

LOCAL AUTHORITY

POLICY WORDING

Terrorism

GENERAL DEFINITIONS

Wherever the words defined below appear in this Policy in capital letters they will have the same specific meaning unless their meaning has been varied in a particular Section

AGGREGATE RETENTION

the amount for which the INSURED is liable in respect of all EVENTS during the PERIOD OF INSURANCE for which indemnity is provided under this Policy as ascertained after the application of all other terms and conditions of this Policy

ANCILLARY EQUIPMENT

air conditioning equipment generating equipment voltage regulating equipment temperature and humidity recording equipment electronic access equipment heat and smoke detection equipment gas flooding cylinders pipework and computer room partitioning used solely in connection with COMPUTER AND TELECOMMUNICATION EQUIPMENT

ASBESTOS

crociodolite amosite chrysolite fibrous actinolite fibrous anthophyllite or fibrous tremolite or any mixture containing any of those minerals.

BUILDINGS

the buildings at the PREMISES including:

- (1) landlord's fixtures and fittings
- (2) outbuildings yards forecourts car parks surfaces and yards including all supportive structures extending from the building to the perimeter of the PREMISES and adjoining yard and roadways or to the public mains and plant conveyors and trunking in the open being the PROPERTY of the INSURED or for which they are legally responsible
- (3) roads and pavements but only to the extent of the INSURED's responsibility
- (4) walls gates fences canopies and fixed signs
- (5) foundations
- (6) above ground and underground telephone gas water and electric mains piping cabling meters wires lines electrical instruments and the like and accessories thereof
- (7) drains and sewers within the perimeter of the PREMISES but only to the extent of the INSURED's responsibility
- (8) all GLASS including framework alarm strips or fittings and lettering thereon and SANITARY WARE

BUSINESS

the activities of the Insured as a public authority including but not limited to:

- a) the provision and management of catering, social, sport, first aid, or welfare activities for employees
- b) activities in connection with the conducting of elections and referenda
- c) ownership and maintenance of buildings, plant and equipment
- e) activities of any member or employee approved by the Insured in connection with outside organisations but only where the insured is legally entitled to:
 - i) approve such activities, and
 - ii) indemnify such member or employee in respect of such activities
- f) Work undertaken by the Insured on behalf of any other Local Authority Government Department or Public Body
- g) Business operations commercial or otherwise as permitted or assumed to be permitted by the General Powers of Competence in the Localism Act 2011 and or subsequent revision, addition or substitution thereto

COMMERCIAL LEASEHOLD PROPERTIES

BUILDINGS MACHINERY PLANT AND OTHER CONTENTS and STOCK in any building or temporarily removed there from (including STOCK in the open) belonging to the INSURED, held by them and/or for which they are responsible and leased or offered for lease to Commercial Tenants to the extent to which the INSURED is or has agreed to be responsible, all within the GEOGRAPHICAL LIMITS

COMPUTER AND TELECOMMUNICATION EQUIPMENT

network of machine components microprocessors computer chips or other computerised or electronic components or equipment capable of accepting information processing it according to a plan and producing the desired results. Includes fixed disks and tape drives printers visual display units screens modems personal computers remote terminals interconnection wiring and telecommunication equipment

COMPUTER OR TELECOMMUNICATION SYSTEM

- (a) COMPUTER AND TELECOMMUNICATION EQUIPMENT and tapes disks CD's or other magnetic or optical storage devices and ANCILLARY EQUIPMENT that form part of a computer network used for any purpose other than stated in b) below that are owned leased or rented by the INSURED or for which the INSURED is legally responsible for
- (b) COMPUTER AND TELECOMMUNICATION EQUIPMENT and tapes disks CD's or other magnetic or optical storage devices and ANCILLARY EQUIPMENT that form part of a computer network owned leased or rented by the INSURED or for which they are legally responsible used for the purpose of operating or controlling machinery or equipment

COMPUTER VIRUS OR SIMILAR MECHANISM

program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer PROGRAMS DATA files or operations whether involving self-replication or not. The definition of COMPUTER VIRUS OR SIMILAR MECHANISM includes but is not limited to Trojan horses worms and logic bombs

CONSEQUENTIAL LOSS

loss resulting from interruption of or interference with the BUSINESS carried on by the INSURED at the PREMISES as a consequence of DAMAGE to the PROPERTY used by the INSURED at the PREMISES for the purpose of the BUSINESS

