



SUMMARY OF BUILDINGS COVER FOR LESSEES OF INDIVIDUAL RESIDENTIAL PROPERTIES

NORWICH UNION

Policyholder O.M. Ltd. And Subsidiary Companies

Policy Number P00073661001 & P00073661002

Residential Property Any house, maisonette, flat, apartment or block of flats within England and Wales in respect of which the Policyholder is concurrent head lease or freeholder or has agreed to take a concurrent head lease or freehold in respect thereof, or is the maintenance trustee or otherwise for which the Policyholder has instructions to insure. Cover in respect of each Residential Property is in accordance with details lodged with London and Edinburgh Insurance Company Limited (the Company).

Period of Insurance: 1st January to 31st December (Annually)

Property Insured

Reinstatement Value

(Sums Insured are annually index-linked)

Resident The owner or lessee of any Residential Property and any member of such owner's or lessee's family

Other Interests The interest of the freeholder of the Residential Property, the lessee of the Residential Property, the mortgagee of any of them and any Management company which O.M. Ltd. or its Subsidiary Companies have instructions to insure is included in this policy without the need for it to be specially recorded

The buildings being the residential property and its Annexes, gangways, domestic outbuildings, green Houses, landlords fixtures & fittings, swimming pools Tennis courts, walls, river walls, wharfs, gates & Fences, hedges, paved terraces, patios paths, drives

Exclusions

The undemoted exclusions apply to the Material Damage Section. In addition a Deductible of £100 applies each and every claim or in respect of cause 7 (Subsidence) the first £500 of each claim is excluded

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| <ol style="list-style-type: none"> 1. Fire, lightning, explosion including full Terrorism, earthquake 2. Storm or flood 3. Freezing of water tanks, apparatus or pipes or water
Escaping from tanks, apparatus or pipes or oil
Escaping from a fixed heating installation 4. Riot, civil commotion, strike or labour disturbance 5. Malicious persons or vandals <p>Theft or attempted theft</p> <p>Property in which he resides</p> <ol style="list-style-type: none"> 7. Subsidence and/or heave of the site on which the buildings stand or of land belonging to the buildings or landslip 8. Falling trees or branches 9. Falling television or radio aerials, aerial fittings or masts 10. Collision involving aircraft or aerial devices or anything dropped from them or vehicles or animals. 11. If the residential property is damaged and made Uninhabitable by any cause insured by paragraphs 1-10 the Company will pay the amount of reasonable additional costs of comparable accommodation and up to 3 years ground rent and service charges incurred by the lessee of the Residential Property during the period necessary to restore the Residential Property to a habitable condition. | <ol style="list-style-type: none"> 2. Loss or damage by frost/Loss or damage to fences & gates 5. Loss or damage caused by the policyholder, any director of the policyholder or any employee
Loss or damage caused by any resident to the residential Property in which he resides 6. Loss or damage caused by the policyholder, any director of the policyholder or any employee
Loss or damage caused by any resident to the residential 7. - the first £500 of each claim <ul style="list-style-type: none"> - compaction of infill of solid floors - shrinkage, cracking, or the bedding down of new structures - coastal or river erosion - demolition of or structural alteration or structural repair to the residential property, its garages or domestic outbuildings - faulty workmanship, design or the use of defective materials 8. Loss or damage to fences or gates 11. Any amount exceeding 35% of the sum insured. |
|--|--|

The Material Damage section also provides insurance against:

7. Accidental damage for which the policyholder or the Lessee of any residential property is legally responsible to Cables or underground services supplying the buildings.
13. Accidental breakage of glass in doors or windows, wash Basins, splashbacks, pedestals, baths, sinks, bidets, lavatory Cisterns, lavatory pans, shower trays and shower screens all Fixed to and forming part of the buildings.

General Exclusions

1. Radioactive contamination

Any expense, consequential loss or any loss or damage to Property directly or indirectly caused by or contributed to By

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

2. War risks

Any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

3. Sonic bangs

Loss damage by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

Claims settlement

Company will pay the cost of work carried out in repairing or replacing the damaged parts of the Buildings including fees and associated costs but not The cost of complying with building regulations, local Authority or other statutory requirements if notice of the Need to comply was served upon the policyholder Before the damage occurred or if the regulations or Requirements relate to undamaged parts of the buildings. If the buildings have not been maintained in good repair Or if at the time of any loss or damage the sum insured Is less than the full rebuilding cost the Company will pay the Cost of repair or replacement less a deduction for wear and tear.

If the repair or replacement is not carried out the Company will pay the reduction in market value resulting from the damage not exceeding what it would have cost to repair the damage to the buildings if the repair work had been carried out without delay. The maximum amount payable in aggregate under paragraphs 1-10, 12 and 13 is the sum insured less any excess.

Property Owners Liability

The Insurance by this Policy includes an indemnity to the Policyholder and resident against all claims made against Them, as owner (but not occupier of any part of the Buildings) in respect of accidents resulting in

- a) accidental bodily injury to any person not at the time Of sustaining such injury engaged in the service of the Policyholder.

b) accidental loss of or damage to property not belonging to or in the charge or under the control of the policyholder or of a person in the policyholder's service.

Limit of Indemnity £10,000,000 any one occurrence.

Sale of residential property

If the policyholder or the lessee of any residential property enters into a contract to sell his interest in it and between exchange of contracts and completion of the sale, it is damaged by any cause insured by paragraphs 1-10, 12 or 13 the purchaser shall be entitled to benefit from this insurance in respect of such loss or damage when the sale is completed provided it is not otherwise insured by or on behalf of the purchaser.

Automatic reinstatement of the sum insured

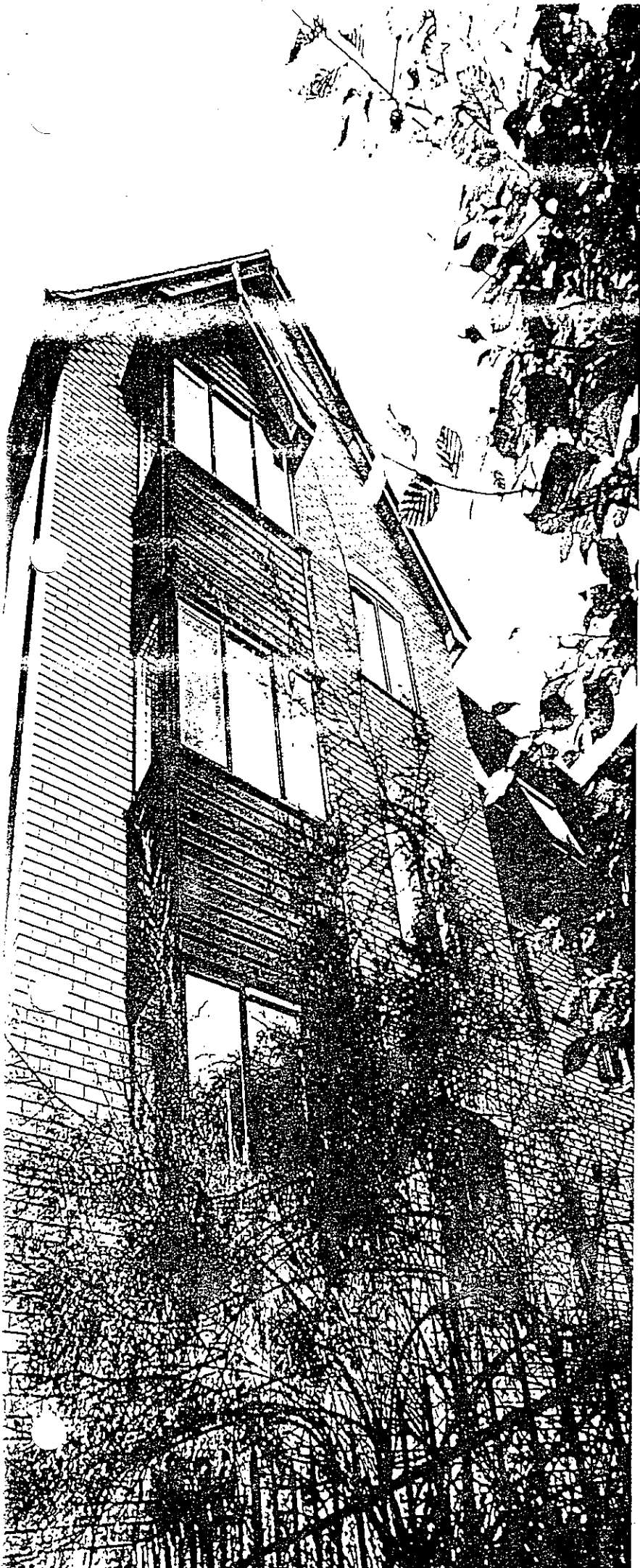
The sum insured will not be reduced following a claim, Provided the policyholder carries out any recommendations The Company makes to prevent further damage and the Damage is made good without delay.

