum Insured on rent as the period necessary for reinstatement bears to the term of rent insured.

30. THEFT RESTRICTION

We do not cover loss of or damage to Property or an Item caused by theft or attempt at theft of the property/Item unless:

- 30.1. there is forcible and violent entry to or exit from a locked and secure Building or room;
- 30.2. following actual or threatened assault or violence to you, your Employee or a member of your or their families;
- 30.3. from an unattended motor Vehicle which:
 - 30.3.1. during the hours of 9.00pm to 7.00am is contained within a securely locked or attended compound or garage;
 - 30.3.2. at all other times, it is a **Condition Precedent** that:
 - 30.3.2.1. the Item is out of sight;
 - 30.3.2.2. the Vehicle has all points of access closed and is securely locked;
 - 30.3.2.3. all Vehicle protections are put into operation;
 - 30.3.2.4. all keys are removed from the Vehicle and retained by the driver, and there is evidence of forcible and violent entry to the vehicle.

31. INDEX LINKING

Where so indicated in the Schedule to this Section the Sum Insured will be adjusted during the Period of Insurance in accordance with fluctuation in suitable indices of cost.

In the event of loss the Sum Insured will continue to be adjusted in accordance with fluctuations in the indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

The Premium will remain unchanged during the Period of Insurance but at each renewal the Premium will be calculated on the revised Sum Insured.

32. MEMBER TO MEMBER CLAUSE

We will indemnify any Member of the Club in respect of legal liability for accidental bodily injury or damage to property sustained by fellow Members, while engaged in the activities of and/or on behalf of the Club.

This Clause is subject to the **Conditions Precedent**, Limitations and other terms of the Policy and the total amount of indemnity to such parties shall not exceed the Limit of Indemnity.

L CONDITIONS PRECEDENT

The following **Conditions Precedent** are applicable to this Policy if they are stated in the Schedule as applying:

1. FLAMMABLE LIQUIDS AND LIQUID PETROLEUM GASES REGULATIONS

It is a **Condition Precedent** to our liability that you will comply with the Highly Flammable Liquids and Liquid Petroleum Gases Regulations 1972 or any amendment, modification or re-enactment of them.

2. SPRAYING EXCLUSION CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that no paint or glass reinforced plastic spraying will be carried out on or at the Premises and no cellulose paint or cellulose varnish, cellulose thinners or two pack be used or stored at the Premises.

3. FRYING CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

- 3.1. the frying apparatus in the Premises is securely fixed and free from contact with all woodwork and other combustible material;
- 3.2. extraction ducts and flues are inspected and cleaned at least once every six months and deposits of grease or oil are not allowed to accumulate;
- 3.3. one of the following types of fire extinguisher is installed in the vicinity of the deep fat fryer in a readily accessible position and will be maintained in good order in that position;
 - 3.3.1. 2.5 gallons - foam type K Rated
 - 3.3.2. 20lb - Carbon Dioxide (in at least 2 extinguishers) 10lb - Dry Powder
- 3.4. a fire blanket will be kept in the vicinity of the deep fat fryer(s) in a readily accessible position to that person attending the deep fat fryer.

4. FIRE ALARMS (AUTOMATIC) CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

- 4.1. the automatic fire alarms in accordance with the details lodged with us are and will remain on the Premises;
- 4.2. you will make a test at least once a week for the purposes of ascertaining the condition of batteries and the fire brigade connections and immediately replace any connection or battery found to be defective;
- 4.3. you will make a test every week day with the exception of holidays for the purposes of ascertaining the condition of detector circuits;
- 4.4. you will obtain a report from the maintenance engineers agreed by us in the Schedule at least every six months as to the condition as to the alarm system and will remedy immediately any defect revealed;
- 4.5. you will file any report received and will provide a copy to us on request;
- 4.6. you will send immediate notice to the maintenance engineers specified in the Schedule of any serious disablement, disconnection or temporary disuse from any cause of the installation(s) except during actual testing and will file a copy of such notice together with a memorandum of the duration of the time the installation was inoperative and provide us with a copy when requested;
- 4.7. you will immediately notify us of the removal of any automatic fire alarm installation.

5. FIRE EXTINGUISHING APPLIANCE CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

- 5.1. the fire extinguishing appliances in accordance with the details lodged with us are and will remain on the Premises;
- 5.2. you will have and maintain a contract for the fire extinguishing appliances to be professionally inspected at least once every 12 months and you will maintain the fire extinguishing appliances in accordance with the recommendation of those inspecting;
- 5.3. you will promptly remedy any defect or replace defective fire extinguishing appliances whether such defect is disclosed by the inspections or otherwise.

6. FIRE EXTINGUISHING APPLIANCE - 12 MONTHLY MAINTENANCE

It is a **Condition Precedent** to our liability that all fire extinguishing appliances situated at the Premises shall be professionally inspected and maintained annually.

7. SPRINKLER INSTALLATION(S) CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that you will:

- 7.1. maintain the automatic sprinkler installation(s) in proper working and efficient order;
- 7.2. make a test every week for the purposes of ascertaining that the alarm audible system is in working and efficient order and that the stop valves controlling the water supplies and the installation(s) are fully open;
- 7.3. make quarterly or half yearly tests if and as required by us for the purposes of ascertaining that each water supply is in good and efficient working order;
- 7.4. record the particulars of each test undertaken by you and provide copies of the record to us on request;
- 7.5. promptly remedy any defect to the system whether discovered by such test or otherwise;
- 7.6. give to us prompt notice should the water supplies be turned off or any sprinkler installation be inoperative from any cause.

8. FIREPROOF DOORS AND SHUTTERS CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that all fire break doors and shutters:

- 8.1. will be kept closed except during working hours; and
- 8.2. will be maintained in efficient working order.

9. STILLAGE CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that all Stock, materials in trade and work in progress is and will be kept at least 15 centimetres above the floor level.

10. TENANT CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that you will give us prompt notice:

- 10.1. when any untenanted Premises or portion of any Premises insured is again tenanted; or
- 10.2. of any change of any tenant in any tenanted part of the Premises; or
- 10.3. if any part of the Premises become vacant;

and in all cases will pay any additional Premium required by us.

11. WASTE AND CLOTH CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

- 11.1. all oily and/or dirty waste and/or oily and/or greasy cloths will be kept outside of working hours in metal receptacles which have metal lids which shall be closed; and
- 11.2. any other trade refuse will be collected or swept up and bagged daily and removed from the Premises at least weekly and not allowed to accumulate.

12. WASTE RECEPTACLE REMOVAL CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that the receptacles mentioned in Condition Precedent 11 shall be placed outside any building outside of working hours.

13. INTRUDER ALARM CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

- 13.1. whenever the Premises are closed for business or left unattended an Intruder Alarm shall be fully operational, properly maintained and fully set;
- 13.2. you will keep in force a maintenance contract for the Intruder Alarm with a maintenance company acceptable to the local police authority and is approved by and registered with a United Kingdom Accreditation Service accredited alarm inspectorate whose regulations and codes of practice must be observed;
- 13.3. all keys or fobs of the Intruder Alarm shall be removed whenever they are closed for business or left unattended;
- 13.4. you will not alter the Intruder Alarm without first obtaining our permission;
- 13.5. if any defect in the Intruder Alarm is discovered or the Police withdraw their services you will:
 - 13.5.1. immediately notify us when we will have the option of immediately cancelling this Section; and
 - 13.5.2. not leave the Premises unattended without our prior consent; and
 - 13.5.3. put into effect the additional temporary safeguards that we require; and
 - 13.5.4. give immediate instructions to the maintenance company to carry out the necessary repairs.

14. ELECTRICAL CIRCUIT CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

- 14.1.
 - 14.1.1. all electrical circuits will be tested within 30 days of the commencement of the **Condition Precedent**; or
 - 14.1.2. you have an existing certificate of a test carried out not more than 5 years prior to the commencement of the **Condition Precedent**; and
 - 14.1.3. all electrical circuits will be tested at least once in every 5 years from the date of the last test by a properly qualified electrical engineer; and
- 14.2. any defects found during such testing will be remedied or any recommendations made will be carried out immediately in accordance with the requirements and regulations of the Institute of Electrical Engineers; and

14.3. you will have obtained a certificate confirming the appropriate works have been undertaken; and

14.4. you will make such certificate available to us on our request.

15. MAINS SERVICES CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that all mains services shall be disconnected at the mains when the Premises are Unoccupied.

16. WEEKLY INSPECTION CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that the Premises will be inspected at least once every week by you or your appointed representative and you will remedy immediately any defect found.

17. DAILY INSPECTION CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that during any period that the Premises or Building(s) are Unoccupied you will inspect or cause them to be inspected at least daily and will remedy immediately any defect found.

18. NO SMOKING CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that you will impose a No-Smoking Policy at the Premises and you will erect signs to that effect prominently throughout the Premises or that portion of the Premises as stated by us in the Schedule.

19. CASH REGISTERS CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that all cash registers are empty and open whenever the Premises are closed to business.

20. LAUNDERETTE CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

20.1. there is an Employee in attendance at the launderette at all times when the Launderette is open to business or you have a card entry system or similar security system approved by us; or

20.2. the coin boxes on the machines are empty and open whenever the launderette is closed for business.

21. GOODS IN TRANSIT (OWN TRANSITS) - SECURITY DEVICES CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that the conveyance(s) shown against this Condition Precedent number are fitted with security devices approved by us.

22. WOODWORKING WASTE CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Premises or Buildings:

22.1. all sawdust, shavings and other refuse be swept up and deposited in bags or bins daily and removed from the Premises at least once each week;

22.2. all oily and greasy waste and cloths be kept in metal receptacles fitted with lids when not in use and removed from the buildings at the end of each working day.

23. PLASTIC WASTE CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that:

23.1. all oily and greasy waste and used cleaning cloths which remain overnight in your portion(s) of the building be kept in metal receptacles fitted with lids and removed from the Premises at least once each week; and

- 23.2. all other combustible trade waste and refuse be removed from your portion(s) of the Buildings at the end of each working day.

24. PREMISES INSPECTION CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that:

- 24.1. an inspection of the portion(s) of the Premises specified against this **Condition Precedent** number will be carried out at the end of each working day, by you or by any responsible Employee, to check for the presence of smouldering matches, tobacco or other materials and to ensure that any such smouldering materials be extinguished; and
- 24.2. a record be kept of the details of each such inspection and such record be signed by the person who carried out the inspection and you check the records at least once each week.

25. NO SMOKING CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that:

- 25.1. no smoking be allowed;
- 25.2. prominent "No Smoking" signs be displayed within your portion(s) of the Building other than in any area specifically designated as an office or a canteen, break or rest room, in which smoking may lawfully take place;
- 25.3. suitable receptacles are provided for the disposal of smoking materials.

26. HEATING CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no artificial heating will be used (other than by a conventional central system or by fixed appliances, fuelled by electricity or gas from the public supply) unless approved by us.

27. SPARK EROSION (ELECTRO DISCHARGE MACHINERY CONDITION PRECEDENT) (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that all spark erosion (electro discharge) machinery, installed within your portion(s) of the Building, be operated:

- 27.1. and maintained in accordance with the manufacturer's instructions;
- 27.2. using only the dielectric fluid recommended by the manufacturer but not white spirit or kerosene (paraffin);
- 27.3. only while your portion(s) of the Buildings (in which such machinery is installed) is/are attended.

28. UNATTENDED MACHINERY CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that all machinery installed within your portion(s) of the Buildings will be operated only while your portion(s) of the Buildings is/are attended.

29. NO WOODWORKING CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no woodworking will be done.

30. NO PLASTIC WORK CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no working in plastic will be done.

31. NO MAGNESIUM CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no magnesium (or alloys thereof) will be used, stored or deposited.

32. NO METAL OR WOOD WORK CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no working in magnesium, titanium, or similar metal or in wood will be done.

33. NO INFLAMMABLES CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no liquids flashing below 32 degrees centigrade will be used or stored.

34. INFLAMMABLES - RESTRICTED QUANTITY CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no liquids flashing below 32 degrees centigrade or cellulose solutions be kept other than the quantity shown against this **Condition Precedent** number.

35. INFLAMMABLES - RESTRICTS QUANTITY CONDITION PRECEDENT (PROPERTY DAMAGE)

It is a **Condition Precedent** to our liability that in your portion(s) of the Buildings, no liquids flashing below 32 degrees centigrade will be kept other than:

- 35.1. in the buildings stated against this **Condition Precedent** number;
- 35.2. a quantity for one days supply.

36. FIREWORK CONDITION PRECEDENT

In connection with fireworks displays or bonfires organised by the Insured, it is a **Condition Precedent** to our liability that:

- 36.1. the Police and Fire Brigade Authorities will be consulted at least 7 days beforehand and their recommendations complied with in full;
- 36.2. all recommendations made by the manufacturer of the fireworks are to be complied with in full;
- 36.3. all fireworks used are supplied by a reputable manufacturer and not modified by the Insured;
- 36.4. the fireworks display and bonfires are to be sited at least 100 metres from any third party buildings, vehicles, vessels and your own premises;
- 36.5. spectators will be kept at least 25 metres from the display and/or bonfire and "shooting" fireworks such as rockets or roman candles will be placed inside a metal sided box of sufficient size to contain the device should it topple over;
- 36.6. there shall be at least one steward in attendance for every 250 spectators;
- 36.7. qualified first aid personnel will be in attendance and there shall be available means of summoning emergency assistance.

SECTION 1 - MATERIAL DAMAGE

DEFINITIONS FOR SECTION 1 ONLY

BREAKDOWN

The actual breaking or burning out of any part of the plant defined within this Section while in use arising from either mechanical or electrical defects or pressures within the plant causing a sudden stoppage of the plant and necessitating a repair or replacement before the plant can resume working.

BUSINESS EQUIPMENT

The equipment used in your Business described in the Schedule including:

1. trade and office furniture, furnishings, stationery and other equipment and contents excluding Computers and Machinery;
2. documents, manuscripts and business books but only for the value of materials as stationery together with the cost of labour expended in writing up and no value attaches in respect of the information contained in such documents;
3. if noted on the Schedule to this Section of the Policy:
 - 3.1. patterns and models;
 - 3.2. plans and designs,for an amount not exceeding the cost of labour and materials in reinstating such up to a maximum in respect of plans and designs of £5,000.
4. if noted in the Schedule to this Section of the Policy, directors', visitors' and employees' pedal cycles and tools and other personal effects but not exceeding £500 in respect of any one person;
5. individual computer system records but only for the value of the materials together with the cost of labour and computer time expended in producing such records and excluding any expense in connection with the production of information to be recorded. It does not include the value to you of the information contained within the record. Unless such records are separately specified in the Schedule to this Section of the Policy the Limit of our Liability will not exceed £5,000 in respect of all computer records for any one claim.

COMPUTERS

Data processing and associated equipment for which you are responsible.

FROZEN FOOD

Frozen food and other goods belonging to you or in your custody as described in the Schedule to this Section of the Policy. This includes goods elsewhere in the Premises which otherwise would have been placed in the cold chamber of the plant but for the happening of an Insured Peril under Section 1(D).

GLASS

All fixed sheet or plate glass in fanlights, skylights, partitions, furniture display and show cases, counters or shelves or mirrored glass at the Premises and for which you are responsible.

GOODS IN TRANSIT

Goods incidental to your Business and which are your property or for which you are responsible in transit for the purposes of your Business and the term "Goods in Transit" includes sheets, ropes, chains, toggles, tarpaulins and packing materials unless excluded under Section 1 (E) of the Policy.

MACHINERY

Goods incidental to your Business and which are your property or for which you are responsible but the term Machinery does not include:

1. landlord's fixtures and fittings;
2. stock and materials in trade;
3. coin or token operated amusement gaming and vending machines or their contents;
4. Business Equipment and Computers;
5. patterns, models, plans and designs for an amount not exceeding the cost of labour and materials in reinstating such.

SANITARY WARE

Wash basins, pedestals, sinks, bidets, showertrays, showerscreens, baths, bath panels, lavatory pans, urinals and cisterns.

SITUATION

The situation stated in the Schedule to this Section of the Policy as relating to a particular Item.

SUM INSURED

For the purposes of Section 1A the Sum Insured on Buildings and/or Machinery includes:

1. Architects, Surveyors, Consulting Engineers, Legal and other Fees incurred in reinstatement of the Item (but not exceeding the scale of fees authorised by the respective professional institute);
2. reinstating underground water, drainage, sewage and gas pipes, underground electricity and telephone cables supplying the Premises from the mains.

VEHICLE

This includes any trailer whether attached or unattached.

**SECTION 1 (A)
BUSINESS
PROPERTY**

1. COVER

Subject to the **Conditions Precedent** and other terms of the Policy and provided this part of the Section is shown as being applicable in the Schedule to this Section, we will cover you for physical loss of or damage to an Item described in the Schedule.

2. EXCLUSIONS PERILS

We do not cover loss of or damage to an Item which is caused by:

- 2.1. an Item's own bad construction or defective design or defective material(s) or workmanship;
- 2.2. inherent vice or Latent Defect;
- 2.3. wear and tear or gradual deterioration;
- 2.4. frost or change in water table level;
- 2.5. explosion arising from:
 - 2.5.1. the bursting of a boiler other than one used only for domestic purposes;
 - 2.5.2. any economiser or other pressure vessel, machine or apparatus;

in which internal pressure is due only to steam and which belongs to you or is under your control;

- 2.6. collapse or cracking of Buildings;
- 2.7. corrosion, rust, wet or dry rot, dampness, dryness, shrinkage, evaporation or loss of weight;
- 2.8. change in temperature, colour, flavour, texture or finish;
- 2.9. vermin, insects or borers;
- 2.10. marring or scratching;
- 2.11. cracking, fracturing, collapse or overheating of boilers, economisers, pressure vessels, tubes or pipes;
- 2.12. joint leakage and/or fracture of welds of boilers;
- 2.13. electronic, electrical or mechanical breakdown or derangement;

unless in respect of exclusion 2.6 to 2.13 the loss or damage is covered by some other Insured Peril.

- 2.14.
 - 2.14.1. theft or any attempt at theft of Items other than power operated travel hoists, cranes, lifting equipment, boat movers and moulds unless:
 - 2.14.1.1. there is forcible and violent entry to or exit from any of the Buildings at the Premises;
 - 2.14.1.2. following actual or threatened assault or violence to you, your employees or a member of your or their families.

We do not cover theft:

- 2.14.1.3. of any Item in any yard, garden or open space;
- 2.14.1.4. involving acts of dishonesty of you, any principal, an Employee or a member of your family;
- 2.14.1.5. or attempted theft of power operated travel hoist, cranes, lifting equipment, boat movers and moulds from an area of the Premises unless from an area enclosed by properly maintained walls or fences and gates which are locked at times other than during Business Hours;

2.14.1.6. of or to any item unless the keys have been removed to a locked or attended building; or

2.14.1.7. of parts or accessories and/or contents of any such Item unless such parts, accessories or contents are stolen at the same time as the Item to which they belong;

2.15. acts of fraud or dishonesty;

2.16. any loss discovered at any periodic check, disappearance, misplacing or misfiling of information;

2.17.

2.17.1. freezing; or

2.17.2. escape of water from any tanks, apparatus or pipe; or

2.17.3. malicious persons;

when the Premises are Unoccupied or any Building is derelict or disused.

2.18. subsidence, ground heave or landslip;

2.19. normal settlement or bedding down of new structures;

2.20. wind, rain, hail, sleet, snow, flood or dust to:

2.20.1. moveable property in the open other than power operated travel hoists, cranes, lifting equipment, boat movers and moulds;

2.20.2. fences and gates;

2.21. any Glass which at the commencement of the Period of Insurance was already broken or cracked or in any way defective;

2.22. loss or damage resulting directly or indirectly from defects in framework, beading or other fittings;

2.23. breakage occurring during installation or removal or resulting from repairs or alterations to Glass or its framework, beading or other fittings;

2.24. disfiguration or damage other than fracture extending through the entire thickness of Glass;

2.25. any bent, fancy, edged, ornamental, special, armoured or stained glass unless specially agreed by us in writing.

3. EXTENSION

We also cover damage to Buildings for which you are responsible caused by or during theft or attempted theft of any Item insured by us (whether or not we insure the Buildings) if the Buildings are not insured by you or on your behalf with another insurer.

We will not pay under this Extension more than the total Sum Insured under this Section.

4. OPTIONAL COVER

SUBSIDENCE

The undernoted extension is applicable to this Section 1A only if it is stated in the Schedule to this Section as applying and subject to the **Conditions Precedent** and other terms of the Policy, we will cover physical loss or damage caused by subsidence or heave of the site on which the Building(s) stands, landslip or avalanche.