CONTRACT VALUE

the sum agreed to be paid to the CONTRACTOR for WORKS

CONTRACTOR

a contractor or any type, external, in-house or otherwise

DAMAGE

material loss destruction or damage

DATA

facts concepts and/or information converted to a form useable in the INSURED's computer operations owned leased or rented by the INSURED or for which they are legally responsible

EDUCATION PROPERTIES

BUILDINGS MACHINERY PLANT AND OTHER CONTENTS and STOCK in any building or temporarily removed there from (including STOCK in the open), primarily used for education purposes as detailed in the Education spreadsheet maintained by the Insured, all within the GEOGRAPHICAL LIMITS

EVENT

any one loss and/or series of losses arising out of and directly occasioned by one act or series of acts of TERRORISM or SABOTAGE for the same purpose or cause. The duration and extent of any one event shall be limited to all losses sustained by the INSURED at the PREMISES insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However, no such period of 72 consecutive hours may extend beyond the expiration of Policy unless the INSURED shall first sustain DAMAGE by an act of TERRORISM or SABOTAGE prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the commencement of this Policy

EXCESS AGGREGATE RETENTION LIMIT

the maximum amount for which the INSURER is liable in respect of all EVENTS during the PERIOD OF INSURANCE for which indemnity is provided under this Policy as ascertained after application of all other terms and conditions of this Policy

FIXED MEDIA

Media integral to COMPUTER AND TELECOMMUNICATION EQUIPMENT

FREE ISSUE MATERIALS – materials provided by or on behalf of the Insured not forming part of the WORKS but incorporated in or for incorporation in the WORK IN PROGRESS

GENERAL PROPERTIES

BUILDINGS MACHINERY PLANT AND OTHER CONTENTS and STOCK in any building or temporarily removed therefrom (including STOCK in the open) belonging solely to the INSURED or held by them in trust for which they are responsible all within the GEOGRAPHICAL LIMITS excluding EDUCATION PROPERTIES and HOUSING PROPERTIES and COMMERCIAL LEASEHOLD PROPERTIES

GEOGRAPHICAL LIMITS

(a) any member country of the European Union

(b) any other country for which the INSURED has requested and the INSURER has agreed to provide indemnity

GLASS

flat annealed fixed glass toughened and laminated glass illuminated signs and electric light fittings at the BUSINESS PREMISES

GROSS REVENUE

the money paid or payable to the INSURED for work done and services rendered in the course of the BUSINESS at the BUSINESS PREMISES

HACKING

an attack which allows unauthorised access to COMPUTER OR TELECOMMUNICATION SYSTEM by electronically circumventing the security systems and procedures

HOUSING PROPERTIES

BUILDINGS of all private dwelling houses bungalows maisonettes and flats the PROPERTY of the INSURED or for which they are responsible and owned or acquired by them in pursuance of their statutory duties and or powers as providers of housing accommodation

INCREASE IN COST OF WORKING

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in TURNOVER which but for that expenditure would have taken place during the INDEMNITY PERIOD in consequence of the DAMAGE

INDEMNITY PERIOD

the period beginning when the DAMAGE occurs and ending when the results of the BUSINESS cease to be affected by the DAMAGE but not exceeding the maximum INDEMNITY PERIOD as shown in the Schedule of this Policy

INSURED

as specified in the Schedule to this Policy

INSURED'S DEDUCTIBLE

the amount specified in the Schedule to this Policy for which the INSURED is responsible and which will be deducted from any payment in respect of an EVENT during the PERIOD OF INSURANCE for which indemnity is provided under this Policy as ascertained after application of all other terms and conditions of this Policy

INSURER

As specified in the Schedule to this Policy plus CONTRACTORS as joint named parties to the extent required by any contract between them and the INSURED

MACHINERY PLANT AND ALL OTHER CONTENTS

Includes

(a) fixtures and fittings other than landlord's fixtures and fittings

(b) tenants improvements alterations and decorations

(c) office equipment other than as described in (g) below

(d) deeds plans designs documents manuscripts business books and records (other than property and PROGRAMS and/or DATA described in (g) and (h) below) but only for their value as materials together with the cost of clerical labour expended in reproducing them and not for the value to the INSURED of the information contained therein for an amount not exceeding £25,000 in respect of any one claim or claims arising from an EVENT