Unoccupied premises

Full cover will be maintained upon premises when left Unoccupied provided the lessee takes all reasonable Precautions for the safety of the property.

This is only a summary of the cover. Full details are set out In the Policy a copy of which is available from Kingsborough Insurance Services Limited. On request. In the event of a claim, notification must be given within 30 days Of the claim incident, (7 days if caused by Riot or Malicious Damage to:-

Kingsborough Insurance Services Limited
Queensway House
11 Queensway
New Milton
Hampshire BH25 5NR
Telephone: 01425 632341



Peverel  M

RESIDENTIAL
INSURANCE
POLICY

*Underwritten
by*



NORWICH
UNION

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POLICY ARRANGED BY

Bland Bankart (Central) Ltd

POLICY UNDERWRITTEN BY

London and Edinburgh Insurance Company Limited
a Norwich Union Group Company

Norwich Union Limited
Registered in England No 99122
Registered Office: Surrey Street Norwich NR1 3NG

Member of the Association of British Insurers
Member of the Insurance Ombudsman Bureau

COMPLAINTS PROCEDURE

Our aim is at all times to provide a first class standard of service. However, there may be occasions when you feel that this objective has not been achieved. Should you have any query or complaint regarding this insurance, please contact either your usual insurance advisor or your nearest Norwich Union Office. Please always quote your policy number.

If after taking this action you are still dissatisfied, please write to the Manager of the nearest Norwich Union Office. If he/she has already been involved and you remain dissatisfied, please write to the Chief Executive, Norwich Union Insurance Group, Surrey Street, Norwich, NR1 3NS.

Should you then remain dissatisfied, you may;

- (a) if a private policyholder, approach the Insurance Ombudsman Bureau, City Gate 1, 135 Park Street, London, SE1 9EA.
- (b) approach the Association of British Insurers, 51 Gresham Street, London, EC2V 7HQ.
- (c) if your complaint concerns an insurance broker, registered under the Insurance Brokers (Registration) Act, approach the Insurance Brokers Registration Council, 63 St Mary's Axe, London, EC3A 8NB.

LAW APPLICABLE TO CONTRACT

You and the insurer are free to choose the law applicable to this contract; but in the absence of agreement to the contrary, the law of the country in which you reside at the date of the contract (or, in the case of a business, the law of the country in which the registered office or principle place of business is situated) will apply.

If you are not resident (or, in the case of a business, the registered or principle place of business is not situated) in England or Wales, Scotland; Northern Ireland, Channel Islands or the Isle of Man, the law which will apply is the law of England and Wales.

POLICY COVER

We agree to provide cover to You in accordance with the provisions of this policy during any Period of Insurance for which You have paid or agreed to pay and We have accepted the premium in respect of

SECTION 1 : ASSETS

1A : Material Damage

any of the property insured described in the Specification suffering Damage

when We will pay for the value of the property at the time of the Damage or at Our option reinstate or replace such property or any part of it

1B : Gross Rentals & Alternative Accommodation

any Building or other property used by You at the Residence for the purpose of the Business suffering Damage

when We will pay for the amount of the reduction in Gross Rentals and costs of Alternative Accommodation

SECTION 2 : LIABILITIES

2A: Employers' Liability

Bodily Injury to any of Your Employees arising out of and in the course of their employment or engagement by You

2B: Property Owners Liability

accidental Bodily Injury to any person and/or accidental loss of or damage to Property

when We will pay for

(a) all sums which You become legally liable to pay as damages and which arise in connection with the Business

(b) Costs

provided that

under each of Sections 2A and 2B the most We will pay in respect of all claims arising out of one original cause is the respective limit of indemnity stated in the Specification irrespective of the number of claims or claimants

DEFINITIONS AND INTERPRETATIONS

Your policy is made up of various sections and documents. These should all be read together as part of the same contract

Definitions are set out below and any word or phrase which has a definition is printed throughout the policy in **bold type**

Various specific definitions are set out in individual sections which relate only to those sections

Where a more general meaning applies this will be apparent from the way it is used in the policy

Alternative Accommodation

The costs incurred by You in providing alternative accommodation for Your tenants and their domestic pets at the **Residence** or **Flat** to a standard equal to but not better than the standard of accommodation provided by You immediately prior to the **Damage**

Bodily Injury

Death injury illness or disease

Building(s)

The Buildings at the **Residence** including

- (a) landlord's fixtures and fittings as designated in Your books and included in the sum insured
- (b) outbuildings yards forecourts hardcourts patios landscaping pools and car-parks
- (c) roads pavements bridges street and site furniture statues external trees and plants but only to the extent of Your responsibility
- (d) walls gates fences canopies and fixed signs
- (e) foundations
- (f) culverts piping ducting cables wires and associated equipment on the **Residence** and extending to the public mains but only to the extent of Your responsibility
- (g) lifts boilers and central heating plant except as excluded
- (h) decorations and fitted carpets in the common-parts
- (i) solar heating panels

Business

The description of **Your** occupation used for the purpose of this insurance as shown in the **Specification**

Additionally in respect of Section 2 of this policy

- (a) the ownership and maintenance of a **Residence**
- (b) the provision and management of canteen social sports and welfare organisations for **Employees**
- (c) the provision and management of first aid fire and ambulance services
- (d) private work carried out with **Your** consent for any of **Your** directors partners or senior officials by an **Employee**

Computer System

Any computer data processing equipment media or part thereof or system of data storage and retrieval or communications system network protocol or part thereof or storage device microchip integrated circuit real time clock system or similar device or any computer software (including but not limited to application software operating systems runtime environments or compilers) firmware or microcode whether or not **Your** property

Contents Of Common Parts

All property at a block of flats or building converted into flats and as detailed in the **Specification** except landlord's fixtures and fittings which belongs to **You** or for which **You** are responsible at the **Residence** but including

- (a) alterations improvements repairs and decorations
- (b) the contents of water oil gas and fuel tanks and ancillary equipment and pipework
- (c) documents manuscripts and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to **You** of the information contained therein
- (d) computer systems records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein) and not for the value to **You** of the information contained therein
- (e) aquaria
- (f) property in show suites but only while such show suites are used for display or sale purposes

Costs

- (a) Claimants costs and expenses arising in respect of any claim against You which may be the subject of indemnity under Section 2 of this policy
- (b) All costs and expenses incurred by Us or with Our written consent in respect of any claim against You which may be the subject of indemnity under Section 2 of this policy
- (c) Court Attendance Costs
- (d) Legal Representation Fees
- (e) Prosecution Defence Costs