We do not cover:

- 4.1. the first £1,000 of each occurrence of physical loss of or damage to the Building or such greater sum as is noted in the Schedule to this Section;
- 4.2. loss of or damage to:
 - 4.2.1. service tanks, drains, pipes, cables;
 - 4.2.2. fixed fuel oil or gas tanks and their bases;
 - 4.2.3. walls, gates, fences;unless any insured Building is damaged by the same cause and at the same time.
- 4.3. loss or damage arising during the course of structural repairs, alterations, extensions, groundworks, excavations or dredging;
- 4.4. loss or damage caused by:
 - 4.4.1. normal settlement, shrinkage or expansion;
 - 4.4.2. subsidence or heave of made up ground;
 - 4.4.3. faulty construction or the use of defective materials;
 - 4.4.4. coastal or river erosion.
- 4.5. It is a **Condition Precedent** to our liability that you will notify us immediately you become aware of any demolition, groundworks, excavation, construction or dredging being carried out on any adjoining site when we shall have the right to vary the terms or cancel the cover by this Insured Peril.

5. EXCLUSIONS ITEMS

- 5.1. We do not cover loss or damage to:
 - 5.1.1. money, cheques or credit cards;
 - 5.1.2. deeds, bonds and securities;
 - 5.1.3. pyrotechnics and flares;
 - 5.1.4. fixed glass other than in windows and doors.
- 5.2. If Insured and stated in the Schedule we only cover physical loss of or damage to:
 - 5.2.1. jewellery, precious stones, precious metals, bullion and valuables;
 - 5.2.2. furs, antiques, curiosities, rare books or works of art;
 - 5.2.3. china, earthenware, marble or other fragile or brittle or glass objects;caused by fire, lightning, explosion, aircraft, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, earthquake, storm, tempest, flood, escape of water from water tanks, apparatus or pipes, sprinkler leakage, impact by any road vehicle or animals and not otherwise excluded.
- 5.3. We do not cover loss or damage caused to:
 - 5.3.1. vehicles licensed for road use including their accessories, caravans, locomotives and/or rolling stock or aircraft unless caused to them by impact of a vehicle not owned by you;
 - 5.3.2. water craft and other stock in trade unless specifically noted in the Schedule to this Section;
 - 5.3.3. Goods in Transit;

- 5.3.4. property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection;
 - 5.3.5. land, roads, pavements, yards, forecourts, drives, footpaths, bridges, culverts or excavations;
 - 5.3.6. marina installations unless stated in the Schedule;
 - 5.3.7. livestock, growing crops or trees;
 - 5.3.8. property damaged as a result of it undergoing any process.
- 5.4. We will not pay for any loss or damage if at the time when the loss or damage occurs the Property or any Item is or would, but for this insurance, be covered by any policy or policies of insurance except in respect of any excess beyond the amount which would have been payable under the other policy or policies had this insurance not been effected.

6. EXCLUDED PERILS

The following Insured Perils ARE ONLY EXCLUDED if stated against an Item(s) described in the Schedule to this Section.

We do not cover you for physical loss of or damage to an Item described in the Schedule to this Section by any of the Perils listed below and stated as applicable in the Schedule to this Section:

- 6.1. fire;
- 6.2. lightning;
- 6.3. explosion;
- 6.4. aircraft or other aerial devices or articles dropped or falling from them;
- 6.5. malicious persons, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances;
- 6.6. earthquake or subterranean fire;
- 6.7. fire caused by an Item's own spontaneous fermentation, heating or combustion;
- 6.8. storm, tempest or flood;
- 6.9. escape of water from water tanks, apparatus or pipes;
- 6.10. impact by mechanically propelled vehicle(s), railway locomotives or rolling stock, watercraft or animals;
- 6.11. water accidentally discharged or leaking from any automatic sprinkler installation(s);
- 6.12. theft or attempted theft of Items other than power operated travel hoists, cranes, lifting equipment, boat movers and moulds:
 - 6.12.1. by forcible and violent entry to or exit from any of the buildings at the Premises;
 - 6.12.2. following actual or threatened assault or violence to you, your Employees, or a member of your or their families;
- 6.13. theft or attempted theft of Items other than power operated travel hoists, cranes, lifting equipment, boat movers and moulds from an area at the Premises enclosed by properly maintained walls or fences and gates which are locked at all times other than during Business Hours.

7. AMOUNT PAYABLE

If you suffer loss or damage which is covered under the terms of this Section of the Policy the amount that we will pay in respect of all Items except glass will be calculated as follows:

Total Loss

- 7.1. if the Item is totally lost or destroyed; or

Constructive Total Loss

- 7.2. if the cost of recovering and/or replacing the Item will exceed the Sum Insured; at our option the cost of replacement of the Item on a like for like basis up to the Sum Insured less the Excess or the Sum Insured of the Item less the Excess;
- 7.3. in case of Total Loss or a Constructive Total Loss we may at our option replace the Item. If we decide to exercise this option it is a **Condition Precedent** that you will give us all appropriate help and assistance and all relevant documentation to allow us to replace. In replacing we are only obliged to provide an Item of similar type and not a replica;
- 7.4. in all other cases the reasonable cost of recovering and/or repairing the Item less the Excess.

Partial Loss

- 7.5. In cases of partial loss we may at our option recover or repair or arrange the recovery or repair ourselves. If we decide to exercise the option it is a **Condition Precedent** that you will give us all appropriate help and assistance and all relevant documentation to allow us to replace and repair. In repairing we are only obliged to repair to a standard similar to that prior to damage.

Limit of Liability

- 7.6. The Limit of our Liability for any one loss will not exceed the Sum Insured less the Excess for the Item lost or damaged.

Unrepaired Damage

- 7.7. We will not be liable for any unrepaired damage.

Average

- 7.8. If there is a partial loss and the Sum Insured is less than a full reinstatement or replacement value we will reduce our payment by the amount directly proportional to the amount of under-insurance.

Betterment

- 7.9. If an Item damaged by an Insured Peril is repaired and as a result its value increases we will reduce our payment by the amount of that increase.

Additional Costs

- 7.10. We will pay the costs properly and necessarily incurred by you with our written consent in removing debris, dismantling and/or demolishing and shoring up and propping an Item destroyed or damaged by an Insured Peril.

7.10.1. We will not pay for any costs or expenses:

7.10.1.1. incurred in removing debris from any place other than the site where an Item is lost or damaged and the area immediately adjoining that site;

7.10.1.2. arising from pollution or contamination of any property not insured by this Policy.

7.10.2. In respect of Buildings we shall also pay for the costs of repair to underground water, drainage, sewage and gas pipes and underground electricity and telephone cables supplying the Building(s) from the main.

Glass forming part of the Building(s)

7.11.1. If you suffer loss or damage to glass which is covered under the definition of Building(s) at our option we will either:

7.11.1.1. pay the cost of replacement or reinstatement of glass; or

7.11.1.2. pay you a sum of money equivalent to the cost of reinstatement.

We may at our option reinstate glass and if we decide to exercise this option it is a **Condition Precedent** to our liability that you will give us all appropriate help and assistance and all relevant documentation to allow us to reinstate. In reinstating, we are only obliged to provide glass of a similar type and not a replica.

7.11.2. in addition we will pay to you:

7.11.2.1. the reasonable costs of necessary boarding up incurred as the direct result of such breakage;

7.11.2.2. the cost of making good any damage to window frames, framework, security or other fittings resulting from such breakage;

7.11.2.3. the cost of removal or replacement of any window fittings or other obstructions to replacement;

7.11.2.4. the cost of replacement of any superimposed lettering or designs following such breakage provided that the existence of such lettering or designs have previously been declared to us;

7.11.2.5. damage to insured property as a direct result of breakage of insured glass in a shop front or display window.

8. BUILDING REGULATIONS

8.1. We will pay those additional costs which you are obliged to and do incur but for the purposes only of complying with European Community Legislation, building or any other lawful regulation in case of loss or damage to a Building by an Insured Peril. It is a **Condition Precedent** to our liability that all work of reinstatement and repair is completed and carried out with all reasonable speed and in any event within 12 months of the operation of an Insured Peril or such other further time as we may grant in writing.

8.2. In any event we will not pay:

8.2.1. costs incurred where compliance was required before the loss or damage;

8.2.2. costs incurred in respect of those parts of a Building which is undamaged unless as a direct consequence of the Insured Event;

8.2.3. any rate, tax, duty, development charge or other charge or assessment which you may have to pay because of any repair or reinstatement;

8.2.4. in respect of physical loss or damage occurring prior to the inception of this clause 8;

8.2.5. in respect of a notice which has been served upon you prior to the physical loss or damage occurring;

8.2.6. costs consequent upon which there is an existing requirement which has to be implemented within a given period;

8.2.7. any additional cost that would have been required to make good the property lost or destroyed or damaged to a condition equal to its condition when new had the necessity to comply with European Community Legislation, building or other regulation not arisen;

8.2.8. the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with European Community Legislation, building or other regulation.

- 8.3. If our liability under the Policy apart from this clause 1A.8 shall be reduced by the application of the **Conditions Precedent**, conditions and other terms of the Policy then our liability under this clause 1A.8 shall be reduced in like proportion;
- 8.4. the total amount recoverable in respect of this clause 1A.8 shall not exceed:
 - 8.4.1. in respect of property lost, destroyed or damaged the sum Insured of that property;
 - 8.4.2. in respect of undamaged portions of property (other than foundations) 15% of the total amount which we would have been liable had the Item at the Premises where loss or damage occurs been wholly destroyed.

9. ADDITIONS

This provision only applies if specifically noted in the Schedule.

- 9.1. We extend this insurance to cover Machinery and Buildings in respect of additions and extensions in excess of the sum insured provided that you advise us of any Additions and Extensions every six months and you pay the additional premium required from the acquisition date of such Additions and Extensions.
- 9.2. We will not cover any Appreciation in Value and the limit which we will agree with you as being the amount representing Additions and Extensions shall be the lesser of either 10% of the sum insured of the Item or £100,000 sterling for all Additions and Extensions.

10. CONTRACT PRICE

This provision only applies if specifically noted in the Schedule.

Where goods which are sold but not delivered are lost or damaged by an Insured Peril the amount we will pay will be based on the contract price of those goods. Provided that:

- 10.1. the sale contract is cancelled solely because of the operation of an Insured Peril;
- 10.2. you are responsible for the goods under your Conditions of Sale;
- 10.3. the value of all such goods (whether damaged or not) shall be ascertained on the same basis and Average applied if appropriate.

We will only be responsible for the goods lost or destroyed and not for any other amount.

11. DESIGNATION

For the purposes of determining under which Item property is insured we will accept the designation under which the Property has been entered in your books.

12. ACTS OF TENANTS

If any tenant of any Building increases the danger of loss or damage but without your authority or knowledge this will not prejudice the Policy provided that immediately you become aware of such increase in risk you give notice to us and pay any reasonable premium requested by us.

13. REINSTATEMENT

When an Item marked with the word "Reinstatement" in the Schedule to this Section is lost or damaged the basis upon which the amount payable is to be calculated shall be the reinstatement of the Item(s) lost or damaged.

For this purpose "reinstatement" means:

- 13.1. the rebuilding or replacement of Items lost or damaged which if our liability is not increased may be carried out:
 - 13.1.1. in any manner suitable to your requirements; or
 - 13.1.2. upon another site;
- 13.2. the repair or restoration of the damaged Items;

in either case to a condition equivalent to or substantially the same as but not better or more extensive than their condition when new.

Condition Precedent

It is a **Condition Precedent** under this extension that the work of reinstatement must be commenced and carried out with all reasonable speed and in any event completed within 12 months of the operation of the Insured Peril or such further time as we may grant in writing.

Limit

The Limit of our Liability will not exceed the amount which we would have paid for reinstatement if the Item had been wholly destroyed.

Date of payment

We will not be required to make any payment until the cost of reinstatement has been incurred.

Average

Where this clause has been incorporated into the Schedule then any payment by us shall be subject to the following condition of Average.

If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstatement of the whole of the property covered by an Item subject to this Reinstatement Condition exceeds its Sum Insured at the commencement of any damage, our liability shall not exceed that proportion of the amount of the damage which the Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time.

Other insurance

If there is any other insurance in force which is not upon the identical basis of this clause then we will not be liable beyond that amount which would have been payable under this Policy if this clause had not been included.

Personal effects

This clause does not apply to directors', visitors' or employees' pedal cycles, tools and other personal effects.

14. TEMPORARY REMOVAL

We insure Items while temporarily removed from the Premises for cleaning, renovation, repair or other similar purposes in connection with the Business to elsewhere in the Geographical Limits and whilst in transit. We shall not be liable to pay more than that amount that would have been paid by us had the loss or damage occurred whilst the Item was at the Premises.

This clause does not apply to:

- 14.1. an Item that is otherwise insured;
- 14.2. motor vehicles and motor chassis licensed for normal road use;
- 14.3. property held by you in trust other than plant and Machinery.

15. VESSELS IN THE OPEN

Provided that we have agreed in writing in the Schedule to this Section that this provision applies we cover you for theft of vessels or trailers at the Premises enclosed by walls and fences and gates.

We do not cover loss or damage caused by theft to:

- 15.1. any outboard motor unless securely locked to a vessel by an anti-theft device in addition to its normal method of attachment and the keys be removed to a place of safe keeping;
- 15.2. any trailers unless the trailer is secured by a wheelclamp or other device approved by us in writing or is in a locked place of storage;
- 15.3. vessels on a trailer unless the trailer is secured by a wheelclamp or other device approved by us in writing or is in a locked place of storage.

CONDITION PRECEDENT

It is a **Condition Precedent** to our liability under this Extension that all protections to the gates of an enclosed area are maintained in a proper and efficient working order and are put into operation whenever the Premises are closed and that all walls, fences and gates for which you are responsible are maintained in good repair.

16. RESTORATION OF SUM INSURED

When we pay a claim on an Item, the Sum Insured will not be reduced and you will pay an appropriate additional Premium on the amount of the claim that we pay you from the date of the claim to the end of the Period of Insurance.

17. DAY ONE BASIS

- 17.1. this clause applies to Buildings and/or Machinery if it is stated in the Schedule as applying;
- 17.2. you have stated in writing the Declared Value of each Item to which this clause applies and we have stated it in the Schedule and calculated the Premium accordingly;
- 17.3. you agree that at the start of each Period of Insurance you will notify us of the Declared Value of the Property insured by each relevant Item;
- 17.4. if you do not notify us, we will take the last amount declared by you for the relevant Items as the Declared Value for the coming Period of Insurance;
- 17.5. where this clause has been incorporated into the Schedule then any payment by us will be subject to the following condition of Average:

If the Declared Value of the Property covered by the Item is less than the full cost of reinstatement (as defined in clause 13 - Reinstatement) at the start of the Period of Insurance, then we will reduce our payment by the amount directly proportional to the amount of under-insurance.

- 17.6. The Limit of our Liability will not exceed:
 - 17.6.1. the percentage of the Declared Value noted in the Schedule; or
 - 17.6.2. in all the total Sum Insured in respect of each separate Premises stated in the Schedule,whichever is the less.

18. LANDSCAPED GARDENS

- 18.1. The Policy hereby extends to cover costs and expenses incurred with our consent in making good destruction of or damage to landscaped gardens or grounds at the Premises caused by damage as insured hereby but excluding:
 - 18.1.1. the cost of movement of soil other than as necessary for surface preparation;
 - 18.1.2. the failure of trees, shrubs or turf to become established following replanting;
 - 18.1.3. the failure of seeds to germinate.
- 18.2. Provided that:
 - 18.2.1. we shall not be liable for the first £1,000 in respect of each and every loss arising from damage caused by storm, flood or malicious persons (other than by fire or explosion) not acting on behalf of or in connection with any political organisation or all other damage;
 - 18.2.2. our liability any one occurrence shall not exceed £10,000 or 10% of the Sum Insured by the relevant item, whichever is the lesser.

19. METERED WATER

We will pay the cost for which you are responsible in respect of loss of metered water provided that:

- 19.1. the amount payable in respect of any one Premises is limited to such excess water charges demanded by the Water Authority and resulting from the accidental escape of water from pipes, apparatus or tanks in consequence of damage insured hereby;

19.2. our liability under this Extension any one occurrence shall not exceed £10,000 or 10% of the Sum Insured by this Section, whichever is the lesser.

20. TRACE AND ACCESS

Provided this Policy covers loss or damage to Buildings then in event of damage resulting from escape of water or fuel oil, the insurance is extended to include the costs necessarily and reasonably incurred with our consent in:

- 20.1. locating the source of such damage;
- 20.2. the subsequent making good of damage caused as a consequence thereof.

Provided that our liability for any one occurrence shall not exceed £10,000 or 10% of the Sum Insured by this Section, whichever is the lesser.

21. UNAUTHORISED USE OF ELECTRICITY, GAS OR WATER

The insurance extends to include the cost of metered electricity, gas or water for which you are legally responsible arising from its unauthorised use by persons taking possession, keeping possession or occupying the Premises without your authority.

Provided that:

- 21.1. all practicable steps are taken to terminate such unauthorised use as soon as it is discovered;
- 21.2. our limit of liability any one occurrence shall not exceed £10,000 or 10% of the Sum Insured by the relevant item, whichever is the lesser.

22. THEFT OF KEYS

Where damage by theft is not excluded in its entirety we will pay to you the reasonable expenses not exceeding £500 incurred for the necessary replacement of locks following the loss of keys to the Premises or any safe or strongroom therein caused by theft from the Premises or from your private residence of the Insured or an authorised Employee.

23. FIRE EXTINGUISHING EXPENSES

We will indemnify you in respect of costs and expenses incurred in refilling, recharging or replacing any:

- 23.1. portable fire extinguishing appliances; or
- 23.2. local fire suppression system; or
- 23.3. fixed fire suppression system; or
- 23.4. sprinkler installation; or
- 23.5. sprinkler heads;

a result of damage as insured by this Section.

We will not indemnify you in respect of any costs and expenses which are recoverable from the maintenance company or fire service.

If in relation to any claim for fire extinguishing expenses you have failed to fulfil the following condition, you will lose your right to indemnity or payment for that claim. It is a **Condition Precedent** to our liability under this Extension that you maintain all such equipment in accordance with the manufacturer's instruction.

The maximum we will pay in respect of any one claim under this Extension is £2,500.

24. TEMPORARY BOARDING UP

We will indemnify you in respect of damage to fixed glass including the costs of any necessary boarding up or temporary glazing, pending the replacement of broken glass and of removing and re-fixing window fittings and other obstacles to replacement.

The maximum we will pay in respect of any one claim under this Extension is £1,000.

SECTION 1 (B) GLASS

1. COVER

Subject to this Part of this Section being shown as applicable in the Schedule to this Section and subject to the **Conditions Precedent** and other terms of the Policy, we will cover you for physical loss of or damage to Glass described in the Schedule to this Section.

2. EXCLUSIONS

We do not cover:

- 2.1. any Glass which at the commencement of the Period of Insurance was already broken or cracked or in any way defective;
- 2.2. loss or damage resulting directly or indirectly from defects in framework, beading or other fittings;
- 2.3. breakage occurring during installation or removal or resulting from repairs or alterations to Glass or its framework, beading or other fittings;
- 2.4. disfiguration or damage other than fracture extending through the entire thickness of Glass;
- 2.5. any bent, fancy, edged, ornamental, special, armoured or stained glass unless specially agreed by us in writing;
- 2.6. interruption of the Business or any consequential loss.

3. AMOUNT PAYABLE UNDER SECTION 1 (B)

- 3.1. If you suffer loss or damage to Glass which is covered under the terms of the Policy at our option we will either:
 - 3.1.1. pay the cost of replacement or reinstatement of Glass; or
 - 3.1.2. pay you a sum of money equivalent to the cost of reinstatement.

We may at our option reinstate Glass and if we decide to exercise this option it is a **Condition Precedent** to our liability that you will give us all appropriate help and assistance and all relevant documentation to allow us to reinstate. In reinstating, we are only obliged to provide Glass of a similar type and not a replica.

- 3.2. In addition we will pay to you:
 - 3.2.1. the reasonable costs of necessary boarding up incurred as the direct result of such breakage;
 - 3.2.2. the cost of making good any damage to window frames, framework, security or other fittings resulting from such breakage;
 - 3.2.3. the cost of removal or replacement of any window fittings or other obstructions to replacement;
 - 3.2.4. the cost of replacement of any superimposed lettering or designs following such breakage provided that the existence of such lettering or designs have previously been declared to us;
 - 3.2.5. damage to insured property as a direct result of breakage of insured glass in a shop front or display window.

4. COVER EXTENSIONS

You will only have the cover under this Section 1(B) subject to the **Conditions Precedent** and other terms of the Policy if the relevant number of the Extension is written upon the Schedule:

- 4.1. Signs
 - 4.1.1. We will cover damage to the signs specified in the Schedule;

- 4.1.2. we will not cover loss or damage:
 - 4.1.2.1. to lighting tubes unless Glass is also fractured;
 - 4.1.2.2. arising from wear and tear, mechanical or electrical breakdown;
 - 4.1.2.3. resulting from worn or defective fastenings;
 - 4.1.2.4. occurring during any process of repair, removal or erection of the signs or any part of the signs;
- 4.1.3. we will pay the reasonable cost of repairing or replacing the Item;
- 4.1.4. the Limit of our Liability under this Extension is the Sum Insured stated in the Schedule to this Section for this Extension.