(e) patterns models and moulds up to the value as materials and the cost of labour to reinstate them in so far as they are not otherwise insured

(f) directors' partners' EMPLOYEES' and visitors' pedal cycles tools instruments and other personal effects up to a limit of £500 per person within the BUILDINGS but not STOCK or MONEY or other PROPERTY insured specified in the Schedule of this Policy

Additionally where there is not a Computer All Risks Section forming part of this Policy the words MACHINERY PLANT AND OTHER CONTENTS shall include

(g) COMPUTER AND TELECOMMUNICATION EQUIPMENT (including FIXED MEDIA and UNFIXED MEDIA for their value as materials but not PROGRAMS or DATA) and ANCILLARY EQUIPMENT

(h) additionally in the event of accidental loss distortion corruption or erasure of PROGRAMS and/or DATA recorded on FIXED MEDIA and/or UNFIXED MEDIA the INSURER will pay the costs necessarily and reasonably incurred by the INSURED in

(i) the REINSTATEMENT OF PROGRAMS and/or the REINSTATEMENT OF DATA but not for the value to the INSURED of the DATA contained therein

and

(ii) associated documentation and source materials excluding the value to the INSURED of the information contained therein

- for an amount not exceeding £25,000 in respect of any one claim or claims arising from any one EVENT

- within the BUILDINGS but not STOCK or other PROPERTY insured specified in the Schedule to this Policy.

MEDIA

the materials on which DATA and/or PROGRAMS are recorded

MONEY

Coinage bank and currency notes bills of exchange luncheon vouchers cheques girocheques giro cash cheques bankers' drafts national giro drafts money orders postal orders current postage stamps unused franking machine units national insurance stamps national savings stamps national savings certificates holiday with pay stamps (provided that the INSURED is not otherwise indemnified) credit company sales vouchers Value Added Tax purchase invoices and trading stamps belonging to the INSURED or for which the INSURED has accepted responsibility and held in connection with the BUSINESS

PERIOD OF INSURANCE

the period stated in the Schedule of this Policy

POLICY PREMIUM

The premium amount set out in the Policy Schedule

POLLUTANTS

any solid liquid gaseous or thermal irritant or contaminant including smoke vapour soot fumes acids alkalis chemicals waste or hazardous substance (waste includes materials to be recycled reconditioned or reclaimed)

PREMISES

the premises owned and/or occupied and/or used by the INSURED for the purposes of the BUSINESS including parks and open spaces

PROGRAMS

a sequence of instructions given to a computer which are either purchased or written on a custom basis owned leased or rented by the INSURED or for which they are legally responsible

PROPERTY

material property

REINSTATEMENT OF DATA

the reinstatement of DATA following accidental loss distortion corruption or erasure of such DATA

REINSTATEMENT OF PROGRAMS

the reinstatement of PROGRAMS following accidental loss distortion corruption or erasure of such PROGRAMS

RENT RECEIVABLE

The money paid or payable to the INSURED for accommodation and services provided in respect of the letting of the PREMISES shown in the Schedule to this Policy including any additional RENT which would have been received as a result of an increase in RENT following a RENT review

SANITARY WARE

wash basins lavatory pans or other sanitary fittings at the PREMISES

SABOTAGE

a subversive act or series of such acts committed for political religious or ideological purposes including the intention to influence any Government and/or to put the public in fear for such purposes

SPECIFIED PROPERTY

tobacco cigarettes cigars wines spirits jewellery furs precious metals or stones works of art video equipment and audio or video cassettes or discs including DVDs

STOCK

stock and materials in trade belonging to the INSURED or for which the INSURED is responsible excluding SPECIFIED PROPERTY

SUM INSURED

the maximum liability of the INSURER after application of the INSURED'S DEDUCTIBLE and all other terms and conditions of the Policy in respect of the item specified in the Schedule to this Policy

TERRORISM

any act or series of acts including the use of force or violence of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) committed for political religious or ideological purposes including the intention to influence any Government and/or to put the public in fear for such purposes

UNFIXED MEDIA

MEDIA (other than FIXED MEDIA and paper records of any description) owned by or leased hired or rented to the INSURED

WORKS IN PROGRESS

WORKS and FREE ISSUE MATERIALS and for WORKS involving renovation, alteration or extension the existing structure

WORKS

new-build, renovation, alteration and or extension works of all kinds permanent and temporary, materials, on site and offsite including transit and offsite storage (without material type inner limits) to the extent included in the CONTRACT VALUE

GENERAL CONDITIONS

1. Payment

The INSURED shall pay the POLICY PREMIUM relative to the PERIOD OF INSURANCE as set out in the Policy Schedule.