Court Attendance Costs

All costs and expenses incurred by any of Your directors partners or Employees up to a maximum of £250 per day for each day on which attendance by any such person at a court or similar forum is requested by Us in connection with a claim for which You are entitled to indemnity under Section 2 of this policy

Damage

Accidental loss or destruction of or damage to the property insured

Deductible

The amount shown in the Specification being the first part of any claim which You must pay and which is applied to each separate Residence and is deducted after the application of all other provisions of the policy including any condition of average (underinsurance)

Defined Peril

Fire lightning explosion aircraft or other aerial devices dropped from aircraft riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons other than thieves earthquake storm flood escape of water impact by any road vehicle or animal and subsidence ground heave or landslip

Employee(s)

Any employee of Yours or any other person acting in the capacity of an employee while engaged in working for You in connection with the Business

Endorsement

Any variation or addition to the terms of the policy

Flat

A self contained private dwelling within a block of flats or building converted into flats (each block directly linked with common service areas)

Goods

Goods or products (including containers labelling instructions or advice provided in connection therewith) which are sold supplied erected repaired altered or installed by You

Gross Rentals

The amount of the actual annual Rent at the commencement of the **Period of Insurance** or the annual Rent following any rent review during the **Period of Insurance** (proportionately adjusted where the **Indemnity Period** exceeds 12 months)

Indemnity Period

Indemnity Period means

- (a) for a tenanted **Residence** or **Flat**

the period beginning with the occurrence of the **Damage** but ending not later than the last day of the **Maximum Indemnity Period** shown in the **Specification**

- (b) for an untenanted **Residence** or **Flat**

the period beginning with the date upon which but for the **Damage Gross Rentals** would have begun to be payable to You and ending not later than the last day of the **Maximum Indemnity Period** shown in the **Specification**

Legal Representation Fees

Legal fees incurred with Our written consent for Your representation in any proceedings in a court or similar forum arising out of any death or alleged breach of statutory duty the circumstances of which may be the subject of indemnity under Section 2 of this policy

Offshore

From the time of embarkation by an **Employee** on to a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that **Employee** from a conveyance onto land upon return from an offshore rig or offshore platform

Period of Insurance

The **Period of Insurance** shown in the **Specification** which is the effective period of this policy

Pollution

- (a) Pollution or contamination of any sort and however caused and
(b) All loss damage injury or disease directly or indirectly caused by such pollution or contamination

Property

In respect of Section 2 only of this policy **Property** means property which is both material and tangible

Prosecution Defence Costs

All costs and expenses incurred either

- (a) with Our written consent or
- (b) awarded against either You or any of Your directors or Employees

in connection with a prosecution (including an appeal against conviction resulting from a prosecution) as a result of an alleged offence under any legislation in the **United Kingdom** giving rise to duties in relation to the **Business**

provided that

- (i) the circumstances of the alleged offence may be the subject of indemnity under Section 2 of this policy
- (ii) the prosecution does not result from a deliberate decision act or omission of management

Reinstatement

Reinstatement means

- (a) the rebuilding or replacement of property lost or destroyed which provided Our liability is not increased may be carried out
 - (i) in any manner suitable to Your requirements
 - (ii) upon another site
- (b) the repair or restoration of property damaged

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

Rent

The money paid or payable to You (excluding any money paid or payable to the owner or lessee of an individual flat) for accommodation provided and related services rendered at the **Residence**. If the **Residence** or **Flat(s)** are untenanted the **Rent** will be deemed to be the money estimated to be paid or payable once the **Residence** or **Flat(s)** are let as evidenced by the leases or negotiation or in the absence of such evidence based on money paid or payable in respect of similar property in the same locality as the **Residence**. Such estimation shall be determined by a competent professional valuer acceptable to both You and Us

Residence

A block of flats including portions occupied or intended to be occupied for commercial purposes or a building converted into flats or maisonettes or private dwelling houses and as detailed in the **Specification**

Specification

The most current Specification issued to You which includes the Period of Insurance and details of the cover provided by this policy

The Specification is part of the policy and must be read in conjunction with it

Specified Peril

Specified Peril means

- fire spontaneous fermentation or heating
- lightning
- explosion
- aircraft or other devices or articles dropped therefrom
- riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons
- theft
- earthquake
- subterranean fire
- storm
- flood
- escape of water from any tank apparatus or pipe
- impact from any vehicle or animal

Terrorism

Any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government (whether legally appointed or acting as such) by force or violence

In any action suit or other proceedings where We allege that by reason of this definition any Damage or Rent is not covered by this policy (or is covered only up to a specified limit of liability) the burden of proving that such Damage or Rent is covered (or is covered beyond that limit of liability) shall be upon You

United Kingdom

England Scotland Wales Northern Ireland Isle of Man and the Channel Islands

We/Us/Our

London and Edinburgh Insurance Company Limited a Norwich Union Group Company

Year 2000 Compliant / Compliance

Neither performance nor functionality of the **Computer System** affected by dates prior to during or after the year 2000. In particular

- Rule 1 - No value for current date will cause any interruption in operation for the **Computer System**
- Rule 2 - Date based functionality and performance of the **Computer System** must behave consistently for dates prior to during and after the year 2000
- Rule 3 - In all interfaces and data storage of the **Computer System** the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules
- Rule 4 - The year 2000 must be recognised as a leap year by the **Computer System**

You/Your/Yours

The first party and any associated or subsidiary company named in the **Specification** as the Insured

Additionally in respect of Section 2 of this policy

- (a) operating in or from premises in the **United Kingdom**
- (b) at Your request
 - (i) any of Your directors or **Employees** while acting on behalf of or in the course of their employment or engagement in respect of liability for which You would have been entitled to indemnity if the claim against any such person had been made against You
 - (ii) any officer member or **Employee** of Your social sports or welfare organisation or first aid or ambulance service in their respective capacity as such
 - (iii) any of Your directors partners or senior officials in respect of private work carried out by an **Employee** for any such person with Your consent

Provided that if indemnity is extended to any party described above that party shall be subject to the terms of the section so far as they can apply and in any event Our liability shall not exceed the limit of indemnity

- (c) in the event of Your death Your personal representatives in respect of liability incurred by You
- (d) In the event of the Flats at the **Residence** managed by You being individually owned or leased and insured in one amount on behalf of the individual owners or lessees We will treat as though he were You any person who is the owner or lessee of a Flat forming part of the **Residence** in his or her capacity as owner or lessee provided that
 - (i) such person is not entitled to indemnity under any other policy
 - (ii) such person shall as though he were You observe fulfil and be subject to the policy terms and conditions
 - (iii) claims are excluded in respect of injury or damage arising out of or incidental to such person's profession or business

SECTION 1 : ASSETS

EXCLUSIONS

This section does not cover

1. the amount of any Deductible
2. property more specifically insured elsewhere
3. Damage or loss of Gross Rentals and costs of Alternative Accommodation caused by

(a) (i) faulty or defective materials or workmanship inherent vice latent defect gradual deterioration change in water table level wear and tear or frost

(ii) explosion as a result of the bursting

(a) in respect of Section 1A of a boiler (not used for domestic purposes only) other vessel machine or apparatus

(b) in respect of Section 1B of any vessel machine or apparatus (not being a boiler or economiser) in the Residence

in which internal pressure is due to steam only and belonging to or under Your control

(iii) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

but this shall not exclude subsequent Damage or loss of Gross Rentals and costs of Alternative Accommodation which itself results from a cause not otherwise excluded

(b) (i) collapse or cracking of Buildings

(ii) corrosion rust change in temperature dampness dryness wet or dry rot shrinkage evaporation loss of weight contamination change in colour flavour texture or finish vermin insects marring or scratching

but this shall not exclude such Damage or loss of Gross Rentals and costs of Alternative Accommodation if resulting from a cause which is not otherwise excluded