4.2. Sanitaryware

- 4.2.1. We will cover damage to sanitaryware specified in the Schedule provided the damage renders the article wholly unserviceable;
- 4.2.2. we will not cover:
 - 4.2.2.1. chipping, cracking, wear and tear or other gradual deterioration;
 - 4.2.2.2. the cost of replacing undamaged sanitaryware to match replacement sanitaryware.
- 4.3. The Limit of our Liability is the cost of replacement by an Item of similar type.

**SECTION 1 (C)
BUSINESS
PROPERTY
AWAY FROM
THE PREMISES**

1. COVER

Subject to this Part of this Section being shown as applicable in the Schedule to this Section and subject to the **Conditions Precedent** and other terms of the Policy, we will cover you for physical loss of or damage to Items described in the Schedule in this Section whilst at the Situation(s) stated in the Schedule to this Section.

2. EXCLUSIONS

We do not cover:

- 2.1. loss or damage caused by:
 - 2.1.1. wear and tear, depreciation, corrosion, weathering, vermin, insects, rot, fungus or gradually operating causes;
 - 2.1.2. bad construction, defective design or the use of defective materials;
 - 2.1.3. an Item undergoing any process;
 - 2.1.4. inherent vice or latent defects;
 - 2.1.5. riot or civil commotion occurring outside Great Britain;
- 2.2. electronic, electrical or mechanical breakdown or derangement;
- 2.3. loss or damage involving dishonesty by you or an Employee or a member of your family;
- 2.4. loss of Money contained within any Item;
- 2.5. loss or damage caused by theft or any attempt at theft unless:
 - 2.5.1. there is forcible and violent entry to or exit from a locked building or vessel; or
 - 2.5.2. following actual or threatened assault or violence to you, your Employees or a member of your or their families;
 - 2.5.3. from any enclosed Vehicle owned or operated by you which when last attended had all points of access closed and securely locked and all protections put into operation and all keys removed from the Vehicle and retained by the driver and there is evidence of forcible and violent entry to or exit from the Vehicle;
- 2.6. loss or damage caused by theft or any attempt at theft of any laptop;
 - 2.6.1. which is in any Vehicle and not out of sight at any time; or
 - 2.6.2. is left in an unattended Vehicle between the hours of 1900 and 0600; or
 - 2.6.3. which is in an unlocked and unattended office or room unless it is:
 - 2.6.3.1. secured by a proprietary security device; or
 - 2.6.3.2. in a locked cupboard or desk;
- 2.7. water damage to an Item when left in the open or when on an open Vehicle;
- 2.8. erasure or distortion of data recorded on data carrying materials which are mounted in any computer equipment for use of processing unless caused by loss or damage to the computer equipment by an Insured Peril.

3. AMOUNT PAYABLE UNDER SECTION 1 (C)

If you suffer loss or damage which is covered under the terms of this Section 1(C) the amount that we pay will be calculated as follows:

3.1. at our option:

The cost of replacement or reinstatement of an Item up to but not exceeding the Sum Insured less the Excess if:

- 3.1.1. the Property is totally lost or destroyed; or
 - 3.1.2. the costs of recovering and/or replacing the Item will exceed the Sum Insured.
- 3.2. In case of total loss or a constructive total loss we may at our option reinstate the Item or pay a sum of money equivalent to the cost of reinstatement less the Excess. If we decide to exercise this option it is a **Condition Precedent** that you will give us all appropriate help and assistance and all relevant documentation to allow us to reinstate. In reinstating, we are only obliged to provide an Item of similar type and not a replica.
- 3.3. In all other cases the reasonable costs of recovering the Item and/or the reasonable costs of effecting repairs less the Excess.
- 3.4. The Limit of our Liability for any one loss shall not exceed the Sum Insured on each Item less the Excess.
- 3.5. We will not be liable for any unrepaired damage.
- 3.6. In respect of portable telephones, we shall pay a sum of money equivalent to the amount of outstanding air rental plus £10 (up to a maximum of £250).
- 3.7. If there is a partial loss and the Sum Insured is less than a full reinstatement or replacement value we will reduce our payment by the amount directly proportional to the amount of under-insurance.
- 3.8. If an Item damaged by an Insured Peril is repaired and as result its value increases we will reduce our payment by the amount of that increase.
- 3.9. We do not cover any liability for loss and/or damage which at the time of the happening such loss and/or damage is insured by or would, but for the existence of this Policy, be insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Policy not been in existence.

SECTION 1 (D) FROZEN FOOD

DEFINITION FOR SECTION 1 (D) ONLY

PLANT

The Plant described in the Schedule to this Section including all electrical or metal mechanical parts integral to the Plant including in the case of electricity driven plant the individual starter and the wiring between the motor and starter.

1 COVER

Subject to the **Conditions Precedent** and other terms of the Policy we will cover you for physical loss or damage to food in the cold chamber of the plant by deterioration or putrefication caused by:

- 1.1. rise or fall in temperature resulting from:
 - 1.1.1. breakdown of the Plant or non operation from any inherent cause or of any thermostatic device controlling the Plant or failure of the wiring between the starting switch plug and the driving motor;
 - 1.1.2. sudden and unforeseen damage (other than breakdown) to the Plant that in our opinion necessitates immediate repair or replacement;
 - 1.1.3. accidental failure of the public supply of electricity;
 - 1.1.4. escape of refrigerant or refrigerant fumes from the Plant.

2. EXCLUSIONS

We do not cover loss or damage caused by:

- 2.1. reduced efficiency of the Plant from any cause;
- 2.2. any failure of electrical current which does not involve total stoppage for at least thirty consecutive minutes;
- 2.3. interruption in the electricity supply from the point of intake at the Premises to the main switch or plug of the motor;
- 2.4. deliberate act by the supplier authority or the exercise by any such authority of its power to withhold or restrict the supply of electricity unless such withholding or restriction is for the purposes of safeguarding life or protecting property;
- 2.5. fire, lightning, explosion, earthquake, aircraft or other aerial devices or articles dropped from them but this exception shall not apply to the cover provided under Section 1(D) 1.1.3 in respect of such an occurrence elsewhere than in the Premises in which the Plant is situated;
- 2.6. contributed to or the consequence of any strike, lock-out, riot or civil commotion;
- 2.7. interruption of business or any other consequential loss.

3. AMOUNT PAYABLE UNDER SECTION 1 (D)

If you suffer loss or damage covered under the terms of Section 1(D) of the Policy at our option we will either:

- 3.1. pay you the cost of replacement of food lost or damaged up to but not exceeding the Sum Insured less the Excess; or
- 3.2. replace the food lost or damaged less the Excess; or
- 3.3. the Limit of our Liability from any one loss shall not exceed the Sum Insured on food less the Excess; or
- 3.4. if there is a partial loss and the Sum Insured is less than a full reinstatement or replacement value we will reduce our payment by the amount directly proportional to the amount of under insurance.

4. CONDITION PRECEDENT

It is a **Condition Precedent** to our liability under this Section that you have in force and keep in force a maintenance contract with a refrigeration engineer for each Item of Plant which is not a sealed unit.

SECTION 1 (E) GOODS IN TRANSIT

1. COVER

Subject to this Part of the Section being shown as applicable in the Schedule to this Section and subject to the **Conditions Precedent** and other terms of the Policy, we will cover you for physical loss of or damage to Goods in Transit:

- 1.1. whilst they are in transit by land or water including loading and unloading within the Geographical Limits; and
- 1.2. whilst temporarily housed in securely locked premises in the ordinary course of transit whether on or off the Vehicle for a period of up to thirty days.

2. EXCLUSIONS

We do not cover:

- 2.1. loss or damage to:
 - 2.1.1. vessels owned, hired or leased by you unless stated otherwise in the Schedule to this Section;
 - 2.1.2. bullion and money;
 - 2.1.3. jewellery, watches, gold, platinum and silver articles, precious stones, unprocessed non ferrous metals;
 - 2.1.4. furs, skins;
 - 2.1.5. video and audio equipment, portable telephones, computers and their accessories, personal digital assistants, tablets or other like or similar products;
 - 2.1.6. video cassettes, video discs, computer discs, compact discs, CD Roms, DVDs;
 - 2.1.7. cigarettes, tobacco, wines, spirits;
 - 2.1.8. objets d'art, antiques;
 - 2.1.9. musical instruments;
 - 2.1.10. property stored at a rental or for a predetermined period or under a contract for storage and distribution.
- 2.2. loss or damage caused directly or indirectly or arising from:
 - 2.2.1. theft of an Item in or on a Vehicle owned or operated by you when left unattended unless all points of access are closed and securely locked and all protections put into operation and all keys are removed from the Vehicle and retained by the driver and there is evidence of forcible and violent entry to or exit from the Vehicle and if an outboard motor is attached to any vessel it is fitted with an anti-theft device in addition to its normal method of attachment;
 - 2.2.2. theft from Vehicle(s) belonging to or under your control being left loaded overnight unless the Vehicle is contained within a securely locked or attended garage or compound;
 - 2.2.3. water damage of an Item when in a Vehicle owned or operated by you which Vehicle is not a closed Vehicle;
 - 2.2.4. inherent vice, inherent defect, insufficiency or unsuitability of packing, wear and tear or any gradually operating cause;
 - 2.2.5. use of hooks;
 - 2.2.6. delay;

- 2.2.7. moth, vermin, insects, damp, mildew, rot;
- 2.2.8. unexplained shortage;
- 2.2.9. the conveyance by you of explosives, acids, dangerous chemicals or flammable substances;
- 2.2.10. the dishonesty of any driver or other person in your service;
- 2.2.11. the overloading of the conveying Vehicle;

2.3.

- 2.3.1. cracking, scratching or breakage of glass, china, statuary marble and similar brittle articles or furniture;
- 2.3.2. waste due to leakage or spillage of any liquid, gas or Item;
- 2.3.3. deterioration;
- 2.3.4. loss of or damage to scientific instruments, clocks, pictures, electrical appliances unless caused by fire or theft or an accident to or of the conveying Vehicle;
- 2.3.5. depreciation in value or loss of market;
- 2.3.6. loss or damage which you have insured at the time by any other policy arranged by or on your behalf;
- 2.3.7. loss of, injury to or death of livestock.

3. AMOUNT PAYABLE UNDER SECTION 1 (E)

If you suffer loss or damage which is covered under the terms of the Section 1(E) the amount that we will pay will be calculated as follows:

- 3.1. at our option the cost of replacement or reinstatement of an Item up to but not exceeding the Sum Insured less the Excess if:
 - 3.1.1. the Item is totally lost or destroyed; or
 - 3.1.2. the cost of recovering and/or replacing the Item will exceed the Sum Insured;
- 3.2. in case of total loss or constructive total loss we may at our option reinstate an Item or pay a sum of money equivalent to the cost of reinstatement less the Excess. If we decide to exercise this option it is a **Condition Precedent** that you will give us all appropriate help and assistance and all relevant documentation to allow us to reinstate. In reinstating, we are only obliged to provide an Item of similar type and not a replica;
- 3.3. in all other cases the reasonable cost of repairing an Item and/or the reasonable cost of effecting repairs less the Excess;
- 3.4. the Limit of our Liability for any one loss shall not exceed the Sum Insured less the Excess of the Item lost or damaged;
- 3.5. we will not be liable for any unrepaired damage;
- 3.6. if there is a partial loss and the Sum Insured is less than the full reinstatement or replacement value, we will reduce our payment by the amount directly proportional to the amount under insurance;
- 3.7. if an Item damaged by an Insured Peril is repaired and as a result its value increases, we will reduce our payment by the amount of that increase.

3.8 Additional Expenses

We will indemnify you for costs and expenses you reasonably incur with our consent, in respect of:

- 3.8.1. transferring the insured property to any other Vehicle or trailer, or delivering such property to its original destination, or returning to its place of despatch, consequent upon collision or overturning of the conveying vehicle;
- 3.8.2. the reloading of insured property to the conveying Vehicle or trailer following accidental discharge;
- 3.8.3. the removal of debris and site clearance following damage to property insured up to a limit of £2,500 or the amount stated in your Schedule;
- 3.8.4. clothing and personal effects.

We will indemnify you for damage to clothing and personal effects caused by or following an accident to any Vehicle up to a limit of £500 any one Event or the limit stated in the Schedule whichever is the lesser.

4. **CONDITION PRECEDENT**

It is a **Condition Precedent** to our liability under this Section that you will:

- 4.1. take and ensure that your Employees take all reasonable precautions for the safety of goods and use such sheets, ropes, chains, toggles, tarpaulins and packing materials as are necessary for the protection of goods. Such articles to be in good order and condition and replaced when necessary; and
- 4.2. exercise reasonable care in the selection of steady, sober, reliable and competent drivers; and
- 4.3. maintain and keep in efficient condition any Vehicle in your ownership or control used for the conveyance of Goods in Transit; and
- 4.4. comply with any statutory requirements as may apply to the operation of the Vehicle; and
- 4.5. maintain and keep in efficient condition all protections on and to your Vehicles; and
- 4.6. during the Period of Insurance keep an accurate record of the relevant particulars of Goods in Transit and will at all times allow us to inspect such record.

5. **SPECIAL CONDITIONS APPLICABLE TO SECTION 1 (E)**

- 5.1. Within one month of the expiry of each Period of Insurance you will furnish to us such particulars and information as we may require to adjust the Premium for that period and will pay to us within thirty days any further premium due.
- 5.2. Upon the discovery of an occurrence of any loss or damage which may give rise to a claim under this Sub-Section, you will take such action as is necessary under the conditions of contract between you and the carrier to notify the carrier of the loss or damage within any time limit stipulated by the carrier or seven days whichever is the lesser. If you prejudice our rights of recovery by failing to take such action the claim shall be reduced by the amount that would otherwise have been recovered from the carrier.

SECTION 1 (F) EXHIBITIONS

DEFINITIONS FOR SECTION 1 (F) ONLY

EXPENSES

Costs directly incurred in connection with the Exhibition including advertising, printing, stationery, insurance premiums, charges for space and services, hire of vans, transport charges and costs of installing stands, fittings and exhibits.

EXHIBITION

Those exhibitions named in the Schedule to this part of the Policy or otherwise agreed by us in writing.

EXHIBITION PROPERTY

Exhibits, stands, marquees, furniture, furnishings, stationery, display materials, office equipment, stationary vessels when on land but not water and other similar property on the stand for the purpose of the Exhibition.

1. COVER

Subject to this Part of the Section being shown as applicable in the Schedule to this Section and subject to the **Conditions Precedent**, Limitations and the other terms of the Policy we will cover:

- 1.1. physical loss or damage to Exhibition Property at the Exhibition named in the Schedule or whilst in direct inland transit to or from the Exhibition anywhere within the Geographical Limit; and
- 1.2. loss of Expenses sustained by you as a result of physical loss or damage:
 - 1.2.1. to any building, stand, marquee or similar erection or other property or any part of them used by you at the exhibition premises;
 - 1.2.2. to any Exhibition Property used in connection with the Exhibition while in transit to or from the exhibition premises or whilst in the Exhibition Premises;

happening at any time before the advertised public closing time of the Exhibition and as a result of which the Exhibition is interfered with, cancelled or abandoned.
- 1.3. loss of Expenses as a result of abandonment or cancellation of the Exhibition by the organisers.

2. EXCLUSIONS

We do not cover:

- 2.1. loss of market, loss of profit, delay or any consequential loss;
- 2.2. money and securities;
- 2.3. jewellery, clocks, watches, fur, livestock;
- 2.4. damage to glass, china, marble, earthenware, scientific instruments, furniture, antiques, curios, sculptures, works of art, pictures, prints, drawings, engravings and goods of a brittle nature unless caused by fire, theft or as a direct result of collision of the conveying Vehicle or overturning of the conveying Vehicle;
- 2.5. damage to:
 - 2.5.1. machinery due to over-running operations;
 - 2.5.2. any electrical machine or apparatus due to over-running, excessive pressure, short circuiting or self heating;
 - 2.5.3. clothing and effects of visitors taken in transit to or from the Exhibition;

- 2.6. damage:
 - 2.6.1. due to insufficient labelling or incorrect addressing or as a result of failure to make proper and complete declarations that may be required by carriers;
 - 2.6.2. arising as a result of packaging which was inadequate to withstand normal handling during transit;
 - 2.6.3. of Exhibition Property in or on:
 - 2.6.3.1. any Vehicles owned or operated by you or your Employees or agents when left unattended;
 - 2.6.3.2. any Vehicle which is being used for social, domestic or pleasure purposes except this shall not apply to Exhibition Property in the custody of the postal authority, railway or other carrier;
 - 2.6.3.3. open Vehicles owned by or operated by you caused by atmospheric or climatic conditions in relation to the Exhibition Property that is not protected by vehicle sheets;
- 2.7. loss or damage caused by or arising from:
 - 2.7.1. atmospheric, climatic or weather conditions in respect of exhibitions held in the open or in marquees or in tents;
 - 2.7.2. wear, tear, depreciation, deterioration, mildew, moss, vermin, any process of cleaning or repairing, inherent vice, inherent nature, mechanical or electrical breakdown, failure or derangement unless external damage has occurred.

3. AMOUNT PAYABLE UNDER SECTION 1 (F)

If you suffer loss or damage which is covered under the terms of this Section 1(F) the amount that we will pay will be calculated as follows:

- 3.1. if the Exhibition is abandoned or cancelled by the organisers an amount equal to the Expenses you have paid or are liable to pay;
- 3.2. if the Exhibition is interfered with such proportion of the Expenses as you have paid or are liable to pay;
- 3.3. if the Exhibition remains open to the public in part we shall only pay such proportion of the Expenses which that part being interfered with bears to the whole of the event;
- 3.4. if you suffer loss or damage covered by the terms of this Section at our option we will either:
 - 3.4.1. pay you the cost of repair or replacement of the Property lost or damaged; or
 - 3.4.2. replace the Property damaged;
 and in each case less the Excess.

The Limit of our Liability for any loss will not exceed the Sum Insured less the Excess. If there is a partial loss and the value of the Exhibition Property at the commencement of any damage be of greater value than the Sum Insured then you will be considered as your own insurer for the difference. We will reduce our payment by the amount directly proportional to the amount of under insurance.

4. EXCLUSIONS

We will not be liable in respect of loss or damage to:

- 4.1. Exhibition Property whilst being demonstrated;
- 4.2. Exhibition Property whilst being worn;
- 4.3. Vehicles and vessels whilst they are being driven under their own motive power;
- 4.4. vessels whilst in the water;
- 4.5. vessels of 30 feet or more in length whilst in transit unless agreed by us in writing.

5. SECURITY REQUIREMENTS

- 5.1. We will not be liable in respect of theft of Exhibition Property during Exhibition hours unless the stand is attended by you or your representative at all times.
- 5.2. We will not be liable in respect of theft of Exhibition Property from a room containing exhibits outside Exhibition hours unless:
 - 5.2.1. the room is attended by you or your representatives or the theft involves entry to or exit from the room by forcible and violent means; or
 - 5.2.2. the exhibition Premises or site is controlled by security personnel.

SECTION 2 FINANCIAL LOSS

DEFINITIONS FOR SECTION 2 ONLY

ANNUAL GROSS REVENUE

The Gross Revenue during the twelve months immediately before the date of the Insured Peril to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Insured Peril or which would have affected the Business had the Insured Peril not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Insured Peril would have been obtained during the relative period after the Insured Peril.

CUSTOMERS' ACCOUNTS

Your accounts of all customers with whom you trade on a credit or hire purchase basis.

ESTIMATED GROSS PROFIT

The Sum Insured shown in the Schedule to this Section which you represent as being your anticipated Gross Profit for the Maximum Indemnity Period.

GROSS PROFIT

The total of:

1. the turnover;
2. closing stock plus work in progress; less the total of:
 - 2.1. cost of purchase less discounts;
 - 2.2. opening stocks less work in progress;
 - 2.3. Specified Working Expenses.

GROSS REVENUE

The money paid or payable to you in respect of subscriptions, membership fees, entrance fees, activity/training fees, mooring fees, visitors' fees, bar, refreshment and other takings.

INDEMNITY PERIOD

The period which starts with the occurrence of the Insured Peril and ends when your Business ceases to be affected by the direct consequences of the Insured Peril or expiry of the Maximum Indemnity Period whichever is the earlier.

MAXIMUM INDEMNITY PERIOD

The period shown in the Schedule to this Section during which you are covered for the interruption of or interference with your Business.

RATE OF GROSS PROFIT

The percentage of Gross Profit earned on the Turnover during the financial year immediately before the date of the occurrence of the Insured Peril.

RENT RECEIVABLE

Monies received for the actual occupation of the Premises including mooring and hard standing fees but excluding other monies that are receivable, even under a Lease, such as insurance premium, management charges, service charges, rates, sinking funds and all other like and similar payments.

STANDARD TURNOVER

The Turnover during that period in the year immediately before the occurrence of the Insured Peril which corresponds with the Indemnity Period.

SECTION 2 (A) BUSINESS INTERRUPTION COVER

1. COVER

Subject to the **Conditions Precedent** and other terms of the Policy and provided this Section is shown as being applicable in the Schedule to this Section and if any property used by you:

- 1.1. at or from the Premises; or
- 1.2. undergoing sea trials; or
- 1.3. covered under this Section of the Policy by being mentioned in the Schedule;

for the purposes of the Business suffers physical loss or damage and in respect of 1.1 and 1.3 is insured by us by being noted in the Schedule to Section 1 and in respect of 1.2 is insured by us by being noted in the Schedule to Section 4 Part 1 and we make payment to you in respect of that loss or damage we will cover you for business interruption or interference caused by any of the Insured Perils stated as applicable in the relevant Schedule to the applicable Section.

2. EXCLUSIONS

The Limit of our Liability during any one Period of Insurance shall not exceed in respect of each item the lesser of the Sum Insured under that item or the total Sum Insured noted in the Schedule for this Section 2 (A).

3. AMOUNT PAYABLE UNDER SECTION 2 (A)

The sum that we will pay to you will be calculated as follows:

- 3.1. Multiplying the Rate of Gross Profit by the difference between the Turnover during the Indemnity Period and the Standard Turnover having applied the Adjustment Clause.
- 3.2. We will also pay additional costs necessarily and reasonably incurred by you with our prior written agreement for the sole purpose of avoiding or reducing loss of Turnover during the Indemnity Period.
- 3.3. We will deduct from our payment all sums saved during the Indemnity Period which you would have paid but for the occurrence of the Insured Peril.
- 3.4. When calculating your loss of Gross Profit, we will take into account all circumstances and variations which would have affected your Business both prior to and after the occurrence of the Insured Peril. The amount so found will be adjusted so as to reflect properly the financial results of your Business had the Insured Peril not occurred so the figure shown is an accurate assessment of what your Business would have achieved.
- 3.5. When calculating opening and closing stocks, your usual accounting method of depreciation will be used. If you do not have a usual method, then good accountancy methods will be used. If you are accountable for VAT, all calculations will be exclusive of this.
- 3.6. We will not take into account any adjustment you make for current cost accounting.

4. LIMIT ON AMOUNT PAYABLE

- 4.1. Where the Sum Insured under this Section is less than the sum calculated by multiplying the Rate of Gross Profit by the annual turnover (or to a proportionally increased sum where the Indemnity Period is greater than a year) we will reduce our payments directly proportional to the difference.
- 4.2. Where the Sum Insured under this Section is shown as Estimated Gross Profit, our payment will not exceed $1\frac{1}{3}$ of the Estimated Gross Profit.
- 4.3. The Limit of our Liability in respect of increase in costs of working will not exceed the sum of money found by multiplying the Rate of Gross Profit by the amount of the reduction in turnover avoided.
- 4.4. Where we insure computers or computer records the Limit of our Liability for business interference or interruption shall be limited to the increased cost of working in replacing the computer records.

5. PROVISIONAL PREMIUM

- 5.1. If we pay for loss or damage which occurs during this Period of Insurance and the provision is noted in the Schedule, the Premium will be calculated on the same basis that we pay you:
- 5.1.1. if the Premium charged is endorsed in the Schedule as provisional it will be adjusted when we receive your report of your Gross Profit for the financial year nearest to the Period of Insurance;
 - 5.1.2. you will provide us within six months or such other period as may be agreed of the end of the Period of Insurance with your report showing your Gross Profit for the financial year nearest to the Period of Insurance;
 - 5.1.3. if your report shows a Gross Profit less than the Sum Insured we will return the difference in Premium, but not exceeding 50% of the Premium paid;
 - 5.1.4. we shall be entitled to require you to produce a certificate from your Accountant confirming the accuracy of your report.

6. ACCOUNTANT'S COSTS OF CLAIM

- 6.1. We shall, in addition to the sums payable above, pay to you:
- 6.1.1. the reasonable charges of your professional Accountants for producing particulars and details or any other proof, information or evidence that may be required by us under this Section for the purposes of any claim; and
 - 6.1.2. the cost of your professional Accountants reporting the particulars and details of the claim in accordance with your books of accounts and other business books or documents;
- provided that the total sum payable by us under this Section will in no case exceed the Sum Insured.
- 6.2. We will not pay for the cost of preparing your claim or costs that you might incur in seeking advice from or having your accountants or other professional person negotiate a claim settlement with us.

7. ADDITIONAL CLAUSES

7.1. ALTERNATIVE TRADING

If during the Indemnity Period, goods are sold or services are rendered elsewhere than at the Premises for the benefit of your Business either by you or by anyone else on your behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.

7.2. DEPARTMENTAL CLAUSE

If your Business is conducted in departments, the independent trading results of which are ascertainable to each separate department, the provisions of clause 3.1 and 3.2 of Turnover reduction shall apply separately to each department affected by any loss or damage except that if the Sum Insured by Item 1 is less than the aggregate the department has produced by applying the Rate of Gross Profit for each department of the Business (whether affected by the damage or not) to the relevant Turnover, the amount payable under Item 1 shall be proportionally reduced.

7.3. RENT RECEIVABLE

Provided that this clause is shown as applying in the Schedule, we will, subject to the **Conditions Precedent** and other terms of the Policy, pay a sum of money being the difference between the rent you would have received but for the occurrence of the Insured Peril and the rent that you

actually received during the Indemnity Period. We will deduct from our payment all sums which you would have paid out of the rent but for the occurrence of the Insured Peril.

7.4. ADDITIONAL INCREASED COST OF WORKING

Provided that clause is shown as applying in the Schedule subject to the **Conditions Precedent** and other terms of the Policy, we will pay the additional sum over that otherwise payable as an increase in the cost of working under clause 3.2 of this section provided it is incurred reasonably for the sole purpose of avoiding or reducing loss of turnover during the Indemnity Period and with our prior written agreement. The Limit of our Liability is the Sum Insured as stated in the Schedule against this Item.

8. BOOK DEBTS

8.1. Provided this clause is shown as applying in the Schedule to this Section we will cover your loss of outstanding debit balances directly caused by physical loss or damage to your business records at the Premises by an Insured Peril.

8.2. AMOUNT PAYABLE FOR OUTSTANDING DEBIT BALANCES

We will pay the amount of your last debit balances up to the Sum Insured and adjusted for:

- 8.2.1. bad debts; and
- 8.2.2. amount received from or credited to customers in the period between the end of the preceding month and the date of the occurrence of the Insured Peril; and
- 8.2.3. all circumstances or variations which would have affected your business both prior to and after the occurrence of the Insured Peril.

8.3. LIMIT ON AMOUNT PAYABLE FOR OUTSTANDING BALANCES

Our payment is limited to:

- 8.3.1. the outstanding debit balances less a total of the amount received or traced; and
- 8.3.2. the additional expenditure which you incur with our consent in tracing outstanding debit balances;

but not exceeding the Sum Insured.

8.4. UNDER INSURANCE

If the Sum Insured is less than the outstanding debit balances, we will reduce our payment in direct proportion to the difference.

8.5. DECLARATION OF PREMIUM CALCULATION

- 8.5.1. If you have this extension you will give to us a declaration within thirty days of the end of each month showing the total amount of outstanding balances at the end of that month;
- 8.5.2. we will adjust your premium on the average amount insured at our standard rate at the end of each Period of Insurance up to the Sum Insured;
- 8.5.3. if the adjusted premium is less than the minimum premium we will not return to you any amount of premium;
- 8.5.4. if the adjusted premium is more than the provisional premium you will pay us the difference within thirty days of the end of the Period of Insurance.

8.6. PROOF OF LOSS

We will pay to you the reasonable costs of professional accountants for producing such particulars and proof of loss as may be required in respect of any loss under this extension provided the total amount payable under this extension and in respect of such costs shall not exceed the Sum Insured. We will not pay for the costs of preparing your claim or costs that you might incur in seeking advice from or having your accountants negotiate a claim settlement with us.

8.7. CONDITION PRECEDENT

If you have this extension, it is a **Condition Precedent** to our liability that:

8.7.1. your accounts, books and records are kept in fire resistant cabinets when not in use;

8.7.2. you will make a back-up of all computer records at least every seven days and will keep at least one copy of the back-up either:

8.7.2.1 in fire resistant containers designed to protect electronic data; or

8.7.2.2 away from the Premises.

8.8. INSOLVENCY

This extension will automatically cease if your Business is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued unless we otherwise agree in writing.

9 COVER EXTENSIONS

The under-noted extensions are applicable to this Section 2 only if they are stated in the Schedule to this Section as applying and are subject to the **Conditions Precedent** and other terms of this Policy and you pay to us any additional premium required. We will cover you for interruption or interference with the Business as a result of physical loss or damage:

9.1. DAMAGE TO INLAND WATERWAYS

to the canal(s) and inland waterways shown in the Schedule;

We do not cover under this extension Business Interruption caused by drought.

9.2. CONTRACT SITE

at any situation in the Geographical Limits not in your occupation but where you are carrying out a contract;

9.3. DENIAL OF ACCESS

to property within one mile of the Premises which prevents you obtaining access to the Premises whether or not the Premises or your property in the Premises are damaged;

9.4. DAMAGE IN THE VICINITY

to property within one mile of your Premises which could cause loss of custom to you directly due to loss of amenities in the immediate vicinity whether the Premises or your Property in the Premises are damaged or not;

9.5. EXHIBITION SITES

at any situation in the Geographical Limits not in your occupation where you are exhibiting your goods or services for sale;

9.6. PATTERNS

to patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs which are your property or held by you in trust or on commission

for which you are responsible whilst at premises in the Geographical Limits of any machine maker, engineers, founders, moulders or other metal workers but excluding any premises wholly or partly occupied by you and whilst in transit by road, rail or inland waterway within the Geographical Limits;

9.7. PROPERTY STORED

to your property whilst stored anywhere in the Geographical Limits elsewhere than at the Premises which you occupy;

9.8. SPECIFIED CUSTOMERS

at the Premises of those customers which are detailed in the Schedule;

9.9. TRANSIT

to your property whilst in transit by road, rail or inland waterways in the Geographical Limits;

9.10. UNSPECIFIED CUSTOMERS

at the Premises of any of your customers;

9.11. SPECIFIED SUPPLIERS

at the Premises of those suppliers which are detailed in the Schedule;

9.12. UNSPECIFIED SUPPLIERS AND STORAGE SITES

at the premises of any of your suppliers, manufacturers or processors of component goods or materials but excluding the Premises of any supply company from which you obtain electricity, gas, water or telecommunication services and premises not in your occupation where your property is stored all in the Geographical Limits;

9.13. UTILITIES (ELECTRICITY)

to Property at any land based generating station or sub-station of the electricity supply company from which you obtain electricity;

9.14. UTILITIES (GAS)

to Property at any land based premises of the gas supply company or any natural gas producer linked directly with it from which you obtain gas;

9.15. UTILITIES (TELECOMMUNICATIONS)

to Property at any land based premises of the telecommunications company from which you obtain telecommunications services;

9.16. UTILITIES (WATER)

to Property at any waterworks or pumping station of the water supply company from which you obtain water;

9.17. DISEASE AND ILLNESS EXTENSION

The insurance by this Section 2A is extended to cover loss as insured hereunder directly resulting from interruption of or interference with the Business carried on by you in consequence of:

9.17.1. Notifiable Disease manifested by any person whilst employed by you;

9.17.2. injury or illness sustained by any guest arising from or traceable to foreign or injurious matter in food or drink provided by you at the Premises;

- 9.17.3. closing of the whole or part of the Business by the order or on the advice of a competent Public Authority as a result of:
 - 9.17.3.1. defects in the drains or other sanitary arrangements at the Premises;
 - 9.17.3.2. the Premises becoming infested with vermin or pests;
- 9.17.4. Special Provisions
 - 9.17.4.1 Notifiable Disease means illness sustained by any person resulting from any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition) an outbreak of which the competent local authority has stipulated shall be notified to them;
 - 9.17.4.2. for the purpose of this extension Indemnity Period means the period during which the results of the Business shall be affected in consequence of the Damage, beginning:
 - a) in the case of 9.17.1 and 9.17.2 above, with the occurrence or discovery of the incident;
 - b) in the case of 9.17.3 above, with the date from which the restrictions on the Premises are applied;

and ending not later than the Maximum Indemnity Period thereafter;
 - 9.17.4.3. for the purposes of the extension our limit of liability shall not exceed the lesser of the Sum Insured under Section 2 (A) or 15% of the Standard Turnover of the Business.

9.18. LOSS OF GROSS REVENUE

We will pay:

- 9.18.1. the sum by which the Gross Revenue during the Indemnity Period shall in consequence of the loss fall short of the Gross Revenue; and
- 9.18.2. in respect of increase in cost of working, being the additional expenditure necessarily and reasonably incurred during the Indemnity Period for the sole purpose of avoiding or diminishing loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period but not exceeding the amount of the reduction in Gross Revenue thereby avoided;

less in both cases:

- 9.18.2.1. the cost of purchases; and
- 9.18.2.2. any sum saved during the Indemnity Period in respect of such charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the loss;

caused by any Item used by you:

- 9.18.3.1. at or from the Premises, or
- 9.18.3.2. undergoing sea trials;

for the purpose of the Business suffering physical loss or damage and is insured by us as being noted in the Schedule and we make payment to you in respect thereof.

9.19. LOSS OF LICENCE INSURANCE

DEFINITIONS – for this extension only

Annual Revenue

The Revenue during the twelve months immediately before the date of the Event to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Event or which would have affected the Business had the Event not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Event would have been obtained during the relative period after the Event.

Event

The loss of Licence.

Indemnity Period

The period beginning with the Event and ending not later than the last day of the Indemnity Period during which the results of the Business shall be affected in consequence of the Event. If the Premises are disposed of within the Indemnity Period after the Event, the Indemnity Period shall terminate either:

- a) upon disposal; or
 - b) 12 months after the Event;
- whichever is the earlier.

Licence

Means a Licence for the sale of alcohol under the Licencing Act 2003 or any statutory modification or re-enactment.

Revenue

The money paid or payable to you in respect of bar and refreshment and other takings lost less the cost of relative purchases and for these purposes subscriptions, membership fees, entrance fees, visitors fees lost shall be considered as Revenue.

1. Cover

Subject to the **Conditions Precedent**, Limitations and other terms of the Policy, we cover you for loss of bar and/or catering revenue resulting from partial or total interruption to your Business due to an Event occurring during the Period of Insurance provided that if you shall be entitled to obtain the payment of compensation under the provisions of any Act of Parliament in respect of the refusal to renew the Licence, no claim shall arise hereunder.

We will also pay costs and expenses incurred by you with our written consent.

Our liability shall not exceed the Sum Insured.

2. Exclusions

We do not cover forfeiture or refusal of renewal of your Licence if:

- 2.1. you are entitled to receive compensation under any Act of Parliament in respect of the refusal to renew the Licence;
- 2.2. the forfeiture or refusal is occasioned wholly or partly by or through:
 - 2.2.1. misconduct, procurement, connivance, neglect or omission; or
 - 2.2.2. failure to take any step necessary for keeping the Licence in force, by you or by any person for whom you are responsible or by a responsible person under the Licence;
- 2.3. the Premises are required for any public reason or if surrender or refusal to renew or forfeiture arises directly or indirectly from any scheme of town or country planning, improvement or re-development;

- 2.4. there is any alteration of the law affecting the grant, surrender, refusal to renew or forfeiture of Licence;
- 2.5. you make any alterations to the Premises which require the consent of the Licensing Justices or other necessary authority without first obtaining approval;
- 2.6. the Premises:
 - 2.6.1. are closed for any period not required by Law; or
 - 2.6.2. are not maintained in a satisfactory state of repair and sanitary condition; or
 - 2.6.3. any direction or requirement of the Licensing Justices or other authority is not complied with;

unless you prove to our reasonable satisfaction that such matter was beyond your power or control.

3. Amount Payable

- 3.1. In respect of loss of Revenue the sum by which the Revenue during the Indemnity Period shall in consequence of the Event fall short of the Annual Revenue.
- 3.2. If you suffer forfeiture or are refused renewal of your Licence we will pay to you:
 - 3.2.1. the depreciation in value of your interest in the Premises by such forfeiture or refusal to renew; and
 - 3.2.2. those costs and expenses incurred by you with our written consent in connection with an appeal against forfeiture or refusal to renew.
- 3.3. The limit of our liability will not exceed the Sum Insured by this Section less the Excess.
- 3.4. We shall be entitled to deduct from any payment any sum saved during the Indemnity Period in respect of the charges and expenses of the business payable out of Revenue as may cease or be reduced in consequence of the Event.

4. Conditions Precedent

It is a **Condition Precedent** to our liability that;

- 4.1. if you become aware of any:
 - 4.1.1. complaint against the Premises or its control;
 - 4.1.2. proceedings against or conviction of the Licence holder, manager, tenant or occupier of the Premises for any breach of the licensing legislation or any matter at all by which the character or the reputation of the person concerned is affected or called into question with respect to their honesty, moral standing or sobriety;
 - 4.1.3. change in tenancy or management of the Premises;
 - 4.1.4. transfer or proposed transfer of the Licence;
 - 4.1.5. alteration in the purpose for which the Premises are used;
 - 4.1.6. objection to renewal or other circumstances which may endanger the Licence or its renewal;

you will give to us as soon as possible written notice and supply such additional information and give such assistance as we may reasonably require.

- 4.2. You shall give written notice to us within seven days of the forfeiture or withdrawal of or suspension or refusal to renew or transfer any Licence or of any event likely to prejudice the Licence coming to your knowledge stating (as far as you are able), the grounds on which any order was made or the particulars of such Event and we shall be entitled to appeal in your name against any such refusal to renew or transfer or forfeiture or withdrawal or suspension and shall have full discretion in the conduct of any proceedings. You shall give all such assistance as we may require;

- 4.3. you shall give written notice to us within 48 hours of receiving information whether oral or written that:
 - 4.3.1. any notice, caution or complaint has been given or made against the Premises or the tenant, manager, occupier or Licence holder or servant or that such person has been summoned or charged with or convicted of or committed for trial for any breach of the licensing law or any matter whatsoever reflecting on the honesty, moral stability or sobriety of the person concerned;
 - 4.3.2. an application for renewal or transfer is to be opposed or that its consideration is adjourned or the Licence holder is required to give any undertaking or structural alterations are required.
- 4.4. as soon as practicable after the forfeiture, withdrawal, suspension or non-renewal of or refusal to transfer a Licence you shall deliver to us a detailed statement of the loss with all such proofs and information as we may reasonably require together with (if required) a statutory declaration of the truth and accuracy of such statement. You shall permit us to take proceedings at our own expense and for our own benefit but in your name to recover compensation or secure indemnity from any party in respect of anything covered by this Policy;
- 4.5. no alteration to the Premises shall be made without the sanction of the licensing and other competent authorities and no offer shall be made to surrender or discontinue any Licence without our written consent;
- 4.6. you shall exercise against the tenant, manager or occupier of any Premises and the Licence holder all rights, powers and privileges which you may be entitled to exercise to protect any Licence against loss or to protect your interest. You shall make all such applications for a protection order and generally do all such acts or things which you may be entitled to do under the provisions of the appropriate legislation governing such Licences or otherwise to prevent the loss of any Licence by non-renewal, forfeiture, withdrawal, suspension or refusal to transfer. In the event of the death, bankruptcy or incapacity of any tenant, manager, occupier or Licence holder or if any such person shall abscond you shall produce a suitable person to replace him and forthwith make application for the transfer of the Licence or grant of the Licence by way of renewal to such other person;
- 4.7. in the event of the Licence holder absconding or misconducting himself in a manner likely to endanger the Licence you shall promptly give written notice to us and do everything in your power to have the Licence transferred to a suitable and responsible person approved by us. In the event of the Licence holder becoming by any sickness or other infirmity personally unfit to hold the Licence you shall immediately use your best endeavours to obtain a transfer or transfers to a suitable and responsible person approved by us and upon the death of the Licence holder his executors or other legal representatives shall immediately apply for a transfer of the Licence to one of their number who shall make all alterations and repairs to the Premises desired by the licensing authority. You shall be bound to take all reasonable and necessary steps to ensure that the foregoing provisions are given effect;
- 4.8. we shall in no case be bound to accept notice of any transfer of interest arising hereunder and nothing herein contained shall give any right against us to any person other than you except a transferee approved by us which approval shall not be unreasonably withheld;
- 4.9. you shall use due diligence to maintain the Premises in good sanitary and general repair and to comply with the directions or requirements of the Licensing Authority and do and concur in doing all things reasonably practical to avoid or diminish any loss herein.