(c) (i) theft or any attempt thereof of movable property in the open grounds and gardens adjoining and used in conjunction with the Residence

(ii) acts of fraud or dishonesty by any Employee

(iii) theft or any attempt thereof malicious damage or vandalism by Your tenants or Employees

(iv) acts of deception unless deception is only used to gain entry to the Residence or Flat

(v) disappearance unexplained or inventory shortage misfiling or misplacing of information

- (vi) cracking fracturing collapse or overheating of boilers economisers vessels tubes or pipes nipple leakage and or the failure of welds of boilers
- (vii) mechanical or electrical breakdown and/or derangement of machinery or equipment
- (viii) in respect of Section 1B only loss of **Gross Rentals** or costs of **Alternative Accommodation** resulting from **Damage** caused by the deliberate act of a supply authority in withholding the supply of water gas electricity fuel or telecommunication services

but this shall not exclude

- (a) such **Damage** or loss of **Gross Rentals** or costs of **Alternative Accommodation** if resulting from an ensuing cause) which
- (b) subsequent **Damage** or loss of **Gross Rentals** or costs of **Alternative Accommodation** if resulting from an ensuing cause) is not
- (c)) otherwise
- (d)) excluded
- (d) (i) subsidence or ground heave of any part of the site on which the property stands or landslip
 - (a) to yards forecourts car parks roads pavements walls gates and fences unless also affecting the structure of other parts of the **Buildings** insured by this section
 - (b) resulting from the settlement or movement of made-up ground or by coastal or river erosion
 - (c) occurring while the property insured or any part thereof is in course of erection or undergoing demolition structural alteration or structural repair
 - (d) which originated prior to the inception of this cover
- (ii) normal settlement or bedding down of structures within ten years of construction
- (e) wind rain hail sleet snow flood or dust to movable property in the open
- (f) theft of garden tools mowers trailers and the like unless contained in a securely locked outbuilding of substantial construction except for an amount not exceeding £1,000 any one loss

4. **Damage to**

- (a) property as a result of its undergoing any process
- (b) property in transit

or any resulting loss of **Gross Rentals** or costs of **Alternative Accommodation**

5. in respect of Section 1B only losses resulting from erasure or distortion of information on computer systems or other records

- (a) due to a deliberate act of misuse or contamination of any computer system including programs and data executed through accessing the system except for an amount not exceeding £100,000 in any one **Period of Insurance**
- (b) due to the presence of a magnetic flux

6. unless such items are specifically mentioned as insured Damage to
- (a) vehicles licensed for road use caravans or trailers (including accessories thereon) railway locomotives and/or rolling stock watercraft or aircraft
 - (b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection other than work at Your Residence with a contract value of less than £250,000
 - (c) land and excavations piers jetties
 - (d) livestock fishstock growing crops or trees other than by fire lightning aircraft or explosion
 - (e) clocks curiosities or works of art other than the first £1,000 in respect of any one item and a total of £5,000 in respect of any one loss of such items
- or any resulting loss of Gross Rentals or costs of Alternative Accommodation
7. Damage or loss of Gross Rentals or costs of Alternative Accommodation caused by freezing or escape of water from any sprinkler installation in respect of any Residence or Flat which
- (i) is insufficiently furnished for normal habitation or use
 - (ii) has not been lived in for 60 consecutive days
 - (iii) is not heated to a temperature of at least 40°F at all times including the loft space containing water tanks pipes or apparatus
8. Damage or loss of Gross Rentals or costs of Alternative Accommodation directly or indirectly resulting from war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power nationalisation confiscation requisition seizure or destruction by the government or any public authority
9. Damage or loss of Gross Rentals or costs of Alternative Accommodation directly or indirectly resulting from
- (a) ionising radiations or contamination from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (b) the radioactive toxic explosive or other hazardous properties of any explosive assembly or nuclear component thereof

10. (a) in respect of Section 1A only Damage caused by Pollution but this shall not exclude Damage to the property insured not otherwise excluded caused by
 - (i) Pollution which results from a Defined Peril
 - (ii) a Defined Peril which results from Pollution
- (b) in respect of Section 1B only loss resulting from Pollution but this shall not exclude loss resulting from Damage to property used by You at the Residence for the purpose of the Business not otherwise excluded caused by
 - (i) Pollution at the Residence which results from a Defined Peril
 - (ii) a Defined Peril which results from Pollution
11. Damage or loss of Gross Rentals or costs of Alternative Accommodation in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
 - (a) civil commotion
 - (b) Terrorism
12. Damage or loss of Gross Rentals or costs of Alternative Accommodation in England Wales or Scotland (but not the adjacent territorial seas as defined by the Territorial Sea Act 1987) by fire or explosion occasioned by or happening through or in consequence directly or indirectly Terrorism except to the extent provided in the SPECIAL PROVISION - TERRORISM

SPECIAL PROVISION - TERRORISM

This provision provides limited cover for **Terrorism**. The limit differs for primarily commercial properties and private residential property

Subject to the other provisions of this policy cover extends to include **Damage** and loss of **Gross Rentals** and costs of **Alternative Accommodation** in England Wales or Scotland (but not adjacent territorial seas as defined by the Territorial Sea Act 1987) by fire or explosion resulting from **Terrorism**

Our liability in respect of such **Damage** loss of **Gross Rentals** and costs of **Alternative Accommodation** shall not exceed

(a) £100,000 in respect of each of the following (if insured or any limit or sum insured stated in respect of that loss whichever is the lower) per Loss Occurrence

(i) **Buildings**

(1) solely occupied as commercial properties

(2) or portions of **Buildings** occupied as blocks of flats provided such portions of **Buildings** form less than 80 per cent of such **Buildings**

(ii) **Contents of Common Parts of (a)(i) and other Property**

(iii) loss of **Gross Rentals** and costs of **Alternative Accommodation**

(b) £2,500,000 in respect of each of the following (if insured or any limit or sum insured stated in respect of that loss whichever is the lower) per Loss Occurrence

(i) **Buildings**

(1) solely occupied as private dwellings

(2) or portions of **Buildings** occupied as blocks of flats provided such portions of **Buildings** form at least 80 per cent of such **Buildings**

(ii) **Contents of Common Parts of (b)(i) above and other Property**

(iii) loss of **Gross Rentals** and costs of **Alternative Accommodation** in respect of (b)(i) above

SPECIAL CONDITIONS - TERRORISM

(1) no reinstatement

Any provision in the policy which provides for any sum insured or limit of liability to be automatically reinstated following a loss shall not apply to losses covered under this **SPECIAL PROVISION**

(2) Loss Occurrence

Loss Occurrence means all individual losses arising in respect of a continuous period of twelve hours of which the proximate cause is the same act of **Terrorism**

SECTION 1A : MATERIAL DAMAGE

SETTLEMENT OF CLAIMS

Buildings and Contents of Common Parts

We will pay for the Reinstatement of the property destroyed or damaged in accordance with the following Basis of Settlement

Reinstatement with Index Linking

The sum insured on property shown in **Your Specification** will be adjusted monthly in line with the House Rebuilding Costs Index prepared by the Royal Institution of Chartered Surveyors or another appropriate index

No charge will be made for this during the first 12 months **Your** policy is in force but at each anniversary of the policy the premium will be calculated on the adjusted sums insured

Index linking will continue from the date of any **Damage** to the settlement of a resulting claim provided **You** have not unreasonably delayed the notification or settlement of the claim

SPECIAL CONDITIONS

- (1) If **Your** sum insured is less than the full **Reinstatement** cost and **You** have not taken reasonable steps to maintain the sum insured at that level **We** will only pay the same proportion of the cost of **Damage** as **Your** sum insured bears to the full **Reinstatement** cost