9.20. INCREASED COST OF WORKING

We will pay your additional expenditure which has been reasonably and necessarily incurred as a result of damage insured by us and we make payment to you in respect of that loss or damage to continue your business during the Indemnity Period.

The limit of our liability in respect of increased cost of working will not exceed the sum of money found by multiplying the rate of Gross Profit by the amount of the reduction in turnover avoided.

The maximum amount we will pay will not exceed 50% of the maximum limit during the first three months of the indemnity period and then pro rata for the balance unless stated otherwise in your Schedule.

**SECTION 2 (B)
FINANCIAL
LOSS -
MONEY**

1. COVER

Subject to the **Conditions Precedent** and other terms of the Policy we will cover loss of your Money in the course of Business:

- 1.1. at the Premises;
- 1.2. in the ordinary course of transit;
- 1.3. at your home or those of your authorised employees;
- 1.4. at any of your contract sites during Business Hours;
- 1.5. in bank night safes.

In addition, we will cover loss of or damage to:

- 1.6. any safe or strongroom in the Premises;
- 1.7. any case, bag, waistcoat or belt containing Money; arising from theft or attempted theft of Money from them; and
- 1.8. clothing and personal effects belonging to you or any employee arising from theft or attempted theft of Money involving assault or violence or threat of violence.

2. EXCLUSIONS

We do not cover loss of Money:

- 2.1. caused by clerical or accounting error;
- 2.2. caused by the dishonest act(s) of employees unless discovered within seven working days of occurrence;
- 2.3. covered by another insurance policy except the Excess amount beyond that payable under the other policy;
- 2.4. outside the Geographical Limits;
- 2.5. from unattended vehicles;
- 2.6. from unattended vessels in excess of £250;
- 2.7. from any coin or token operated gaming, amusement or vending machine, unless involving forcible and violent entry to or exit from the Premises;
- 2.8. caused by change in the water table;
- 2.9. caused as a result of the interruption of the Business or any other consequential loss;
- 2.10. in the course of post unless registered.

3. CLOSED PREMISES CONDITIONS PRECEDENT

It is a **Condition Precedent** to our liability that:

- 3.1. whenever the Premises are closed for business or left unattended you will keep safes locked and ensure that all the keys to the safes and Premises and records of combination numbers of the safe(s) and strongroom(s) are removed from the Premises and if the person(s) holding the keys and records and combination number resides in a residence adjoining and communicating with the Premises, the keys and records and combination numbers are removed from the residence when left unattended;
- 3.2. you will leave the till or cash register draw empty and in a fully open position whenever the Premises are closed for business or left unattended;

- 3.3. you will maintain a complete record of Money which you will keep in a secure place separate from Money;

3.4 INTRUDER ALARM CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that:

- 3.4.1. whenever the Premises are closed for business or left unattended an Intruder Alarm shall be fully operational, properly maintained and fully set;
- 3.4.2. you will keep in force a maintenance contract for the Intruder Alarm with a maintenance company acceptable to the local police authority and is approved by and registered with a United Kingdom Accreditation Service accredited alarm inspectorate whose regulations and codes of practice must be observed;
- 3.4.3. all keys or fobs of the Intruder Alarm shall be removed whenever they are closed for business or left unattended;
- 3.4.4. you will not alter the Intruder Alarm without first obtaining our permission;
- 3.4.5. if any defect in the Intruder Alarm is discovered or the Police withdraw their services you will:
 - 3.4.5.1. immediately notify us when we will have the option of immediately cancelling this Section; and
 - 3.4.5.2. not leave the Premises unattended without our prior consent; and
 - 3.4.5.3. put into effect the additional temporary safeguards that we require; and
 - 3.4.5.4. give immediate instructions to the maintenance company to carry out the necessary repairs.

4. CONDITIONS PRECEDENT

It is a **Condition Precedent** to our liability that:

- 4.1. all protections shown in the Schedule of additional protections are properly installed, maintained and operational;
- 4.2. the following amounts of Money in the ordinary course of transit are accompanied as shown:
 - 4.2.1. more than £3,000 - at least two persons;
 - 4.2.2. more than £6,000 - at least three persons and are carried in private motor vehicles where the distance exceeds half a mile;
 - 4.2.3. more than £12,000 - professional security company;
- 4.3. when Money is in the custody of a security company you will comply with your contract with them and we agree your contract with the security company, shown in the Schedule.

5. AMOUNT PAYABLE

We will pay for Money lost by an Insured Peril up to the limits specified in the Schedule to this Section.

6. ASSAULT COVER

Provided that we note and agree in the Schedule to this Section that this extension will apply to your Policy we will cover an Insured Person as determined in this extension for Bodily Injury as a result of an Insured Peril as determined in the extension.

BODILY INJURY

Death or physical disablement including mental or nervous shock.

INSURED PERIL

Actual or attempted robbery or theft.

INSURED PERSON

You or any of your directors or employees or any other person to whom you have entrusted Money.

Cover

- 6.1. We will cover you for Bodily Injury to Insured Persons as a result of an Insured Peril which arises in the course of the Business and which causes an Insured Event shown in the Table of Benefits below.

Amount Payable

- 6.2. We will pay in respect of death, loss or disablement of the Insured Person the amount of Benefits shown in the Table of Benefits below.

TABLE OF BENEFITS

INSURED EVENT	BENEFIT
1. Death;	£10,000
2. Total or permanent loss or loss of use of one or more limbs, hands or feet;	£10,000
3. Total or permanent loss of sight of one or both eyes;	£10,000
4. Total or permanent loss of hearing or speech;	£5,000
5. Permanent total inability to attend to any occupation;	£10,000
6. Temporary total inability to attend to the usual occupation - per week.	£100

Limit on Amount Payable

- 6.2.1. We will not pay any Benefit under Insured Events 1,2,3,4 and 6 unless death, loss or disablement occurs within twelve calendar months of the date of the Insured Peril.
- 6.2.2. We will not pay a claim under Insured Event 5 until payment has continued under Insured Event 6 for a total of 104 weeks, unless we are satisfied that permanent and total disability from engaging in or giving attention to any occupation will continue thereafter for the remainder of the Insured Person's life. Once payment is made under Insured Event 5, no further payment will be made under Insured Event 6.
- 6.2.3. If the same Insured Peril causes more than one Insured Event we will only pay for the most serious Event.
- 6.2.4. We will not pay Benefit to an Insured Person under Insured Event 6 for more than 104 weeks from the date of the inability.
- 6.2.5. We will stop paying Benefit under Insured Event 6 as soon as the Insured Person resumes his or her usual occupation.

Payment

- 6.3. We will make payment to the affected employee or in the event of death to his personal representatives.

**SECTION 2 (C)
FINANCIAL
LOSS
DEFECTIVE
TITLE OF
VESSELS**

1. COVER

Subject to the **Conditions Precedent** and the other terms of the Policy we shall pay to you the purchase price less the Excess shown in the Schedule to this Section of any vessel if:

- 1.1. purchased or sold by you in the Geographical Limits during the Period of Insurance;
- 1.2. the claim is brought against you by a purchaser where you acted as agent in the sale of a vessel;
- 1.3. the true owner has proved a valid claim for the return of it or its value from you; or
- 1.4. the person to whom you have purported to sell the vessel has proved a valid claim for damages against you because you were unable to provide good title for the vessel or otherwise were negligent in your capacity as agent.

2. AMOUNT PAYABLE

The maximum amount that we shall pay to you under this Section 2(C) and in any Period of Insurance in which the claim(s) occurs, will be £10,000 or such other sum as may be agreed by us in writing and noted in the Schedule to this Section.

3. CONDITIONS PRECEDENT

It is a **Condition Precedent** to our liability under this Section of the Policy that:

- 3.1. you will obtain an original bill of sale and use reasonable endeavours to establish details of any finance agreement affecting the vessel and ensure the same is discharged;
- 3.2. you will keep accurate written records of all purchase transactions for second hand vessels;
- 3.3. all payment for vessels purchased by you or allowances for part exchange given by you must be paid by cheque, bank draft or bank transfer or by credit given by you against a new purchase;
- 3.4. no payment for purchase of any vessel which is registered shall be made until it is bought by you and it is registered in your name;
- 3.5. you will obtain from any vendor of any vessel prior to purchasing or agreeing to purchase it a signed declaration that he is the true owner and that there are no outstanding charges on the vessel.

SECTION 3 LIABILITIES

DEFINITIONS FOR SECTION 3 ONLY

BUSINESS

In addition to the General Definition of "Business" of the Policy the definition of Business for this Section only shall include:

1. the provision and management of catering, social, sports and other organisations for the benefit of your Employees;
2. first aid, fire, ambulance services and security services in connection with the Premises which you occupy;
3. private work carried out by an employee for you or any director, partner or senior official for which you consent;
4. participation in exhibitions within the Geographical Limits.

EMPLOYEE

Employee includes:

1. any person under a contract of service or apprenticeship with you;
2. any person borrowed by or hired to you;
3. any labour master or person supplied by him;
4. a labour only sub-contractor or any person supplied by him;
5. any self employed person working for you and under your direction and control;
6. any person engaged by you under a work experience or youth training scheme;
7. any person providing work for your Business on a voluntary or unpaid basis;

while working for you in connection with the Business.

INJURY

Bodily injury to the person including death, illness, disease or nervous shock, mental anguish, mental injury but not defamation.

INSURED

In addition to the General Definition of "Insured" in the Policy, the definition of Insured shall include for this Section:

1. any person for whom you are carrying out a contract away from the Premises but only to the extent required by such contract;
2. at your written request:
 - 2.1. any director, partner, committee member of a member's club, trustee or Employee in respect of liability for which you would have been entitled to claim under this insurance if the claim had been made against you;
 - 2.2. any officer or member of your catering, social, sports or welfare organisations, first aid, fire or ambulance services in their capacity as such;
 - 2.3. any director, partner or senior official of yours for whom with your consent an Employee is undertaking private work;
3. in the event of your death any personal representative in respect of liability incurred by you.

LEGAL COSTS

Legal costs means:

1. legal costs and expenses ordered as payable by you to any claimant by a Court of Competent Jurisdiction in the Geographical Limits and all costs and expenses incurred with our written consent;
2. your legal fees and expenses or of an Insured incurred with our prior written consent and any prosecution costs awarded against such person in respect of:
 - 2.1. the defence of any criminal proceedings brought against an Insured for an offence occurring during the Period of Insurance under the Health and Safety at Work etc. Act 1974 (The Act) and Merchant Shipping Acts safety legislation arising from the Business; and
 - 2.2. an appeal against a conviction arising from such proceedings;
3. Provided that:
 - 3.1. we will not be liable for the payment of fines or penalties;
 - 3.2. the Insured will comply with the terms of the Policy.

PRODUCTS

All products pertaining to your Business including materials, parts, components, accessories, containers, packaging and labels of the products:

1. which you have sold, supplied, stored, handled, constructed, repaired, altered, treated or transported; or
2. on which work has been carried out by you or on your behalf.

SOLICITORS FEES

Solicitors fees means the Fees incurred with our written consent for representation of an Insured at:

1. any coroners inquest or fatal accident inquiry arising from any death;
2. proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of a statutory duty resulting in Injury or loss of or damage to property;

which may be the subject of a claim under this Section of the Policy.

SECTION 3 (A) EMPLOYERS LIABILITY

1. COVER

Subject to Section 3 (A) being noted as included in the Schedule to this Section and subject to the **Conditions Precedent** and other terms of the Policy, we will cover an Insured in respect of legal liability for Injury sustained by any Employee arising out of and in the course of their employment by you in the Business and during the Period of Insurance occurring:

- 1.1. within the Geographical Limits;
- 1.2. elsewhere in the World in respect of Employees normally resident in and travelling from the Geographical Limits.

2. COMPULSORY LEGISLATION

The indemnity granted by this Section of the Policy is agreed and declared and deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to Employee[s] within the Geographical Limits but you will repay to us all sums paid by us which we would not have been liable to pay but for the provisions of such law.

3. EXCLUSIONS

- 3.1. We do not cover Injury arising:
 - 3.1.1. while any Employee is working on an offshore rig, platform or structure or whilst travelling thereto or therefrom; or
 - 3.1.2. while any Employee is carried in or upon a vehicle or entering or getting on to or alighting from a vehicle in circumstances where any road traffic legislation requires insurance or security; or
 - 3.1.3. while any Employee is working or is otherwise above a height of more than 20 metres or such other height as may be agreed by us in writing.
- 3.2. We shall not be liable for any amount payable under workman's compensation, social security or health insurance legislation for an Employee outside the Geographical Limits.

4. AMOUNT PAYABLE

We will pay:

- 4.1. the amount of Compensation:
 - 4.1.1. that is found by a competent Court or Tribunal within the Geographical Limits to be due to an Employee; or
 - 4.1.2. as may be agreed by us in writing;
- 4.2. Legal Costs and Solicitors Fees;

up to the sum of £10,000,000 sterling in respect of any one claim or series of claims arising out of any one event except in respect of Terrorism when we shall be liable up to the sum of £5,000,000 sterling in respect of any one claim or series of claims arising out of any one event.

5. SPECIAL CONDITIONS

Within one month from the expiry of each Period of Insurance you will furnish to us such particulars and information as we may require to adjust the Premium for that period and will pay to us within thirty days any further Premium due.

6. HEALTH AND SAFETY AT WORK ACT 1974

- 6.1.1. We will cover the Insured in respect of Legal Costs incurred with our written consent in respect of the defence of any criminal proceedings brought against any of the Insured for an offence occurring during the Period of Insurance under the Health & Safety at Work etc. Act 1974 (the Act) and similar legislation arising from the Business relating to matters affecting the safety, health and welfare of Employees and an appeal against a conviction arising from such proceedings.
- 6.1.2. We do not cover:
 - 6.1.2.1. the payment of fines or penalties; and
 - 6.1.2.2. prosecutions that arise out of an activity or risk not covered by this policy;
 - 6.1.2.3. Legal Costs arising from a breach of Section 6 of the Act unless Product Liability is operative.
- 6.1.3. Unless we agree otherwise in writing the limit of our liability under this Extension of Cover including all Legal Costs and Solicitors Fees shall be a maximum of £1,000,000 sterling during any one Period of Insurance.

7. Unsatisfied Court Judgements

- 7.1. In the event of a judgement for damages being obtained by any paid Employee in respect of Injury to such Employee caused during any Period of Insurance and arising out of and in the course of employment by you in the Business against any corporation or individual operating from premises within Geographical Limits in any Court situate in that area and remaining unsatisfied in whole or in part six months after the date of such judgement we will at your request pay up to the Limit of Indemnity to the Employee or the personal representatives of such Employee up to the amount of any such damages awarded to such Employee together with costs to the extent that they remain unsatisfied up to but not exceeding the Limit of Indemnity.

Provided that:

- 7.1.1. there is no appeal outstanding;
 - 7.1.2. if any payment is made by us the Employee or the personal representatives of the Employee shall subrogate the judgement to us.
- 7.2. Our liability under this extension shall not exceed the Sum Insured under this Section in respect of any one claim.

8. Payment for Court Attendance

We will compensate you, if, at our request, any committee member, member for the time being, officer, director, partner, trustee or Employee is attending court as a witness in connection with a claim for which you are entitled to indemnity.

The maximum we will pay is £250 per day and £10,000 in aggregate during the Period of Insurance.

9. Legal Expenses arising from Corporate Manslaughter & Corporate Homicide Act 2007

We will indemnify you in respect of:

- 9.1.1. Legal Costs incurred with our written consent for defending proceedings, including appeals; and
- 9.1.2. costs of prosecution awarded against you which arise from criminal proceedings for any offence as defined in section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

We will not provide indemnity:

- 9.2. unless the proceedings relate to an actual or alleged offence committed and reported to us during the Period of Insurance occurring within the Geographical Limits and in connection with the Business or elsewhere in the world in respect of Employees temporarily employed or working outside the Geographical Limits or travelling to or from but normally resident within Geographical Limits;
 - 9.2.1. in respect of proceedings which:
 - 9.2.2. result from any deliberate act or omission by You;
 - 9.2.3. relate to any person other than an Employee;
 - 9.2.4. in respect of any:
 - 9.2.4.1. fines; or
 - 9.2.4.4. remedial or publicity orders or any steps required to be taken by such orders;
 - 9.2.5. where indemnity is provided by another insurance policy.

Our maximum liability under this Extension shall not exceed £1,000,000 sterling in aggregate during any one Period of Insurance.

10. CROSS LIABILITIES

If the Insured by this Section consists of more than one party, which in the case of a partnership includes each individual partner, we will indemnify each party in the Terms of this Section against liability incurred to the other as if the other was not included as an Insured provided our total combined liability to all persons shall not exceed the Limit of our Liability.

SECTION 3 (B) PUBLIC LIABILITY

1. COVER

Subject to Section 3B being noted as included in the Schedule to this Section and subject to the **Conditions Precedent** and other terms of the Policy, we will cover you in respect of your legal liability to third parties for:

- 1.1. Injury to any person;
- 1.2. loss of or damage to any material property;
- 1.3. trespass, nuisance, obstruction or interference with any right of way, light, air or water easement resulting in financial loss;
- 1.4. wrongful arrest, detention, imprisonment or eviction of any person or wrongful accusation of shop lifting;

arising out of and in connection with the Business and during The Period of Insurance happening:

- 1.5. within the Geographical Limits; or
- 1.6. within member countries of the European Economic Area where you or your employees are temporarily engaged in the Business; or
- 1.7. elsewhere in the world in connection with non manual commercial visits by you or your employees normally resident in and travelling from the Geographical Limits; or
- 1.8. elsewhere in the world in respect of Products except for excluded countries.

2. EXTENSIONS OF COVER

2.1. DEFECTIVE PREMISES ACT 1972

- 2.1.1. We agree that we will indemnify you against liability arising from defective work carried out by you or on your behalf to any premises owned by you within the Geographical Limits disposed of by you prior to the occurrence of the Injury or damage to property giving rise to liability;
- 2.1.2. We will not be liable for:
 - 2.1.2.1. any liability covered under any other policy of insurance;
 - 2.1.2.2. Injury, loss or damage happening prior to you disposing of the Premises;
 - 2.1.2.3. the cost of repairing, replacing or reinstating any defect giving rise to such claim.

2.2. HEALTH AND SAFETY AT WORK ACT 1974

- 2.2.1. We will cover the Insured in respect of Legal Costs incurred with our written consent in respect of the defence of any criminal proceedings brought against any of the Insured for an offence occurring during the Period of Insurance under the Health & Safety at Work etc. Act 1974 (the Act) and similar legislation arising from the Business relating to matters affecting the safety, health and welfare of persons other than Employees and an appeal against a conviction arising from such proceedings.
- 2.2.2. We do not cover:
 - 2.2.2.1. the payment of fines or penalties; and
 - 2.2.2.2. prosecutions that arise out of an activity or risk not covered by this Policy;

2.2.2.3. Legal Costs arising from a breach of Section 6 of the Act unless Product Liability is operative.

2.2.3. Unless we agree otherwise in writing the limit of our liability under this Extension of Cover including all Legal Costs and Solicitors Fees shall be a maximum of £1,000,000 sterling during any one Period of Insurance.

2.3. DATA PROTECTION ACT

2.3.1. We will cover your liability under the Data Protection Act 1984-1998 if the process of registration under the Data Protection Act 1984-1998 has been commenced or completed by you or on your behalf and any application has not been refused or withdrawn.

2.3.2. We do not cover liability arising from or in respect of:

2.3.2.1. the provision by you of the services of a computer;

2.3.2.2. the recording or provision of data in respect of the financial status of any person;

2.3.2.3. your deliberate act or omission.

2.3.3. The Limit of our Liability under this Extension of Cover including all Legal Costs and Solicitors Fees shall be a maximum of £250,000 sterling during any one Period of Insurance.

2.4. CONSUMER PROTECTION ACT AND FOOD SAFETY ACT

2.4.1. We will cover an Insured and any Employee for Legal Costs incurred with our prior written consent in the defence of any criminal proceedings brought or an appeal against conviction arising from such proceedings in respect of a breach of Part 2 of the Consumer Protection Act 1987 or of Part 2 of the Food Safety Act 1990 or of Part 2 of the Food Safety (Northern Ireland) Order 1991 if the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business.

2.4.2. We do not cover:

2.4.2.1. the payment of fines or penalties;

2.4.2.2. any liability covered under any other policy of insurance;

2.4.2.3. proceedings brought because of your deliberate act or omission;

2.4.2.4. Solicitors' Fees in respect of an activity or risk not covered by the Policy.

2.4.3. Unless we agree otherwise in writing the limit of our liability under this Extension of Cover including all Legal Costs and Solicitors Fees shall be a maximum of £50,000 sterling during any one Period of Insurance.

2.5. LEASED OR RENTED PREMISES

2.5.1. We will cover your liability arising from physical loss of or material damage to Premises including landlord's contents, fixtures and fittings leased or rented (but not owned) by you in the course of the Business.

2.5.2. We do not cover:

2.5.2.1. liability that arises solely under the terms of a lease or rental agreement;

- 2.5.2.2. the first £500 of loss or damage caused other than by fire or explosion;
- 2.5.2.3. loss or damage caused by any Insured Peril which, under a tenancy or other agreement stipulates that you or the other Insured Person shall insure against.

2.6. CROSS LIABILITIES

If the Insured by this Section consists of more than one party, which in the case of a partnership includes each individual partner, we will indemnify each party in the Terms of this Section against liability incurred to the other as if the other was not included as an Insured provided our total combined liability to all persons shall not exceed the Limit of our Liability.

2.7. CORPORATE MANSLAUGHTER/HOMICIDE

- 2.7.1. We will indemnify you in respect of:
 - 2.7.1.1. Legal Costs incurred with our written consent in defending proceedings, including appeals; and
 - 2.7.1.2. costs of prosecution awarded against you which arise from criminal proceedings for any offences as detailed in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.
- 2.7.2. We will not provide indemnity:
 - 2.7.2.1. unless the proceedings relate to an actual or alleged offence committed and reported to us during the Period of Insurance within the Geographical Limits and in connection with the Business;
 - 2.7.2.2. in respect of proceedings which:
 - (a) result from any deliberate act or omission by You;
 - (b) relate to any person other than any committee member, member for the time being, officers, directors, trustees or employees;
 - 2.7.2.3. in respect of any:
 - (a) fines;
 - (b) remedial or publicity orders or any steps required to be taken by such orders;
 - 2.7.2.4. where indemnity is provided by another Insurance Policy.
- 2.7.3. Our liability under this extension shall not exceed the sum of £1,000,000 sterling in aggregate in respect of all claims made or brought in one Period of Insurance under this sub section.

2.8. PAYMENT FOR COURT ATTENDANCE

We will compensate you, if, at our request, any committee member, member for the time being, officer, director, trustee or employee is attending court as a witness in connection with a claim for which you are entitled to indemnity.

The maximum we will pay is £250 per day and £10,000 in aggregate during the Period of Insurance.

2.9. CPA CONDITIONS

Subject to this cover being noted in the Schedule to this Section, subject to the **Conditions Precedent** and other terms of the Policy and subject to any additional premium required by us being paid by you and subject to the Excess applicable to this extension, we will cover you for liability incurred from the hire of plant or cranes under contracts on C.P.A. or similar terms which are hired for the purpose of conducting Business within the Geographical Limits.

- 2.9.1. We will not be liable for:
 - 2.9.1.1. any liability covered under any other policy of insurance;
 - 2.9.1.2. payment of fines or penalties.
- 2.9.2. Unless we agree otherwise in writing the Limit of our Liability under this extension of cover including all Legal Costs and Solicitors Fees will be a maximum of £250,000 sterling.

3. EXCEPTIONS TO SECTION 3 B

We do not cover liability of an Insured arising from:

- 3.1. the ownership, borrowing, hiring or leasing of any Vessel;
- 3.2. Injury sustained by an Employee and arising out of and in the course of employment or engagement by the Insured;
- 3.3. physical loss of or material damage to property belonging to leased or hired in by an Insured or any Employee other than:
 - 3.3.1. personal effects (including vehicles) of Directors, visitors and Employees; and
 - 3.3.2. premises leased or rented to you;
- 3.4. libel or slander;
- 3.5. infringement of plans, copyright, patents, trade names, trade marks or registered design;
- 3.6. Injury, physical loss or damage, trespass, nuisance or interference with any right of way, light, air or water or other easement deliberately caused by or on the instructions of an Insured or an Employee of an Insured whilst engaged in supervisory duties unless caused by the deliberate act or reckless conduct of an Employee with knowledge that damage loss or financial loss would result;
- 3.7. the non-performance, non-completion or delay in completion of any contract or agreement or the payment of any penalty, fine or liquidated damages;
- 3.8. the ownership, possession or use of any aircraft, drones, unmanned aerial vehicles, hovercraft, drilling platform or rig;
- 3.9. the ownership, possession or use of any mechanically propelled vehicle or trailer attached to it which is required to be licensed for road use or which is required to be insured under the Road Traffic Act or similar legislation;

This exception does not apply to:

- 3.9.1. mechanical plant working as a tool of trade on any site where you are working or at your Premises;
- 3.9.2. the loading, unloading of any mechanically propelled vehicle or trailer unless Indemnity is granted by any other Insurance;
- 3.9.3. the use in connection with the Business of any motor vehicle which is not owned, provided or being driven by you.

We do not cover:

- 3.9.3.1. loss of or damage to any such vehicle;
- 3.9.3.2. liability which is insured or would be insured but for the existence of this Section under any other policy or policies;
- 3.10. power operated lifts, elevators, hoists or cranes or mechanically propelled vehicles or trailers attached to them used or hired by or lent to you except as may be specified in the Schedule to this Section;
- 3.11. or out of:
 - 3.11.1. vessels under construction, in the course of assembly; or
 - 3.11.2. vessels the subject of a broking agreement unless we agree in writing to the contrary;
- 3.12. demonstration, tuition, vessel movement, towing or trial trips, unless such trips and/or voyages are carried out either:
 - 3.12.1. within a radius of two hundred and fifty miles from the Premises, and;
 - 3.12.2. for periods not exceeding four hours duration, any one trial; and
 - 3.12.3. on vessels not exceeding the length stated in the Schedule to this Section;
 - 3.12.4. on vessels not being a proto-type or original model, designed, built, constructed or assembled by you prior to sale, handing over or delivery of such vessel; or
 - 3.12.5. within two hundred and fifty miles from the place where Employees might be working away from the Premises but the limit does not apply to non-tidal inland waters and upstream of the Thames Flood Barrier;
 - 3.12.6. at a speed not exceeding 45 knots.
- 3.13. any surveys, condition reports, valuations, wrongful design, advice or specification given for a fee or for which a fee is normally charged;
- 3.14. any salvage operation;
- 3.15. towing by any vessel of any thing (other than another vessel) or person;
- 3.16. waste materials, irritants, contaminants or pollutants, unless caused by sudden identifiable, unintended and unexpected events on the Premises which takes place in its entirety at a specific time and place during the Period of Insurance;
- 3.17. the knowing supply or sale of goods for use in any offshore rig, platform or structure or to be used:
 - 3.17.1. in the offshore, petrochemical, or nuclear industries;
 - 3.17.2. in computers or process control equipment;
 - 3.17.3. in or on craft designed to travel through air or space but not hovercraft;
- 3.18. loss, damage or delay to Goods in Transit except in connection with the collection or delivery of any vessel which you have sold or upon which you have or are undertaking work for a price;

- 3.19. any work of demolition unless such work forms part of a contract undertaken by an Insured for construction, alteration, maintenance or repair;
- 3.20. the construction of, or any work in or on:
 - 3.20.1. nuclear installations or establishments;
 - 3.20.2. power stations, refineries, bulk storage or production premises in the oil, gas or chemical industries or offshore structures;
 - 3.20.3. towers, steeples, chimney shafts, blast furnaces, collieries or mines;
 - 3.20.4. tunnels, bridges, viaducts, railways or railway installations;
 - 3.20.5. craft designed to travel through air or space;
- 3.21. pile driving, quarrying, water diversion, sub-aqua work, the use of explosives, the construction of roads, the laying of underground services, tree felling or lopping;
- 3.22. work at a height of more than 20 metres from the ground or such other height as may be agreed by us in writing;
- 3.23. the delivery for a fee of any vessel by sea from one place to another except in connection with the sale of such vessel by you;
- 3.24. paint spraying or the spraying of chemicals unless we have agreed to this in the Schedule;
- 3.25. the sale, repair or service of any powered vehicle including all terrain vehicles, motor scooters, sit on lawn mower or any similar or like vehicle whether or not passenger or goods carrying;
- 3.26. directly or indirectly or in consequence of any loss of use, earnings, profit or revenue, penalty clauses, detention, demurrage, loss of time, loss of freight, loss of charter, loss of market or any other like or similar charge whether direct, indirect or consequential upon loss of or damage to any non recreational and/ or commercial vessel.

4. NO INDEMNITY

We will not indemnify you for:

- 4.1. the costs of:
 - 4.1.1. making good any faulty design or workmanship carried out; or
 - 4.1.2. replacing or repairing faulty goods, materials or Products sold by you or on your behalf or in respect of a Product failing to perform in accordance with specification or representation; or
 - 4.1.3. recalling Products for inspection following discovery of fault or faults in Products;
- 4.2. liability assumed by agreement, except under indemnities, agreements or contracts given or made for the purpose of enabling you to carry on the Business if we have been notified of such indemnities, agreements and contracts and we have noted them in the Schedule;
- 4.3. liability arising out of Products exported to or used in the United States of America or Canada;
- 4.4. liability arising out of or in connection with a sale of a Product, if an action for damages is brought against you in any court outside the Geographical Limits;
- 4.5. exemplary or punitive damages.

5. AMOUNT PAYABLE

We shall pay the following:

- 5.1. the amount of Compensation:
 - 5.1.1. that is found by a Competent Court to be due to a third party; or
 - 5.1.2. as may be agreed by us in writing;up to the Limit of our Liability shown in the Schedule in respect of any one claim or series of claims arising out of any one event (except in relation to Products liability when the maximum sum that we shall pay in respect of Compensation and Legal Costs and Solicitors Fees shall be The Sum Insured for all claims arising and/or made in a Period of Insurance);
- 5.2. your Legal Costs and Solicitor's Fees;
- 5.3. we shall not be liable for the payment of:
 - 5.3.1. fines or penalties;
 - 5.3.2. Solicitors Fees' in respect of an activity or risk not covered by this Policy;
 - 5.3.3. the amount of any Excess included in the Schedule to this Section of the Policy.

6. CONDITIONS PRECEDENT APPLYING TO SECTION 3 B

It is a **Condition Precedent** to our liability that:

6.1. MOORINGS

You will take up and examine, at least once a year, all moorings and undertake all necessary repairs or replacements that may be necessary;

6.2. LIFTING AND PRESSURE PLANT

If you use lifting plant or pressure vessels in the Business you will have the lifting plant or pressure vessel inspected in accordance with statute and maintain a plant register including inspection reports supplied by the inspecting agency and such reports to be made available to us on demand;

6.3. TERMS OF BUSINESS

All estimates, tenders, indemnities, agreements, contracts and acceptances, whether verbal or in writing, given or issued by you, shall incorporate or draw attention to the terms of business currently sponsored by British Marine, or such other terms of business as may be approved by us in writing. A notice of those terms shall be exhibited by you in a prominent position at the Premises and specifically drawn to your customer's attention in correspondence.

A notice will also be erected by you in a prominent position to the effect that persons using the slipways, jetties and stages, do so at their own risk;

6.4. SUB-CONTRACTORS

In connection with any work undertaken by your contractor or subcontractor you first obtain written evidence that the contractor or subcontractor has current and valid policies of insurance providing indemnity for public and product liability which:

- 6.4.1. have a limit:
 - 6.4.1.1. of not less than £3,000,000 sterling any one claim in respect of public liability and £3,000,000 sterling any one period of insurance in respect of product liability; or

- 6.4.1.2. at least equivalent to the limit of our liability under this policy; and
- 6.4.2. covers the work to be undertaken; and
- 6.4.3. remains in force for the duration of the contracted works; and
- 6.4.4. provides an indemnity to you as principal.

7. CESSATION OF COVER

7.1. DEFECTIVE PLANT

If we or our surveyor or a surveyor appointed by us considers that cranes, lifting equipment, winches, slipways or moorings are defective, insecure or of insufficient strength for the purpose for which they are used, we may give you written notice of that finding, in which event, the insurance granted under the Policy shall lapse in so far as any loss or damage resulting from defective plant may occur and the Policy will only re-attach when our or the recommendations of the surveyor are carried out.

7.2 DEFECTIVE PREMISES

We may, at any time, by ourselves or through a duly authorised representative examine the Premises and you will be bound to give us and/or the representative every facility for so doing. In the event that we and/or the representative finds or reports any defect we will notify you in writing and we will give you a specified time in which to remedy the defect. If you fail to do so within the time specified, we shall not cover you for liability in respect of any occurrence arising from it.

8. CONDITION PRECEDENT

CAR PARK CONDITION PRECEDENT

8.1. It is a **Condition Precedent** to our liability under Section 3B that;

- 8.1.1. you will, at all times, display in a prominent position and at the entry to any car park, a notice containing the following words:

“Vehicles and their accessories and contents are left at the Vehicle owners risk and responsibility and we will not be responsible for loss of or damage to them from any cause whatsoever, other than our own negligence or those for whom we are responsible”.

WHEEL CLAMP CONDITION PRECEDENT

8.2. It is a **Condition Precedent** to our liability that all craft and trailers left in your care and custody will be immobilised with wheel clamps and any attached outboards will be fitted with an anti-theft device (as defined in Section 4 of the Policy) in addition to its normal method of attachment.

9. SPECIAL CONDITION

Within one month from the expiry of each Period of Insurance you will furnish to us such particulars and information as we may require to adjust the Premium for that period and will pay to us within thirty days any further Premium due.

SECTION 4 MARINE

DEFINITIONS FOR SECTION 4

ANTI-THEFT DEVICE

A device sold and marketed as a secure method of preventing theft or another security method approved by us.

BARRATRY

Any wrongful act committed without your knowledge or participation and to your prejudice by anyone using or on board the Vessel with your permission.

BOAT

Any type of small craft which forms part of the Vessel's equipment and is used for the operation of the Vessel and is specified on the Proposal Form or otherwise notified to us in writing. Any reference to "Vessel" in this Policy includes the Vessel's boat(s) unless the context requires otherwise. A liferaft is not a Boat.

CRUISING AREA

This is the area noted in the Schedule.

IMMEDIATE FAMILY

Those members of your family who reside permanently with you.

INSURED VALUE

This is the sum(s) noted in the Schedule.

LATENT DEFECT

A defect which is not discoverable by the exercise of reasonable care.

MACHINERY

Includes main or auxiliary engines, electrical equipment, cables and fittings and hydraulic equipment, piping and fittings, boilers and shafts.

SUE AND LABOUR

Any expense reasonably incurred with a view to minimising or averting loss of or damage to the insured property covered under the Policy.

VESSEL

The Vessel(s) noted in the Schedule including sails, machinery, gear, equipment (including Boat(s), lifejackets and handheld navigational aids and televisions, stereos and radios permanently fixed to the Vessel's structure) furniture and fittings. "Vessel" does not include:

1. consumables such as food, lubricants, fuel, paint etc;
2. the trailer for the Vessel or its boat(s);
3. the personal property of any person;
4. fishing, sporting equipment or diving equipment;
5. moorings not carried on board.

VESSEL STOCK

Those vessel(s) engines and/or trailers noted in the Schedule to this Section of the Policy up to the maximum amount shown in the Schedule not exceeding any one vessel engine and/or trailer that amount noted in the Schedule.

WAR, CIVIL DISTURBANCE AND TERRORISM

War, civil disturbance and terrorism means:

1. international war;
2. any act of hostility by a nation or state against another;
3. civil war, revolution, rebellion or insurrection;
4. the detonation of any derelict mine, torpedo, bomb or other derelict weapon of war;
5. labour disturbances;
6. acts of terrorists;
7. acts of persons in furtherance of a political motive.

WHEELCLAMP

A device sold and marketed as a secure method of preventing theft by avoiding road wheels turning or such other device approved by us in writing.

WILFUL MISCONDUCT

Includes but is not limited to conduct when under the influence of:

1. alcohol so as to impair safe navigation or management of the Vessel; or
2. prohibited drugs.

PART 1 THE VESSEL / VESSEL STOCK

A. COVER FOR THE VESSEL/ VESSEL STOCK

COVER

1. Subject to the **Conditions Precedent** and the other terms of the Policy we shall cover you in respect of physical loss of or damage to the Vessel/Vessel Stock caused by:
 - 1.1. accidents (including fire, explosion, collision, stranding, grounding and heavy weather);
 - 1.2. negligence;
 - 1.3. theft of the entire Vessel/Vessel Stock;
 - 1.4. theft of any part of the Vessel/Vessel Stock provided that at the time of the theft the part is either:
 - 1.4.1. securely fastened to the Vessel/Vessel Stock and in the case of an outboard motor locked on by an Anti-Theft Device in addition to its normal method of attachment; or
 - 1.4.2. inside a locked compartment on board the Vessel/Vessel Stock or in a locked place of storage ashore and there is evidence of forcible and violent entry or exit;
 - 1.5. malicious acts of third parties (including vandalism, piracy or barratry);
 - 1.6. freezing;
 - 1.7. rodents;
 - 1.8. lightning, earthquake and volcanic eruption;
 - 1.9. Latent Defect in the Vessel(s).

B. EXCLUSIONS TO COVER FOR THE VESSEL/ VESSEL STOCK

This Policy does not cover physical loss of or damage:

1. to the Vessel/Vessel Stock caused by:
 - 1.1. theft:
 - 1.1.1. while left unattended at any time on a trailer unless an Anti-Theft Device protects the trailer;
 - 1.1.2. by trick or deception against you;
 - 1.2. wear, tear or depreciation;
 - 1.3. insects, marine borers, barnacles or marine growth;
 - 1.4. corrosion, rot, rust, mildew, dampness or weathering;
 - 1.5. electrolysis;
 - 1.6. osmosis;
 - 1.7. civil, criminal or administrative proceedings, action by customs officers or executive action of a government or government department unless arising out of an event which is covered by this Policy;

- 1.8. War, civil disturbance and terrorism;
 - 1.9. Latent Defect in work carried out by you;
- CANOPIES**
- 2. to the Vessel's/Vessel Stock's canopies and protective covers caused by wind;
- SAILS**
- 3. to the Vessel's/Vessel Stock's sails caused by splitting or being blown away while hoisted or unfurled in use unless caused by:
 - 3.1. damage to the spars to which the sails are attached;
 - 3.2. the stranding or sinking of the Vessel/Vessel Stock or the Vessel/Vessel Stock being on fire;
 - 3.3. impact between the Vessel/Vessel Stock and any external substance including ice (but not water).
- RACING**
- 4. to the Vessel's/Vessel Stock's sails, masts, spars and rigging, while the Vessel/Vessel Stock is racing, unless caused by:
 - 4.1. the stranding or sinking of the Vessel/Vessel Stock or the Vessel/Vessel Stock being on fire;
 - 4.2. impact between the Vessel/Vessel Stock and any external substance including ice (but not water).
- MACHINERY**
- 5. in the case of Vessels which:
 - 5.1. are over three years of age and from the date of completion of build; or
 - 5.2. have an actual or maximum designed speed under engine power in excess of 17 knots;
 to the Vessel/Vessel Stock's Machinery unless caused by:
 - 5.2.1. accidental incursion of water into the Vessel/Vessel Stock but not the engine alone; or
 - 5.2.2. the stranding or sinking of the Vessel/Vessel Stock or the Vessel/Vessel Stock being on fire; or
 - 5.2.3. impact between the Vessel/Vessel Stock and any substance including ice (but not water); or
 - 5.2.4. theft or malicious persons; or
 - 5.2.5. freezing providing the machinery has been maintained in accordance with manufacturer's recommendations by a competent mechanic and the machinery has been protected by appropriate anti-freeze mixed and inserted in accordance with the manufacturer's specification.
- TRANSIT**
- 6. to Vessels/Vessel Stock:
 - 6.1. with an overall length of more than 30 feet, from any cause while being transported by land, sea or air unless Endorsement 2 has been agreed and noted in the Schedule to this Section;
 - 6.2. of any length, caused by scratching, bruising or denting:
 - 6.2.1. during the preparation for transportation by land, sea or air; or
 - 6.2.2. while being so transported.
- BOATS**
- 7. to Boats caused by theft unless permanently marked with a unique marking.
- OUTBOARD ENGINES**
- 8. to outboard motors by theft unless:
 - 8.1. secured to the Vessel/Vessel Stock or Boat by an Anti-Theft Device in addition to its normal method of attachment; and
 - 8.2. you maintain a record of the serial number of the motors by reference to the engine storage point and provide copies to us if so requested by us.
- EXHIBITION EXCLUSION**
- 9. to Vessel(s)/Vessel Stock whilst at any exhibition or trade show or whilst in transit to or from such exhibition or trade show unless we have agreed otherwise in writing.

C. AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO THE VESSEL/ VESSEL STOCK

1. We shall pay the Insured Value of the Vessel/Vessel Stock or its boat(s) or outboard(s) as noted in the Schedule if:

TOTAL LOSS

1.1. the Vessel/Vessel Stock or its boat(s) or outboard(s) is totally lost or destroyed;

CONSTRUCTIVE TOTAL LOSS

1.2. the cost of recovering and/or repairing the Vessel/Vessel Stock or its boat(s) will exceed the Insured Value noted in the Schedule;

1.3. you have been deprived of the free use and disposal of the Vessel/Vessel Stock or its boat(s) or outboard(s) for a period of 12 consecutive months commencing during the Period of Insurance except in cases of theft when the period shall be a reasonable period depending upon the facts of each individual case.