EXTENSIONS

1. Additional Interests

The interest of the freeholder lessor owner or lessee of individual flats the mortgagees or mortgagors of any of them and any management company for which You have instructions to insure is noted in this policy and it is accepted that other third parties may be interested in the insurance by this policy and in the event of **Damage** such third parties and the nature of their interest in the **Buildings** suffering **Damage** are to be declared to Us

2) Automatic Cover

The policy automatically extends to include newly acquired or erected **Buildings** for a sum up to £10,000,000 provided that You shall notify Us in writing as soon as practicable and in any event not later than 30 days thereafter of such new **Buildings** and pay any additional premium to Us as may be reasonably required

3. Automatic Reinstatement

The sum insured will not be reduced by the amount of any claim payable under this section provided that You pay if required by Us an appropriate additional premium from the date of the **Damage** giving rise to the claim

4. Capital Additions

Cover by this section extends to include alterations additions and improvements to existing **Buildings** or **Contents of Common Parts** but not in respect of any appreciation in value during the current **Period of Insurance** at any of the **Residence**

provided that

- (i) at any one **Residence** this cover shall not exceed 10% of the total sum insured on such property or £1,000,000 whichever is the less
- (ii) You undertake to give particulars of such extension of cover as soon as practicable and at least every three months and to effect specific insurance retrospective to the date of the commencement of Our liability
- (iii) the provisions of this extension shall be fully maintained notwithstanding any specific insurance effected under (ii) above

5. Clearing of Drains and Sewers

In the event of blockage of the drains sewers or common service pipes to your **Residence** We will pay for the necessary clearing of such blockage provided that the most We will pay under this extension is £2,500 and the cost for the clearing of such blockage is not otherwise recoverable

6. Consultants Fees

The sums insured on **Buildings** and **Contents of Common Parts** include amounts for professional fees necessarily and reasonably incurred in the **Reinstatement** of **Damage** insured hereby (but not such fees for the preparation of any claim). The most We will pay for the **Damage** (including such fees) is the sum insured by the relative item

7. Contents of Common Parts Extension

The Contents of Common Parts definition is extended to include

Money in the custody or control of Your resident house manager or his authorised deputy provided that the most We will pay under this extension is £100 in respect of any one claim

and

Warden call alarm pendants whilst anywhere in the world provided that the most We will pay under this extension is £200 in respect of any one claim

8. Contracting Purchasers

In the event that You have contracted to sell the interest in the Buildings the contracting purchaser who completes the purchase shall have the benefit of the insurance by this section up to the date of completion if and insofar as the Buildings are not otherwise insured and without prejudice to Our rights and liabilities

9. Debris Removal

Unless specifically insured by this section items relating to Buildings and Contents of Common Parts extend to include reasonable costs and expenses necessarily incurred by You with Our consent in

- (a) removing debris from
- (b) clearance or repair of drains sewers or gutters of
- (c) dismantling and/or demolishing
- (d) shoring up or propping
- (e) removing tenant's debris where such costs are not recoverable from the tenant subject to a limit of £25,000 any one loss from

the portion or portions of the property insured which has been destroyed or damaged by any cause not excluded by this policy but excluding any costs or expenses

- (i) incurred in removing debris except from the site of property destroyed or damaged and the area immediately adjacent to such site
- (ii) arising from Pollution

The most We will pay under this clause and this section in respect of any item shall in no case exceed its sum insured

10. Designation

For the purpose of determining where necessary the Definition under which any property is insured We agree to accept the designation under which such property has been entered in Your books

11. Emergency Services

In the event of Damage to the Buildings or adjacent premises or property We will pay for the remedial costs incurred following Damage to any of Your landscaped areas caused by any emergency services

12. Exceptional Measures

We will pay the costs You incur with Our prior consent in taking reasonable but exceptional measures to avoid or mitigate a loss which would have been insured by this Section provided that the most We will pay under this extension is £25,000 any one claim and excluding any claim which could have been reasonably foreseen

13. Extinguishment and alarm resetting expenses

We will pay the reasonable costs incurred by You in refilling fire extinguishing appliances and resetting fire or intruder alarms solely in consequence of their activation following Damage

14. Fire Brigade Attendance Fees

We will pay the attendance fees of the fire brigade for which You are legally liable where such fee is demanded as a result of the fire brigade being called to the Residence in connection with a lift malfunction therein provided that the most We will pay under this extension is £250 any one claim and £5,000 in any one Period of Insurance

15. Freeholders Lessors and Mortgagees

The interest of the Freeholder Lessor or Mortgagee in this insurance shall not be prejudiced by any act or neglect of the Leaseholder Lessee Mortgagor or occupier of any Building insured whereby the risk of Damage is increased without the knowledge of the Freeholder Lessor or Mortgagee provided the Freeholder Lessor or Mortgagee shall immediately on becoming aware thereof give notice to Us in writing and on demand pay such reasonable additional premium as We may require

16. Lock Replacement

We will pay the costs incurred as a result of necessary replacement of locks following the accidental loss of keys combinations or access cards in connection with any safe strongroom external door or intruder alarm at the Residence provided

- (i) there is reasonable evidence that such items may have been copied by an unauthorised person
- (ii) No cover applies for safe or strongroom keys left in the Residence overnight
- (ii) The most We will pay in respect of a claim under this extension is £5,000

17 Metered Fuel

We will pay the direct additional costs resulting from

(a) accidental escape of metered water from tanks apparatus and pipes

(b) unauthorised use of gas or electricity

provided that

(i) such loss is not otherwise recoverable

(ii) the most We will pay in respect of a claim under this extension is £25,000 but only to the extent that such loss is determined by measurement from water gas or electricity meters for which You are responsible

18. Omission to Insure

In the event that You inadvertently omit to notify Us of any newly acquired or erected Buildings or Gross Rentals We will automatically hold such property covered provided that

(a) such cover will commence from the inception of Your interest in the Buildings or Gross Rentals or the date the previous insurance lapsed whichever is the later

(b) such cover will be for the contingencies insured as stated in the Specification and in respect of Gross Rentals the Maximum Indemnity Period shall not exceed 36 months

(c) the limit of Our liability in respect of the Buildings and its Gross Rentals shall not in the aggregate exceed the £10,000,000 in respect of any one Residence

When such omission is discovered You shall immediately advise Us and shall pay such additional premium as We may reasonably require

19. Property At Other Premises

The insurance by this section relating to Contents of Common Parts extends to include such property whilst in or at the premises of another for temporary purposes including whilst in transit by road rail or inland waterway and temporary housing en route to and from such premises all in the United Kingdom or Ireland provided that the most We will pay in respect of documents is £10,000

20. Public Authorities (including undamaged property)

We will pay such additional cost of Reinstatement incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any European Community legislation or government or local authority requirements in respect of

- (a) the property insured which suffers Damage
- (b) undamaged portions thereof
 - excluding
- (i) the cost incurred in complying with any of the aforesaid legislation or requirements
 - (a) in respect of Damage occurring prior to the granting of this extension
 - (b) in respect of Damage not insured by this policy
 - (c) under which notice has been served upon You prior to the happening of the Damage
 - (d) in respect of undamaged property other than undamaged portions of property damaged by any contingency hereby insured against
- (ii) the additional cost that would have been required to make good the property suffering Damage to a condition equal to its condition when new had the necessity to comply with any of the aforesaid legislation or requirements not arisen
- (iii) the amount of any charges or assessment arising out of the capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid legislation or requirements

provided that

- (1) The work of Reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as We may allow (during the said twelve months) and may be carried out upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to Our liability under this extension not being thereby increased
- (2) If Our liability under this policy apart from this extension shall be reduced by the application of any of the provisions of this policy then Our liability under this extension shall be reduced in like proportion
- (3) The total amount recoverable under this policy shall not exceed
 - (i) in respect of undamaged portions of property other than foundations 25% of the total amount for which We would have been liable had the property been wholly destroyed
 - (ii) the sum insured on the property suffering Damage
- (4) All provisions of this policy except in so far as they are varied hereby shall apply as if they had been incorporated herein

21. Removal of Nests

We will pay the reasonable costs incurred in removing bats wasps or bees nests from the Residence provided that the most We will pay under this extension is £250 in respect of any one claim

22. Repair of Pipes and Cables

In the event of accidental damage to piping ducting cables wires and associated equipment on the Residence and extending to the public main which is otherwise excluded under Section 1 provided such damage is not caused by rust corrosion wear and tear gradual deterioration change in water table level contamination change of colour flavour texture or finish marring or scratching mechanical or electrical breakdown and/or derangement of machinery or equipment and You are legally liable to pay the cost of repairs We will pay such repair costs subject to a limit of £5,000 any one loss

23. Squatter Eviction Expenses

We will pay an amount not greater than £15,000 in respect of legal expenses incurred by You in the course of evicting squatters from any of the Residence or parts thereof subject to such expenses being incurred with Our prior written consent and in a manner advised by Us

24. Subrogation Waiver

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

- (a) any company standing in the relation of holding subsidiary or fellow subsidiary to You in each case as defined by current legislation
- (b) Your tenants except where a claim results from criminal fraudulent or malicious acts

25. Trace and Access

In the event of Damage resulting from escape of water We will pay the reasonable costs incurred in locating the source of the Damage and making good

26. Tree Felling or Lopping

We will pay the reasonable costs incurred in felling or lopping trees for which You are responsible at the Residence which are an immediate threat to the safety of life or Property provided that the most We will pay under this extension is £500 in respect of any one claim and £2,500 in any one Period of Insurance

27. Workmen

Workmen are allowed to work in the Buildings for the purpose of effecting any repairs and/or minor additions and alterations and/or decorations without prejudice to this insurance provided that You continue to take all reasonable care for the safety and protection of property insured and that no change or alteration shall be made to any alarm system or other protective device without Our consent

CONDITIONS

1. Average (underinsurance)

If at the time of the happening of any **Damage** to the **contents of common parts** the sum insured by that item is less than the total value of the property to which it applies You shall be considered as being Your own insurer for the difference and shall bear a rateable share of the **Damage** accordingly

2. Security Requirements

- (a) Any security required by Us must be fitted in accordance with its requirement and together with all other devices for the protection of the property insured must be kept in good order and put into full effective operation when the **Residence** or **Flat** are unattended
- (b) All keys including duplicate keys relative to the security of the **Residence** must be removed from the secured **Residence** whenever they are left unattended

Breach of this condition shall only invalidate claims in respect of theft or attempted theft of property whilst contained in the **Residence** at which the breach of condition has occurred

SECTION 1B : GROSS RENTALS AND ALTERNATIVE ACCOMMODATION

SETTLEMENT OF CLAIMS

In the event of Damage to the Residence or adjacent property or land and

- (i) the Residence or Flat being made uninhabitable
- (ii) You or Your tenants being prevented from using or accessing the Residence or Flat as a result of such Damage during the period
 - necessary to restore the Residence or Flat to a habitable condition
 - which You or Your tenants are unable to gain access

We will pay for

(a) Reduction in Gross Rentals

the amount of the reduction in the Rent received or receivable by You during the Indemnity Period solely as a consequence of the Damage

LESS any sum saved during the Indemnity Period in respect of the charges and expenses of the Business as may cease or be reduced in consequence of the Damage

PLUS the costs necessarily and reasonably incurred during the Indemnity Period in reletting the Residence or Flat (including legal fees in connection with the reletting but excluding any legal fees or other charges associated with reletting which are payable by the new tenant) solely in consequence of the Damage

provided that the Maximum Indemnity Period shall not exceed 36 months

(b) Costs of Alternative Accommodation

provided that the most We will pay in respect of Alternative Accommodation is 35% of the sum insured on the Buildings of the Residence as detailed in the Specification

(c) Increased Landlord's Costs

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals or the costs of Alternative Accommodation which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the reduction in Gross Rentals or the costs of Alternative Accommodation avoided by such expenditure

CONDITIONS

1. Average (underinsurance)

If at the time of the happening of any Damage to the property insured the sum insured for Gross Rentals is less than the total value of the Rent to which it applies You shall be considered as being Your own insurer for the difference and shall bear a rateable share of the Gross Rentals accordingly

EXTENSIONS

1. Accountants

We will pay for the reasonable charges payable by You to professional accountants for producing details or evidence as may be required by Us

2. Automatic Reinstatement

The sum insured will not be reduced by the amount of any claim payable under this section provided that You pay if required by Us appropriate additional premium from the date of the Damage giving rise to the claim

3. Contagious Diseases

We will pay for the costs of Alternative Accommodation resulting from

- (a) an outbreak of contagious or infectious disease murder or suicide at or in the vicinity of the Residence notifiable to the Local Authority
- (b) the discovery of pests or vermin at the Residence
- (c) the closure of the whole or part of the Residence by order of a competent authority in consequence of defects in the drains or other sanitary arrangements at the Residence
- (d) the use of the Residence being restricted on the order of the local regulatory body due to an outbreak of legionellosis at the Residence

provided that

- (i) You take all reasonable steps to prevent the occurrence of disease infection pests or vermin and to maintain all drains sanitary arrangements and air conditioning in efficient condition
- (ii) the Indemnity Period shall begin upon the discovery of the incident

4. Managing Agent's Premises

We will pay for Rent receivable by You which has not been paid to You due to interruption of or interference with the business of any managing agent engaged by You to collect Rent for the Residence or Flat in consequence of Damage to the premises used for the business of the managing agent

provided that

- (a) the most We will pay under this additional cover is 20% of the sum insured for Gross Rentals
- (b) Your managing agent's premises is within the United Kingdom
- (c) such loss of Rent is not covered by any other insurance
- (d) You take all reasonable steps to recover Rent which is receivable by You
- (e) You repay to Us all sums paid under this additional cover which You later recover
- (f) We will not be liable for any sum falling due for payment after the last day of the Maximum Indemnity Period stated in the Specification
- (g) We will not be liable for Rent which has remained outstanding for more than 120 days after its due date

5. NHBC Remedial Works

We will pay for the the costs of **Alternative Accommodation** whilst the **Residence** or **Flat** is uninhabitable as a result of works of a remedial nature being carried out within the **Residence** under a NHBC guarantee provided that the most We will pay under this extension is £25,000 in respect of any one **Residence** during any one **Period of Insurance** and £100,000 in total in any one **Period of Insurance**

6. Payment on Account

Payments on account of valid claims under Section 13 **Gross Rentals** may be made at Our discretion upon **Your** request

7. Prevention of Access Extension

We will pay for the reduction in **Gross Rentals** which is not recoverable under a lease or similar agreement or **Alternative Accommodation** should access to the **Residence** be prevented or hindered for more than 24 hours as a consequence of any property or right of way in the immediate vicinity of the **Residence** being closed or sealed off by the police authorities due to the threat of bodily injury or damage to property or as a consequence of the unlawful occupation of the **Residence** or part thereof (providing all steps are taken at law to remove such unlawful occupiers) subject to a **Maximum Indemnity Period** of 3 Months

8. Residences Awaiting Sale

In the event that **You** have contracted to sell **Your** interest in the **Buildings** and **Damage** occurs for which a valid claim is accepted by **Us** under Section 1 of this policy and the sale is cancelled or delayed solely due to the occurrence of such **Damage** We will pay