PARTIAL LOSS

2. In all other cases we will pay the reasonable cost of recovering the Vessel/Vessel Stock or its boat(s) or outboard(s) and the reasonable cost of effecting repairs, less the Excess.

D. EXCLUSIONS TO AMOUNT PAYABLE

1. We shall not pay the cost and expense of rectifying or repairing:

FAULTY DESIGN ETC

1.1. a fault in design or construction;

1.2. any part (including the whole or any part of the hull) which is subject to a fault in design or construction or to a Latent Defect (i.e. the defective part itself including the whole or any part of the hull);

DEFECTIVE WORKMANSHIP

1.3. defective workmanship carried out or materials provided by an independent contractor employed to carry out maintenance, repairs or alterations to the Vessel/Vessel Stock.

BETTERMENT

2. We reserve the right to deduct:

2.1. up to one third of the replacement cost of used sails, running rigging, protective covers and canopies and outboard motors;

2.2. a reasonable amount from the cost of repairs or replacement to take account of any betterment to the Vessel/Vessel Stock arising out of repairs or replacement.

E. ADDITIONAL SUMS PAYABLE

1. We shall also pay the following:

EXPENSE OF INSPECTION

1.1. the expense of inspecting the Vessel/Vessel Stock after grounding (even if no damage is found);

MINIMISING LOSSES INCLUDING SALVAGE AND SUE AND LABOUR

1.2. expense incurred for the purpose of averting or minimising the loss of or damage to the Vessel/Vessel Stock provided that in each case the expense:

1.2.1. is both reasonably incurred and reasonable in amount; and

1.2.2. results from an event (or the possibility of an event) for which there is or would be cover under the Policy;

1.3. the costs of averting or avoiding oil pollution or clearing and cleaning away of oil pollution providing that we pay you for loss of or damage to the Vessel/Vessel Stock.

EXCESS

2. Any sums payable under paragraphs E1.1, 1.2 and 1.3 above are subject to the Excess.

AMOUNT RECOVERABLE

3. The total amount recoverable under paragraphs E1.1, 1.2 and 1.3 above and arising out of any one event is limited to the Insured Value of the Vessel/Vessel Stock.

THE TRAILERS

A. COVER FOR THE TRAILER(S)

1. Provided that Endorsement 18 is agreed and noted in the Schedule to this Section and subject to the **Conditions Precedent** and the other terms of the Policy we shall cover you in respect of physical loss of or damage to the Trailer(s) caused by:
 - 1.1. theft;
 - 1.2. fire, explosion or lightning;
 - 1.3. collision or accident whilst in use.

B. EXCLUSIONS TO COVER FOR THE TRAILER(S)

1. This Policy does not cover physical loss of or damage to the Trailer(s) caused by:
 - 1.1. theft during preparation for or in the course of towage unless the Trailer(s) is securely locked to the road vehicle and the road vehicle is occupied or securely locked; or
 - 1.2. theft otherwise than during the preparation for or in the course of towage unless the Trailer(s) is secured by a wheelclamp or is in a locked place of storage.

THEFT OF UNLOCKED TRAILER(S)

EXCLUSIONS TO COVER FOR TYRES

2. This Policy does not cover physical loss of or damage to the Trailer(s) tyres caused by the application of brakes or by punctures, cuts, bruises or by wear and tear.

C. AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO THE TRAILER(S)

1. We shall pay the Insured Value of the Trailer(s) as noted in the Schedule if:

TOTAL LOSS

- 1.1. the Trailer(s) is totally lost or destroyed; or

CONSTRUCTIVE TOTAL LOSS

- 1.2. the cost of recovering and/or repairing the Trailer(s) will exceed the total Insured Value as noted in the Schedule; or

CONSTRUCTIVE TOTAL LOSS CAUSED BY LOSS OF USE

- 1.3. you have been deprived of the free use and disposal of the Trailer(s) for a period of 12 consecutive months commencing during the Period of Insurance except in cases of theft when the period shall be a reasonable period depending upon the facts of each individual case.

PARTIAL LOSS

2. In all other cases we shall pay the reasonable cost of recovering the Trailer(s) and the reasonable costs of effecting repairs, less the Excess.

THIRD PARTY LIABILITY	A. COVER FOR LIABILITY TO THIRD PARTIES
PERSONS COVERED	<ol style="list-style-type: none"> 1. The Insured persons referred to in this section are: <ol style="list-style-type: none"> 1.1. you; 1.2. any person using the Vessel with your permission. 2. Subject to the Conditions Precedent and the other terms of the Policy we shall cover the Insured Persons in respect of legal liability to another person (including another person insured under this section) arising out of the Insured Person's interest in or use of the Vessel (including wreck removal and damage caused by oil pollution).
COVER	B. EXCLUSIONS TO COVER FOR LIABILITY OF THIRD PARTIES
PERSONS NOT COVERED	<ol style="list-style-type: none"> 1. This Section does not cover the liability of the following persons: <ol style="list-style-type: none"> 1.1. any person employed under a contract in connection with the Vessel, other than captain or crew and employed by you; 1.2. any person while engaged in any sport which involves being towed by the Vessel unless Endorsement 3 and/or 19 has been agreed and noted in the Schedule to this Section; 1.3. any person while engaged in snorkelling, aqualung diving or other underwater sport including whilst disembarking or boarding.
LIABILITY NOT COVERED	C. EXCLUSIONS TO COVER FOR LIABILITY TO THIRD PARTIES
WILFUL MISCONDUCT	<ol style="list-style-type: none"> 1. This Section does not cover liability to the following persons: <ol style="list-style-type: none"> 1.1. any person employed under a contract in connection with the Vessel; 1.2. any person while engaged in any sport which involves being towed by the Vessel unless Endorsement 3 and/or 19 has been agreed and noted in the Schedule to this section; 1.3. any person while engaged in snorkelling, aqualung diving or other underwater sport from the Vessel including whilst disembarking or boarding other than liability to such person arising as a result of physical contact between such person and the Vessel. 2. We shall not cover liability caused or contributed to by recklessness or Wilful Misconduct on the part of the Insured Person.
TRAILERS	<ol style="list-style-type: none"> 3. We shall not cover liability to third parties: <ol style="list-style-type: none"> 3.1. caused or contributed to by the trailer becoming detached from the towing vehicle provided such towing vehicle is subject to road traffic legislation; 3.2. as a result of an accident occurring on a highway or public or private place whilst the trailer is attached to the towing vehicle.
CONTRACTUAL LIABILITY	<ol style="list-style-type: none"> 4. We shall not cover liability arising out of a contract.
FINES	D. AMOUNT PAYABLE IN RESPECT OF LIABILITY TO THIRD PARTIES
	<ol style="list-style-type: none"> 1. We shall pay the following: <ol style="list-style-type: none"> 1.1. the amount which an Insured Person is held liable to pay a third party, up to the maximum sum noted in the Schedule in respect of any one event; and 1.2. the costs of an Insured Person in defending any claim brought against him, provided that such costs are incurred with our prior written consent; and 1.3. the costs of an Insured Person at any inquest, inquiry or similar proceeding, provided that such costs are incurred with our prior oral or written consent: <p>less in all cases the Excess.</p>
	E. EXCLUSIONS TO AMOUNT PAYABLE
	We shall not pay fines or punitive damages.

CONDITIONS PRECEDENT

A. LOW SPEED CONDITION PRECEDENT

Unless Endorsement 4 has been agreed and noted in the Schedule to this Section it is a **Condition Precedent** to our liability that the actual or maximum designed speed of the Vessel (and any Boat(s)) when under engine power does not exceed 17 knots.

B. USE CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that the Vessel will not be let out for hire or reward.

C. CRUISING AREA CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that the Vessel will remain within the Cruising Area noted in the Schedule.

D. STRUCTURAL ALTERATION CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that you will not make any major structural alteration or addition to the Vessel during the Period of Insurance without first obtaining our prior written consent.

E. TRAILER CONDITION PRECEDENT

1. It is a **Condition Precedent** to our liability that at all times the Trailer will be:

- 1.1. securely locked to a road vehicle and the road vehicle will be occupied or securely locked; or
- 1.2. attended or secured by a wheelclamp or in a locked place of storage.

F. SEAWORTHINESS CONDITION PRECEDENT

It is a **Condition Precedent** to our liability that you will exercise reasonable care to make and keep the Vessel in a seaworthy condition and to keep the Vessel in a safe place, when not underway.

G. CONDITION PRECEDENT THAT THE VESSEL WILL NOT TOW OR BE TOWED

1. It is a **Condition Precedent** to our liability that the Vessel will not tow another Vessel or be towed by another Vessel other than in an emergency:

- 1.1. outside a radius of ten miles from the Premises or outside of any Port, River or Harbour Authority on which the Premises are situated; or
- 1.2. outside of a radius of ten miles from the place where any Employee might be working away from the Premises but this limit does not apply to non-tidal inland waters and upstream of the Thames Flood Barrier.

H. CREW CONDITION PRECEDENT

(Crew includes Captain/Skipper)

- 1.1. It is a **Condition Precedent** to our liability that at all times when your Vessel is underway the minimum number of competent crew members on board will be as noted in Endorsement 8 in the Schedule or as otherwise required by us in writing; or
- 1.2. if Endorsement 8 is not noted in the Schedule to this Section and if your Vessel is 24 feet in length or over, it is a **Condition Precedent** to our liability that at all times when your Vessel is underway in offshore waters the minimum number of competent crew members on board will be 2.

I. LICENCE CONDITION PRECEDENT

If the manner of operation of your Vessel(s) is such that it/they are required to be licenced by the Maritime Coastguard Agency or other statutory body it is a **Condition Precedent** to our liability that all required licences are in place and valid during such operation and all terms and conditions thereof are complied with.

GENERAL TERMS

A. SALE OR CHANGE OF INTEREST IN THE VESSEL

1. Unless we agree in writing if during the Period of Insurance the ownership of the Vessel is sold or otherwise transferred, this part of this Section of this Policy will automatically be cancelled with effect from the date of the transfer in respect of that Vessel.
2. You will inform us in writing of any change of ownership or interest in the Vessel within 7 days of any change taking place.

B. ROAD TRANSIT

TRAILERS

1. If the Vessel is carried on a trailer you must ensure that both the trailer and the towing vehicle are fit for the purpose.

ROOF RACKS

2. If the Vessel is carried on the roof rack of a road vehicle you must ensure that:
 - 2.1. the Vessel; and
 - 2.2. the roof rack; and
 - 2.3. the road vehicle are fit for the purpose; and
 - 2.4. all lashings and other fastenings are secure.
3. This Policy does not cover loss of or damage to the Insured Property or liability to a third party attributable to a breach of this provision of the Policy.

C. GAS

1. If gas is used on board the Vessel:
 - 1.1. the installation and tubing must be to the approved British Standard and other recommendations; and
 - 1.2. all gas containers must be secured against movement; and
 - 1.3. all gas lockers must be properly vented to the exterior of the Vessel.
2. This Policy does not cover loss of or damage to the Insured Property or liability to a third party attributable to a breach of this provision of the Policy.

D. AVERAGE

If the amount you have insured for is less than the total amount at risk at any one time you will be your own insurer for the excess and in the event of a partial loss (including part of the Vessel Stock) we will reduce our payment by the amount directly proportional to the amount of under insurance.

E. ASSIGNMENT OF THE POLICY

Neither this policy nor any part of it nor any benefit under it will be assigned by you to any third party without our prior written consent.

ENDORSEMENTS

THE FOLLOWING ENDORSEMENT(S) ARE ONLY APPLICABLE IF NOTED IN THE SCHEDULE TO THIS PART OF THE POLICY AND YOU PAY TO US ANY ADDITIONAL PREMIUM REQUIRED.

ENDORSEMENT 1

1. WAR, CIVIL DISTURBANCE AND TERRORISM

Subject to the **Conditions Precedent** and other terms of the Policy we shall cover you in respect of physical loss of or damage to the Vessel caused by War, Civil Disturbance and Terrorism.

ENDORSEMENT 2

2. TRANSIT

- 2.1. Subject to the **Conditions Precedent** and other terms of the Policy we shall cover the Vessel/Vessel Stock against the risks excluded by Section 4.1.B.6.1.
- 2.2. It is a **Condition Precedent** to our liability under this Endorsement that you will:
 - 2.2.1. take and ensure that your employee takes all reasonable precautions for the safety of goods and use of sheets, ropes, chains, toggles, tarpaulins and packing materials as are necessary for the protection of goods and ensure that all ropes, sheets, chains, toggles, tarpaulins and packing materials are maintained in good order and condition and replaced when necessary; and
 - 2.2.2. exercise reasonable care in the selection of steady, sober, reliable and competent drivers; and
 - 2.2.3. maintain and keep in efficient condition any vehicle in your ownership or control used for the conveyance of Vessels; and
 - 2.2.4. comply with statutory requirements as may apply to the operation of vehicles; and
 - 2.2.5. maintain and keep in efficient condition all protections on and to your vehicles.
- 2.3. Upon the occurrence of any loss or damage which might give rise to a claim under this Section you will take such action as is necessary under the conditions of contract between you and the Carrier to notify the Carrier of the loss or damage within any time limits stipulated by the Carrier or within 7 days whichever is the lesser. If you prejudice our rights of recovery by failing to take such action the claim shall be reduced by the amount that would otherwise have been recovered from the Carrier.

ENDORSEMENT 3

3. WATER SKIERS

- 3.1. Subject to the **Conditions Precedent** and the other terms of the Policy we shall cover liabilities to and of water skiers up to the limit noted against Endorsement 3 in the Schedule.
- 3.2. This Section does not cover liabilities to and of persons engaged in any other sport which involves being towed by the Vessel unless specifically agreed by us and noted in the Schedule.
- 3.3. If this Endorsement is applicable, it is a **Condition Precedent** to our liability that:
 - 3.3.1. at all times whilst towing water skiers until safely on board or ashore you will have at least two competent persons on board the Vessel, one helming and one observing;
 - 3.3.2. no more than two persons or Items will be towed at any one time;
 - 3.3.3. you will not use any device except waterskis or such other device as may be approved by us in writing.

ENDORSEMENT 4

YOUR ATTENTION IS PARTICULARLY DRAWN TO THE REQUIREMENT AS TO SECURITY IN CLAUSE 4 OF THIS ENDORSEMENT.

4. HIGH SPEED CLAUSE

- 4.1. The actual maximum designed speed of the Vessel/Vessel Stock (and any boat(s)) under engine power is in excess of 17 knots as noted in the Schedule by this Endorsement.
- 4.2. Subject to the **Conditions Precedent** and the other terms of the Policy we shall cover physical loss of or damage to the Vessel/Vessel Stock and liability to third parties.
- 4.3. In addition to the other exclusions in the Policy, the Policy does not cover loss of or damage to:
 - 4.3.1. the Vessel/Vessel Stock, under Section 4.1.E. Additional Sums Payable or liability to third parties arising out of an event occurring while the Vessel/Vessel Stock is being operated in competitive circumstances or undertaking any speed test or trial;
 - 4.3.2. the Vessel if less than 27 feet in length, the Vessel Stock, or liability to third parties arising from the stranding, sinking, swamping, immersion or breaking adrift of the Vessel/Vessel Stock at a time when it is moored or anchored afloat, unattended off any beach or shore. The Vessel/Vessel Stock will be deemed to be attended for the purpose of this Endorsement provided that the person(s) in charge of the Vessel remain(s) in visual contact with it whilst not on board;
 - 4.3.3. if the Vessel/Vessel Stock is less than 27 feet in length, physical loss of or damage to outdrive, rudder, strut, shaft, propeller, electrical equipment, cables and fittings unless loss or damage is caused by:
 - 4.3.3.1. heavy weather; or
 - 4.3.3.2. the stranding or sinking of the Vessel/Vessel Stock; or
 - 4.3.3.3. the Vessel/Vessel Stock being on fire; or
 - 4.3.3.4. collision between the Vessel/Vessel Stock and any other Vessel, jetty or pier; or
 - 4.3.3.5. theft of the entire Vessel/Vessel Stock; or
 - 4.3.3.6. theft of rudder, strut, propeller and electrical equipment but subject to the provisions of Section 4.1.E Additional Sums Payable; or
 - 4.3.3.7. fire at the place of storage; or
 - 4.3.3.8. malicious act;
 - 4.3.4. theft of outboard motor(s) unless locked on to the Vessel/Vessel Stock by an Anti-Theft Device in addition to the normal method of attachment;
 - 4.3.5. in the case of Vessel(s) fitted with inboard machinery, physical loss of or damage to the Vessel/Vessel Stock, Section 4.1.E Additional Sums Payable or liability to third parties arising out of fire or explosion on board the Vessel/Vessel Stock, unless the Vessel/Vessel Stock is equipped:
 - 4.3.5.1. in both the engine room/space and the tank space with a fire extinguishing system which either operates automatically or is operable from the steering position and which is properly installed and maintained in efficient working order; and
 - 4.3.5.2. in the galley with a portable fire extinguisher in efficient working order of not less than 2kg and a fire blanket.

- 4.4. Subject to the **Conditions Precedent** and the other terms of the Policy, if your Vessel is 18 feet in length or less, it is a **Condition Precedent** to our liability that at all times when not being used by you on the water, the Vessel will be:
- 4.4.1. on the trailer which will be locked to a road vehicle and the road vehicle will be occupied or securely locked; or
 - 4.4.2. on the trailer which is securely locked with a wheelclamp approved by us; or
 - 4.4.3. attended or in a locked place of storage.

ENDORSEMENT 5

5. PERMISSION TO CHARTER INLAND

- 5.1. Subject to the **Conditions Precedent** and the others terms of the Policy and subject to this Endorsement being noted in the Schedule, we shall cover the Vessel(s) named in the Schedule whilst on charter.
- 5.2. We shall also cover you for misappropriation and damage to the Vessel(s) by those hiring or chartering her.
- 5.3. If this Endorsement is applicable, it is a **Condition Precedent** to our liability that prior to the hiring out or chartering of the Vessel(s) you will ensure that such hirer or charterer is suitably experienced and qualified to skipper the Vessel being hired or chartered out.
- 5.4. The Excess applicable to any claim arising whilst the Vessel(s) is on charter will be the amount stated in Endorsement 5 in the Schedule to this Section of the Policy.
- 5.5. Except for misappropriation and damage to the Vessel(s) by the charterer or hirer we do not cover you for any loss or damage arising directly or indirectly from the failure of charterers or hirers to comply with any express or implied terms of the charter.
- 5.6. We do not cover you for any contractual liability that might attach because of any express or implied term in the charter.

ENDORSEMENT 6

6. PERMISSION TO CHARTER COASTAL

- 6.1. Subject to the **Conditions Precedent** and other terms of the Policy and subject to this Endorsement being noted in the Schedule, we shall cover the Vessel(s) named in the Schedule whilst on charter.
- 6.2. If this Endorsement is applicable, it is a **Condition Precedent** to our liability that prior to the hiring out or chartering of the Vessel(s) you will ensure that such hirer or charterer is suitably experienced and qualified to skipper the Vessel being hired or chartered out.
- 6.3. The Excess applicable to any claim arising whilst the Vessel is on charter will be the amount stated in Endorsement 6 in the Schedule.
- 6.4. We do not cover you for any loss or damage arising directly or indirectly from the failure of charterers or hirers to comply with any express or implied terms of the charter.
- 6.5. It is a **Condition Precedent** to our liability that prior to hiring or chartering out any Vessel(s) named in the Schedule you will obtain either a copy of the hirer's current passport or a copy of his/her current driving licence.
- 6.6. We do not cover you for any contractual liability that might attach because of any express or implied terms on the charter.

ENDORSEMENT 7

7. RACING RISK EXTENSION CLAUSE

- 7.1. The exclusion from cover contained in Vessel/Vessel Stock Exclusion to Cover for the Vessel/Vessel Stock Section 4.1.B.4 of this Section is hereby deleted.

- 7.2. If this endorsement is applicable, we shall cover the replacement cost of all sails carried, whether set or not, masts, spars, standing and running rigging for the amount stated in Endorsement 7 in the Schedule.
- 7.3. In the case of loss of or damage to the Vessel's sails, masts, spars, standing and running rigging while racing caused by events not falling within the Vessel/Vessel Stock Exclusion to Cover Racing Section 4.1.B.4:
 - 7.3.1. the amount payable will be limited to two-thirds of the cost of repair or replacement; but
 - 7.3.2. no deductions will be made under the Vessel/Vessel Stock Exclusion to Amount payable Section 4.1.D2(1) of this Section and no Excess will be deducted.
- 7.4. It is a **Condition Precedent** to our liability that no other contract of insurance relating to the sails, masts, spars, standing and running rigging and covering the Period of Insurance or any part thereof has been or will be entered into.