- (a) the reduction in **Rent** receivable by **You** during the period before the date on which completion of the sale of **Your Buildings** would have taken place but for the occurrence of **Damage**
- (b) the interest incurred on capital borrowed solely to offset the use of the sale proceeds for the purpose of financing the **Business**
- (c) the investment interest lost to **You** on any balance of the sale proceeds after the deduction of any capital borrowed as provided under (b)

less any amount receivable in respect of **Rent**

- (d) necessary additional expenditure **You** reasonably incur due to the occurrence of **Damage** solely to avoid or minimise the loss for which **You** can be indemnified under (a) but not exceeding the amount of such loss avoided by such additional expenditure

provided that

- (1) a valid claim has been accepted by **Us** under Section 1 of this policy
- (2) the most We will pay in respect of this additional cover is 20% of the sum insured in the **Specification**

SECTION 2 : LIABILITIES

This section covers Your liability to others for loss damage or injury as specified in each sub-section

EXCLUSIONS

This section will not indemnify You

1. against any liability which is assumed by You by agreement unless such liability would have attached in the absence of such agreement
2. against any liability directly or indirectly resulting from
 - (a) ionising radiations or contamination from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
3. against liability for
 - (a) punitive exemplary aggravated or restitutionary damages
 - (b) multiple damages but this exception shall not apply in respect of the original award of damages made prior to the application of the multiplier
 - (c) any fine or penalty
4. against liability
 - (a) in respect of Bodily Injury to any Employee which arises out of and in the course of their employment or engagement by You
 - (b) for any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
 - (c) in respect of loss or Damage to Goods
 - (d) in respect of Pollution
 - (e) in respect of Damage or Costs incurred in repairing replacing or recalling or making any refund in respect of any Goods

SECTION 2A : EMPLOYERS' LIABILITY

EXCLUSIONS

For Section 2A only the following additional exclusions apply

This section will not indemnify You

1. in respect of Bodily Injury to an Employee if at the relevant time the Employee is

(a) travelling as a passenger in or on a motor vehicle

(b) entering getting on to or alighting from a vehicle

in circumstances where compulsory insurance or security in respect of the vehicle is required by relevant road traffic legislation (or would be required but for specific statutory exception applicable to You) and such Employee is not acting in the capacity of the driver of the vehicle

2. against liability arising Offshore

SETTLEMENT OF CLAIMS

If Bodily Injury happens during the Period of Insurance to any of Your Employees arising out of and in the course of their employment or engagement by You

(a) in the United Kingdom or

(b) whilst temporarily outside the United Kingdom provided that the Employee is ordinarily resident in the United Kingdom

We will pay for

(i) all sums which You become legally liable to pay as damages and which arise in connection with the Business

(ii) Costs

SPECIAL CONDITIONS

(1) Maximum Payable

The most We will pay in respect of all claims arising out of one original cause is the limit of indemnity stated in the Specification irrespective of the number of claims or claimants and inclusive of Costs

(2) Rights of Recovery

The indemnity provided under Section 2A is deemed to be in accordance with such provisions as any law relating to the compulsory insurance of liability to employees in the United Kingdom may require 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

EXTENSIONS

1. Unsatisfied Courts Judgement

In the event of a judgement for damages

(a) being obtained in the first instance under the jurisdiction of a court in the United Kingdom and

(b) by any Employee or the personal representatives of any Employee

(c) in respect of Bodily Injury arising out of and in the course of the Employee's employment or engagement by You

at Your request We will pay to the Employee or the personal representatives of the Employee the amount of any damages or awarded costs to the extent that they remain unsatisfied

provided that

(i) there is no appeal outstanding

(ii) the judgement relates to Bodily Injury which would otherwise be insured by Section 2A

(iii) any payment made by Us shall only be in respect of liability for which You would have been entitled to indemnity under Section 2A if the judgement had been made against You

(iv) We will be entitled to take over and prosecute for Our own benefit any claim against any other party and You the Employee or the personal representatives of the Employee shall give all information and assistance required

SECTION 2B : PROPERTY OWNERS LIABILITY

This section covers Your liability as property owner or manager of the premises shown as insured in the Specification

EXCLUSIONS

This section will not indemnify You

1. against liability for loss of or damage to Property belonging to You or in Your custody or control or of any Employee other than
 - (a) Property belonging to an Employee or visitor
 - (b) any premises including contents (not being premises leased to You) which are temporarily occupied by You for the purpose of carrying out work in or to such premises
2. against liability arising from the ownership possession or use under Your control or the control of any Employee of Yours of
 - (a) any mechanically propelled vehicle other than plant as a tool of trade at the Residence

However this part of this exception shall not apply in respect of Bodily Injury or loss of or damage to Property arising in circumstances where compulsory insurance or security in respect of any such vehicle is not required by relevant road traffic legislation and You are not entitled to indemnity under any other insurance or indemnity
 - (b) any aircraft or other aerial devices hovercraft or watercraft (other than hand propelled watercraft or sailing craft not exceeding six metres in length)
3. against liability caused by any Goods after they have ceased to be in Your custody or control other than food or drink for consumption on Your Residence
4. against any liability which is assumed by You by agreement unless such liability would have attached in the absence of such agreement
5. arising in connection with the demolition or structural alteration or addition to any Building or any other structure or any incidental operation

SETTLEMENT OF CLAIMS

In the event of accidental **Bodily Injury** happening during the **Period of Insurance** to any person and/or accidental loss of or damage to **Property**

- (a) in the **United Kingdom** and offshore installations within the continental shelf around the **United Kingdom**
- (b) elsewhere in **Europe** but only in connection with the **Business** carried on by **You** at or from any premises situated in the **United Kingdom**
- (c) elsewhere in the world other than the **United States of America** or **Canada** arising out of **Business** visits by directors or non-manual **Employees** ordinarily resident in the **United Kingdom**

We will pay for

- (i) all sums which **You** become legally liable to pay as damages and which arise in connection with the **Business**
- (ii) **Costs**

SPECIAL CONDITIONS

(1) Maximum Payable

The most **We** will pay in respect of all claims arising out of one original cause is the limit of indemnity stated in the **Specification** irrespective of the number of claims or claimants and inclusive of **Costs**

EXTENSIONS

1. Defective Premises

We will indemnify You against legal liability in respect of **Bodily Injury** or loss of or damage to **Property** arising in respect of any premises disposed of by You

However this indemnity shall not apply in respect of loss of or damage to or any costs or expenses incurred in repairing replacing or making any refund in respect of any such premises

2. Leased or Rented Premises

We will indemnify You against legal liability for loss of or damage to premises or fixtures or fittings thereof which are leased or rented to You

However this indemnity shall not apply in respect of liability for

- (a) loss of or damage if the liability is assumed under any tenancy or other agreement and would not have attached in the absence of such agreement
- (b) the first £250 of such loss or damage caused otherwise than by fire or explosion

3. Non-Owned Vehicles Used in the Business

We will indemnify You in respect of legal liability for **Bodily Injury** and loss of or damage to **Property** arising out of the use of any motor vehicle which is neither the property of nor provided by You being used in connection with the **Business**

However this indemnity shall not apply in respect of

- (a) loss of or damage to any such vehicle
- (b) **Bodily Injury** or loss of or damage to **Property** while such vehicle is being driven
 - (i) by You or
 - (ii) with the general consent of You or of Your representative by any person who to the knowledge of You or Your representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- (c) liability arising from circumstances in which it is compulsory for You to insure or provide security in respect of such vehicle as a requirement of relevant road traffic legislation
- (d) a vehicle being used outside the **United Kingdom**

4. North American Public Liability

We will indemnify You against legal liability in respect of **Bodily Injury** or loss of or damage to **Property** happening anywhere within the **United States of America** or **Canada** arising out of business visits by directors or non-manual **Employees**

provided that

- (a) such directors and non-manual **Employees** are ordinarily resident in the **United Kingdom**
- (b) We will not indemnify You against liability in respect of **Pollution**

5. Obstruction and Loss of Amenities

We will indemnify You against legal liability in respect of accidental obstruction loss of amenities trespass nuisance or interference with any right of way light air or water

EXTENSIONS TO SECTION 2 : LIABILITIES

1. Cross Liabilities

If Your name in the Specification comprises more than one party We will treat each party as though a separate policy had been issued to each of them

However nothing in this extension shall increase Our liability to pay any amount in excess of the limit of indemnity under any sub-section

2. Sudden and Unintended Pollution

Notwithstanding the provisions of Exclusion 4.(d) of this section We will indemnify You against legal liability in respect of either Bodily Injury or loss of or damage to Property caused solely by Pollution which results from a sudden identifiable unintended and unexpected incident and such incident takes place in its entirety at a specific and identified time and place during the Period of Insurance provided that

- (a) all Pollution which arises out of any one incident shall be deemed to have occurred at the time such incident takes place
- (b) We will not indemnify You under this extension against any liability in respect of Pollution happening anywhere in the United States of America or Canada
- (c) nothing in this extension shall increase Our liability to pay any amount in excess of the limit of indemnity under any sub-section

3. Contractual Liability and Indemnity to Principal or Managing Agent

Notwithstanding the provisions of Exclusion 1. to this section We will indemnify You against liability in respect of Bodily Injury or loss of or damage to Property as follows

To the extent that any contract or agreement entered into by You with any Principal or Managing Agent so requires We will indemnify You against liability assumed by You and the Principal or Managing Agent in like manner to You in respect of the liability of the Principal or Managing Agent where liability arises out of the performance by You of such contract or agreement provided that

- (a) the conduct and control of claims is vested in Us
- (b) the Principal or Managing Agent shall observe fulfil and be subject to the terms of this section so far as they can apply
- (c) the indemnity shall not apply in respect of liquidated damages or under any penalty clause
- (d) the indemnity granted under this Section shall only apply in respect of liability to any person who is an Employee of Yours
- (e) where indemnity is granted to any Principal or Managing Agent We will treat each Principal or Managing Agent and You as though a separate policy had been issued to each of them
- (f) nothing in this extension shall increase Our liability to pay any amount in excess of the limit of indemnity under any sub-section

For the purpose of this extension Principal or Managing Agent means the other party to a contract or agreement for which You are undertaking work or services or providing Goods where such party is responsible for setting out the terms of the contract or agreement

GENERAL POLICY CONDITIONS

1. Fundamental Conditions

The following conditions are fundamental to the operation of this policy. If they are breached no cover will be provided

- (a) All statements answers and information supplied to Us by or on behalf of You in connection with this policy must be truthful and complete including any information supplied in relation to a claim
- (b) You must pay to Us all premiums due to Us together with all taxes due on the premiums

2. Your Obligations

The following conditions must be complied with. Any breach by You will allow Us to terminate this policy. Termination shall be from the date of the breach of condition

You must

- (a) give immediate notice to Us
 - (i) of anything which materially affects the risk insured including (but not limited to) anything which might reasonably be expected to increase the risk of loss or Damage
 - (ii) once You have knowledge of any impending prosecution inquest or fatal accident inquiry in connection with anything which may give rise to a claim under this policy
- (b) take all reasonable care to
 - (i) prevent accidents or Damage
 - (ii) maintain all premises plant and equipment and everything used in connection with Your Business in proper repair
- (c) forthwith on any defect or danger becoming apparent either
 - (i) make good or remedy any such defect or danger or
 - (ii) take such additional precautions as the circumstances require to avoid such defect or danger

3. Claims Conditions

The following conditions explain the actions and co-operation required by You regarding the handling of claims. No claim will be paid unless full and complete adherence to these conditions is maintained by You

You must

- (a) give immediate notice to Us of anything which may give rise to a claim being made against You or for which You intend to seek indemnity under this policy
- (b) provide Us with such particulars as We may require in connection with such circumstances

- (c) forward to Us immediately on receipt every letter writ summons and process in connection with such circumstances
- (d) give all information and assistance required by Us in connection with such circumstances
- (e) neither make any admission of liability nor any offer promise or payment in connection with such circumstances without Our written consent
- (f) in respect of loss or Damage caused by theft or malicious persons give immediate notice to the police
- (g) use all due diligence to do and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business and to avoid or diminish loss

4. Administrative Conditions

- (a) Conditions 1, 2, and 3, do not limit Your right to claim indemnity under Section 2A of this policy subject to Special Condition (2) of Settlement of Claims in that section
- (b) We may at any time and at Our discretion waive Our rights under any of the GENERAL POLICY CONDITIONS but this will not waive or limit Your obligations or Our rights in respect of any other GENERAL POLICY CONDITION
- (c) Any claimant under this policy shall at Our request and expense take and permit to be taken all necessary steps for enforcing rights against any other party in Your name before or after any payment is made by Us
- (d) We shall be entitled at any time and at Our discretion to
 - (i) take over and conduct in Your name the defence of or the settlement of any claim and to prosecute at Our own expense and for Our own benefit any claim for indemnity or damages against all other parties or persons
 - (ii) pay to You the limit of indemnity less any Costs incurred by Us or any lesser sums for which any claim or claims under Section 2 of this policy can be settled and in that event We will not be under any further liability
 - (iii) cancel this policy by sending fourteen days notice by recorded delivery post to You at Your last address known to Us together with any appropriate refund of premium
- (e) Notwithstanding the provisions of condition 4.(d) (iii) if We agree to accept payment by instalments then in the event of any default in payment of any instalment by You the full outstanding balance shall become payable immediately

If You then fail to pay such amount within seven days of Our notice to You of the default in payment We may cancel this policy by seven days notice in writing to You

- (f) Unless otherwise stated elsewhere in this policy if at the time of any loss or **Damage** insured by Section 1 there is any other insurance effected by You or on Your behalf covering such loss Our liability hereunder will be limited to Our rateable proportion of such loss or **Damage**

Further in respect of items on **Buildings and Contents of Common Parts** only (as defined and insured under Section 1) if any such other insurance is subject to average (underinsurance) this policy if not already subject to any condition of average will be subject to average in like manner

If any other insurance effected by You or on Your behalf covers any property insured by Section 1 but is subject to any provision wholly or partly excluding it from ranking concurrently with this policy or from contributing rateably to the loss or **Damage** Our liability will be limited to such proportion of the loss or **Damage** as the sum insured bears to the value of the property

If in respect of any claim under Section 2 there is any other insurance or indemnity in Your favour in force relative to such claim or there would be but for the existence of this Section Our liability shall be limited. This limit shall be the amount in excess of that which would have been payable (but for the existence of this Section) in respect of such claim

- (g) On the happening of any loss or **Damage** in respect of which a claim is or may be made under Section 1 We and any person authorised by Us may
- (i) enter take or keep possession of the premises where such loss or **Damage** has occurred
 - (ii) take possession of or require to be delivered to them Your property
 - (iii) deal with such property for all reasonable purposes and in any reasonable manner
- without thereby incurring any liability or diminishing any of Our rights under this section

GENERAL POLICY EXCLUSIONS

(not applicable to any operative cover for Employers' Liability)

This policy shall not cover any claim loss liability or expenses caused by or arising from directly or indirectly or in any way relating to

- (a) any **Computer System** not being **Year 2000 Compliant**
- (b) any correction conversion renovation rewriting or replacement of or any failure to correct convert renovate rewrite or replace any **Computer System** related to **Year 2000 Compliance**

In respect of Section 1: Assets this exclusion shall not exclude subsequent **Damage** or loss of **Gross Rentals** or **Alternative Accommodation** which itself results from a **Specified Peril** if insured by this policy and provided that such loss or damage is not otherwise excluded