ENDORSEMENT 8

8. CREW

It is a **Condition Precedent** to our liability that at all times when your Vessel is underway the minimum number of competent crew members on board will be the number noted in Endorsement 8 in the Schedule.

ENDORSEMENT 9

9. PASSENGERS

- 9.1. Subject to the **Conditions Precedent** and other terms of the Policy and subject to this Endorsement being noted in the Schedule we shall cover the Vessel(s) named in the Schedule whilst being used for the carriage of fare paying passengers up to a maximum of 12 persons unless otherwise noted in the Schedule.
- 9.2. If this Endorsement is applicable, it is a **Condition Precedent** to our liability that either you, or your skipper must be certificated to an appropriate standard to operate the Vessel for the stated purpose and will be on board and in control of the Vessel at all times whilst the Vessel is underway.
- 9.3. Our maximum limit of our liability for any one accident or series of accidents arising out of the same event will be the amount specified for Third Party Liability.

ENDORSEMENT 10

10. THIRD PARTY LIABILITY ONLY

Subject to the **Conditions Precedent** and other terms of the Policy and subject to this Endorsement being noted in the Schedule, we shall only cover you in respect of Third Party Liability with the exception of:

- 10.1. removal of wreck;
- 10.2. salvage of wreck;
- 10.3. oil pollution;

arising out of your use or ownership of the Vessel.

ENDORSEMENT 11

11. ADDITIONAL EQUIPMENT

Subject to the **Conditions Precedent** and other terms of the Policy we shall cover you in accordance with this Section for the Additional Equipment specified in the Schedule to this Section whilst:

- 11.1. on board the Vessel(s) named in the Schedule to this Section and whilst those Vessel(s) are let out on hire or charter;
- 11.2. in the store named in the Schedule to this Schedule and whilst in transit to and from that store to the Vessel(s).

ENDORSEMENT 12

12. RESCUE BOAT

Subject to the **Conditions Precedent** and other terms of the Policy we shall cover the Vessel(s) named in the Schedule to this Section whilst being used for the purposes of a rescue boat in accordance with this Section.

It is a **Condition Precedent** to our liability that the vessel(s) whilst being used as a rescue boat will have on board:

- 12.1. at least two competent persons, one of whom shall be a helmsman and one of whom shall be a lookout and of which at least one shall be properly qualified and certified in first aid; and
- 12.2. a proper adequate and fully equipped first aid kit; and
- 12.3. equipment able to cut readily glass reinforced plastic and timber; and
- 12.4. sufficient lengths of rope and buoyancy aids.

ENDORSEMENT 13

13. LOST REVENUE

Subject to the **Conditions Precedent** and other terms of the Policy, we shall cover you for lost revenue by reason of loss of your ability to hire out or sell any of the Vessel(s) named on the Schedule to this Part of this Section of the Policy because of loss of or damage to Vessel/Vessel Stock for which we insure you. Calculation as to the amount of the loss of revenue that we shall pay to you shall be calculated in accordance with Section 2 of the Policy.

ENDORSEMENT 14

14. LOSS OF HIRE

Subject to the **Conditions Precedent** and other terms of the Policy, we shall cover you for lost revenue by reason of your loss of ability to hire out any of the Vessel(s) named in the Schedule to this Part of this Section of the Policy due to loss of or damage to the Vessel for which we insure you and for which we pay you for such loss or damage.

The amount that we shall pay you will be the revenue that would be earned by the Vessel lost and/or damaged calculated on the basis of normal published hire rates for the type of Vessel involved and the number of weeks left in the season based on the average bookings by class as stated in the Schedule supplied to us by you for the preceding season less an amount not exceeding £50 per week for cleaning and general maintenance.

It is a **Condition Precedent** to our liability under this extension that you will make every effort to transfer any booking to an alternative Vessel that is available in which event any claim for that period of booking on an alternative Vessel will be limited to the cost of any upgrade or to a reduction in income because of a downgrade.

We shall not be liable for the first 7 days of any claim for loss of hire. Our liability shall not exceed 90 days for any one Vessel.

In the case of total loss the total period shall be limited to 28 days loss of hire.

ENDORSEMENT 15

15. EXPERIENCED SKIPPER AND CREW

Subject to the **Conditions Precedent** and other terms of the Policy and provided this Endorsement is noted in the Schedule, it is a **Condition Precedent** to our liability that the Vessel(s) named in the Schedule to this Part of the Section of the Policy will, at all times whilst under power, navigating or otherwise moving, be manned by a suitably certificated skipper and by a crew of a number not less than that noted in the Schedule.

ENDORSEMENT 16

16. TAKING ASHORE

Subject to the **Conditions Precedent** and other terms of the Policy, it is a **Condition Precedent** to our liability that the Vessel(s) named in the Schedule to this Part of this Section of the Policy will be taken and kept ashore on all occasions when not under power, movement or in navigation and, in any event, be taken ashore overnight and kept in a locked building or compound.

ENDORSEMENT 17

17. SMALL CRAFT MOORING PERMISSION

Subject to the **Conditions Precedent** and other terms of the Policy, we allow the Vessel(s) named in the Schedule to this Part of this Section of the Policy whilst in commission to be left unattended on a mooring when not in use. It is a **Condition Precedent** to our liability that the Vessel will only be left on the mooring at the location specified in the Schedule to this Part of this Section of the Policy.

ENDORSEMENT 18

18. LOSS OF TRAILERS ENDORSEMENT

Subject to the **Conditions Precedent** and other terms of the Policy we shall cover the trailer in accordance with the Trailer provisions.

ENDORSEMENT 19

19. WATER TOYS

- (i) Subject to the **Conditions Precedent** and the other terms and conditions of the policy and provided that this Endorsement is shown in your Schedule we agree that we will extend the policy to cover liability of and to persons being towed on kneeboards, wakeboards, hydroslides, ringos, biscuits, tubes and bananas (called in this Endorsement Permitted Items). It is a **Condition Precedent** to our liability that no more than two persons are being towed or preparing to be towed on kneeboards or wakeboards, hydroslides, ringos, biscuits and tubes at any one time and no more than six persons are being towed or preparing to be towed on bananas.
- (ii) It is a **Condition Precedent** that at all times whilst towing any Permitted Item from boarding such item until safely ashore you will have at least two competent persons on board the Vessel(s), one helming and one observing.
- (iii) This Policy does not cover liabilities to and of persons engaged in any other sport which involves being towed by the Vessel unless otherwise agreed by us in writing.

PART 2

BUILDERS RISK

THE VESSEL IN CONSTRUCTION OR RECONSTRUCTION

A. COVER FOR THE VESSEL

Subject to the **Conditions Precedent** and other terms of this Policy, we will cover you in respect of physical loss of or damage to the Vessel(s) named in the Schedule to this Part of the Section of the Policy, caused by:

1. accidents (including fire, explosion, collision, stranding, grounding and heavy weather);
2. Latent Defect in the Vessel(s);
3. negligence;
4. theft of the entire Vessel(s);
5. theft of any part of the Vessel(s) or any part which is to form the Vessel(s) provided that at the time of the theft the part is either:
 - 5.1. securely fastened to the Vessel(s) and in the case of an outboard motor locked on by an Anti-Theft Device in addition to its normal method of attachment; or
 - 5.2. outside Business Hours inside a locked compartment on board the Vessel(s) or in a locked building ashore and there is evidence of forcible and violent entry or exit;
 - 5.3. lost during Business Hours;
6. malicious acts of third parties;
7. lightning, earthquake and volcano.

B. EXCLUSIONS TO COVER FOR THE VESSEL(S)

This Policy does not cover physical loss of or damage:

1. to the Vessel(s) by:
 - 1.1. wear, tear or depreciation;
 - 1.2. insects, marine borers, barnacles or marine growth;
 - 1.3. rodents;
 - 1.4. corrosion, rust, mildew, rot, dampness or weathering;
 - 1.5. electrolysis;
 - 1.6. osmosis;
 - 1.7. civil, criminal or administrative proceedings, action by Customs Officers or executive actions of a Government or Government Department unless arising out of an event which is covered by this Policy;
 - 1.8. War, Civil Disturbance and Terrorism;
2. to the Vessel(s) canopies and protective covers caused by wind.
3. to the Vessel(s) sails caused by splitting or being blown away whilst hoisted or unfurled in use unless caused by:
 - 3.1. damage to the spars to which the sails are attached; or
 - 3.2. the stranding or sinking of the Vessel(s) or the Vessel(s) being on fire; or
 - 3.3. impact between the Vessel(s) and any external substance including ice (but not water);
4. to the Vessel(s) Machinery caused by freezing unless the Machinery has been protected by an appropriate anti-freeze mixture which has been inserted in accordance with the manufacturer's specification.

C. INSURED SITUATIONS

1. We shall cover the Vessel(s) or any part of the Vessel(s):
 - 1.1. at the builder's yard and at the builder's premises stated in the Schedule; and
 - 1.2. elsewhere within the port or place of construction at which the builder's yard is situate; and
2.
 - 2.1. at subcontractor's works and premises; and
 - 2.2. within the port or place of construction where the subcontractor's works are situated;
3. while in transit between the builder's yards and premises and subcontractor's works and while in transit within the port or place of construction at which the builder's yard is situated.

D. UNINSURED SITUATIONS

We do not cover Vessel(s)/Vessel Stock whilst at any exhibition or trade show or whilst in transit to or from such exhibition or trade show unless we have agreed otherwise in writing.

E. PERIOD OF INSURANCE

We will insure the Vessel(s) and any Item of the Vessel(s) from the time of either the commencement of the Period of Insurance stated in the Schedule to this Part of this Section of the Policy or if later:

1. the allocation of any Item to the Vessel(s);
 2. delivery of any Item to the builder or sub-contractor for fitting to the Vessel(s);
- up to the earlier of the expiry date mentioned in the Schedule to this Part of this Section of the Policy or delivery to the owner or purchaser.

F. AMOUNT PAYABLE

If you suffer loss or damage which is covered under the terms of this Part of the Section of the Policy the amount we shall pay will be calculated as follows:

We will pay the costs of the actual manufacture of the Vessel(s) or the cost of an Item plus 15% or such other amount as shown in the Schedule up to the time of loss or damage if:

1. the Vessel(s) or an Item is totally lost or destroyed;
2. the cost of recovering and/or repairing the Vessel(s) or Item will exceed the actual cost of manufacturing the Vessel(s) or an Item plus 15%.

Provided that we will not pay more than the Sum Insured for any one Vessel.

3. For partial loss we will pay either:
 - 3.1. where repairs are undertaken, the reasonable cost of recovering the Vessel(s) or an Item and the reasonable cost of effecting repairs, less the Excess; or
 - 3.2. where repairs are not undertaken by the end of the Period of Insurance or such later time as we agree in writing, the reasonable cost of recovering the Vessel(s) or an Item and the diminution in market value by reason of the unrepaired damage up to the reasonable cost of effecting repairs.

G. EXCLUSIONS TO AMOUNT PAYABLE

1. We will not pay the cost and expense of rectifying, repairing or replacing:
 - 1.1. faulty welds;
 - 1.2. a fault in design or construction;
 - 1.3. any part (including the whole or any part of the hull) which is subject to a fault in design or construction or to a Latent Defect;
 - 1.4. defective workmanship carried out or materials provided by you.

2. We will be entitled to deduct at our sole discretion:
 - 2.1. a reasonable amount from the cost of repairs or replacement to take account of any betterment or increase in value to the Vessel(s) arising out of repairs or replacement.

H. ADDITIONAL SUMS PAYABLE

1. We shall also pay the following:
 - 1.1. expense incurred for the purpose of averting or minimising loss of or damage to the Vessel(s) provided that in each case the expense:
 - 1.1.1. is both reasonably incurred and reasonable in amount; and
 - 1.1.2. results from an event (or the possibility of an event) for which there is or would be cover under this Part of this Section of the Policy;
 - 1.2. the cost of removal of any wreck of the Vessel(s) from any place owned, leased or occupied by you;
 - 1.3. the reasonable cost of inspecting the bottom of the Vessel(s) after grounding even if no damage is found;
 - 1.4. the cost and expense arising out of a failure to launch.
2. We will cover the additional costs of fuel, insurance, wages, stores, provisions and port charges incurred solely for the purposes of landing from the Vessel(s), sick or injured persons or stowaways, refugees or persons saved at sea.
3. We will cover you for the additional expenses brought about by the outbreak of infectious disease on board the Vessel(s) or ashore.
4. We will cover you in respect of fines imposed on the Vessel(s) or upon you or upon any Master, Officer or Crew member or agent of the Vessel(s) who is reimbursed by you for any act or neglect or breach of any statutory regulation relating to the operation of the Vessel(s) but we will not indemnify you for any fines which are incurred through any neglect, failure or default of you, your servants or agents and the Master, Officer or Crew member.
5. The amounts payable under this Part of this Section of the Policy will be subject to the Excess.
6. The total amount recoverable under this Part of this Section of the Policy and arising out of any one event is limited to the final contract price or the total building cost plus 15% whichever is the greater less the Excess.

I. ADDITIONAL COVER

1. DELAY IN DELIVERY

We will continue to insure you at a premium to be arranged in the event of delivery to the owner or purchaser of the Vessel(s) is delayed beyond the period stated in the Schedule to this Part of the Policy but no extension will be allowed for any period greater than 30 days from completion of builder's trials provided we are given prompt notice.

2. USE ON WATER

We allow you to proceed to and from any wet or dry docks, harbours, ways, cradles and pontoons within the port or place of construction and to proceed under the Vessel(s)'s own power, loaded or in ballast, as often as required, for fitting out, docking, trials or delivery within a distance by water of 250 nautical miles of the port or place of construction and in the event that, that distance is exceeded, we will continue to insure you at a premium to be arranged provided we are given prompt notice.

3. TRANSIT BY LAND

We allow you to transit the Vessel(s) by land and by professional hauliers from the place of construction to the place of sea trials not exceeding a distance of 100 miles and subject to an Excess of the greater of the amount shown in the Schedule or one per centum (1%) of the sale value.

We do not cover any loss or damage of or caused by scratching, chipping, bruising or denting during the preparation for transportation by land and while so being transported.

	4. COVER FOR LIABILITY TO THIRD PARTIES WHILE ON WATER
PERSONS COVERED	<p>4.1. The Insured Persons referred to in this extension are:</p> <p>4.1.1. You;</p> <p>4.1.2. any person using the Vessel with your permission.</p>
COVER	<p>4.2. Subject to the Conditions Precedent and the other terms of the Policy, we shall cover the Insured Persons in respect of legal liability to another person (including another person insured under this section) arising out of the Insured Person's interest in or use of the Vessel (including wreck removal and damage caused by oil pollution) whilst the Vessel is on water and being used for a purpose described under this extension Section 4 Part 2.1.2.A.</p>
EXCLUSIONS TO COVER FOR LIABILITY OF THIRD PARTIES	<p>4.3. This Section does not cover the liability of the following persons:</p>
PERSONS NOT COVERED	<p>4.3.1. any person employed under a contract in connection with the Vessel, other than captain or crew and employed by you;</p> <p>4.3.2. any person while engaged in any sport which involves being towed by the Vessel;</p> <p>4.3.3. any person while engaged in snorkelling, aqualung diving or other underwater sport including whilst disembarking or boarding.</p>
EXCLUSIONS TO COVER FOR LIABILITY TO THIRD PARTIES	
LIABILITY NOT COVERED	<p>4.4. This Section does not cover liability to the following persons:</p> <p>4.4.1. any person employed under a contract in connection with the Vessel;</p> <p>4.4.2. any person while engaged in any sport which involves being towed by the Vessel;</p> <p>4.4.3. any person while engaged in snorkelling, aqualung diving or other underwater sport from the Vessel including whilst disembarking or boarding other than liability to such person arising as a result of physical contact between such person and the Vessel.</p>
WILFUL MISCONDUCT	<p>4.5. We shall not cover liability caused or contributed to by recklessness or Wilful Misconduct on the part of the Insured Person.</p>
CONTRACTUAL LIABILITY	<p>4.6. We shall not cover liability arising out of a contract.</p>
AMOUNT PAYABLE IN RESPECT OF LIABILITY TO THIRD PARTIES	<p>4.7. We shall pay the following:</p> <p>4.7.1. the amount which an Insured Person is held liable to pay a third party, up to the maximum sum of £3,000,000 sterling in respect of any one event; and</p> <p>4.7.2. the costs of an Insured Person in defending any claim brought against him, provided that such costs are incurred with our prior written consent; and</p> <p>4.7.3. the costs of an Insured Person at any inquest, inquiry or similar proceeding, provided that such costs are incurred with oral or written consent;</p> <p>less in all cases the Excess.</p>
EXCLUSIONS TO AMOUNT PAYABLE	
FINES	<p>4.8. We shall not pay fines or punitive damages.</p>

5. CHANGE OF VOYAGE

We will continue to insure you in case of any deviation or change of voyage provided that you give to us immediate notice in writing on receipt by you of any advices and any amended terms of cover and any additional premium required by us is agreed.

6. PERSONS INSURED

Any change of interest in the Vessel(s) shall not affect the validity of this insurance.

If we note in the Schedule a proportion(s) against a particular name or company we shall pay that proportion of the amount payable to that person or company.

7. VESSEL IN TOW

We will also continue to insure the Vessel(s) if towed outside the port or place of construction at a premium to be arranged provided that we are given previous notice in writing.

**SECTION 5
FIDELITY
GUARANTEE
INSURANCE**

A. COVER

Subject to this Section being shown as applicable in the Schedule and subject to the **Conditions Precedent** and the other terms of the policy we will cover you for:

1. Loss of money or goods belonging to you or for which you are responsible as a result of any act of fraud or dishonesty by any Employee described in the Schedule which is committed after the commencement and during the Period of Insurance and discovered not later than 12 months:
 - 1.1. of the end of the Period of Insurance; or
 - 1.2. of the death, dismissal or retirement of the Employee;whichever occurs first.
2. Auditor's fees necessarily incurred with our consent in respect of any claim under this Section provided always our liability for all such fees in aggregate shall not exceed £2,500.

B. LIMIT OF LIABILITY

Our liability shall not exceed the Sum Insured, as stated in the Schedule.

C. EXCLUSIONS

1. We shall not be liable for any Employees act of fraud or dishonesty occurring outside of the Geographical Limits.
2. We shall not be liable for any loss of a consequential nature.

D. CONDITIONS

1. Automatic Reinstatement

Upon discovery of a loss for which there is a valid claim hereunder the Sum Insured shall automatically be reinstated by the amount of such loss as subsequently ascertained, you paying a pro-rata additional premium calculated on the amount of the reinstatement from the date of such discovery to the renewal date of the Policy PROVIDED ALWAYS that the amount by which the Sum Insured is reinstated shall only apply to acts of fraud or dishonesty committed subsequent to the date of such reinstatement.

2. Alteration of Risk

Unless we consent in writing to any alteration we shall not be liable to make any payment under this Section if the nature of the Business conducted is changed.

3. Claims

The following Claims Conditions apply in addition to the Claims Procedures stated in the Introduction.

- 3.1. Following discovery of any act of fraud or dishonesty by any Employee or of any circumstances which could be the subject of a claim under this Section you shall give notice as soon as possible in writing to us.
- 3.2. Within 3 months of giving such notice you shall submit full details of your claim including the name or names of the Employee or Employees responsible for the loss and shall supply such proof of the correctness of the claims as we may require.
- 3.3. Any money, salary, bond, deposit and other property in your possession belonging to or owing to or in respect of an Employee who is the subject of a claim must be deducted from the amount of your claim.
- 3.4. If this Section is to remain in force for more than one Period of Insurance, our liability in respect of any one claim shall not be accumulated or increased and the aggregate liability during any number of Periods of Insurance and for any number of losses forming the basis of any one claim whether under this Section or any similar Policy in substitution for or substituted by this Policy shall not exceed the Sum Insured.
- 3.5. If at the time of any loss there shall be any other security guarantee or insurance existing covering the same loss we shall not be liable to pay or contribute more than our rateable proportion of any sums payable in respect of such loss.

- 3.6. Any sums recovered following a payment under the terms of this Section shall be distributed in the following order:
- 3.6.1. first to you in respect of the amount by which your own loss exceeds the Sum Insured as stated in the Schedule;
 - 3.6.2. second to us in reduction of our total outlay;
 - 3.6.3. third to you in respect of the amount of your retained liability (the amount of the Excess) if any.

SIGNED

David Perfect.

For and on behalf of Munich Re Syndicate Limited at
Lloyd's by Northern Marine Underwriters Limited

YOUR BROKER / AGENT



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Northern Marine Underwriters Limited acting on behalf of Munich Re Syndicate Limited at Lloyd's.
Authorised and regulated by the Financial Conduct Authority. Firm reference number 310539

NP/17/V1