Except as provided for in this POLICY, and unless otherwise agreed in writing, the POLICY PREMIUM shall be exclusive of any value added tax.

COMPLAINTS PROCEDURE

We pride ourselves on the service we provide to our customers.

If you have any questions or concerns about your policy or the handling of a claim you should in the first instance contact Charles Taylor Services Limited, 6th Floor, Lloyds Chambers, London, E1 8BT either via:

Telephone +44 20 7767 2700

Email ctsuw@ctplc.com

Or by post: Charles Taylor Services Limited, 6th Floor, Lloyds Chambers, London, E1 8BT.

If you are not satisfied with the response received, you may make a complaint to the Compliance Officer, Charles Taylor Services Limited, Standard House, 12-13 Essex Street, London, WC2R 3AA.

If you are not satisfied with their response, you may then further your complaint to Complaints, Lloyd's, Fidentia House, Walter Burke Way, Chatham Maritime, Kent, ME4 4RN, telephone +44 20 7327 5693, email www.lloyds.com/complaints.

If you are not satisfied with their response, you may be able to make a complaint to the Financial Conduct Authority, details of which can be gained from their website www.fca.org.uk

The above does not affect your legal rights.

SECTION 1 – TERRORISM

SUB SECTION A - COVER

Subject to the exclusions, limits and conditions contained in this Section, the INSURER will indemnify the INSURED in respect of physical loss or physical DAMAGE to PROPERTY specified in the Schedule to this Policy occurring during the PERIOD OF INSURANCE caused by an act of TERRORISM or SABOTAGE within the GEOGRAPHICAL LIMITS.

SUB SECTION B – SPECIAL EXCLUSIONS

No liability shall attach to the INSURER in respect of

1. loss or DAMAGE arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. loss or DAMAGE occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
3. loss by seizure or legal or illegal occupation unless physical loss or DAMAGE is caused directly by an act of TERRORISM or SABOTAGE.
4. loss or DAMAGE caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or Government authority which deprives the INSURED of the use or value of its PROPERTY, nor for loss or DAMAGE arising from acts of contraband or illegal transportation or illegal trade.
5. loss or DAMAGE directly or indirectly arising from or in consequence of the seepage and or discharge of POLLUTANTS.
6. loss or DAMAGE arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
7. loss or DAMAGE arising directly or indirectly from or in consequence of ASBESTOS emission, release, discharge, dispersal or escape or ASBESTOS exposure of any kind.
8. any fine or penalty or other assessment which is incurred by the INSURED or which is imposed by any court, Government agency, public or civil authority or any other person.

9. loss or DAMAGE by electronic means including but not limited to HACKING or the introduction of any form of COMPUTER VIRUS OR SIMILAR MECHANISM or the use of any electromagnetic weapon.

This Special Exclusion shall not operate to exclude losses (which would otherwise be covered under this Policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile

10. loss or DAMAGE caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
11. loss or increased cost occasioned by any public or Government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any PROPERTY insured hereunder.
12. loss or DAMAGE caused by measures taken to prevent, suppress or control actual or potential TERRORISM or SABOTAGE unless agreed by the INSURER in writing prior to such measures being taken.
13. any consequential loss or DAMAGE, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.
14. loss or DAMAGE caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
15. loss or increased cost as a result of threat or hoax.
16. loss or DAMAGE caused by or arising out of burglary, house - breaking, looting, theft or larceny.
17. loss or DAMAGE caused by mysterious disappearance or unexplained loss.
18. loss or DAMAGE directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
19. loss of DAMAGE occasioned to
 - (a) land or land values
 - (b) power transmission, feeder lines or pipelines not on the INSURED's PREMISES.
 - (c) aircraft or any other aerial device, or watercraft.
 - (d) any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the PREMISES insured at the time of its DAMAGE.

- (e) animals, plants and living things of all types.
- (f) PROPERTY in transit not on the INSURED's PREMISES.

SUB SECTION C – SPECIAL CONDITIONS

1. Joint INSUREDs

The INSURER's total liability for any loss or losses sustained by any one or more of the INSUREDs under this insurance will not exceed the sum insured shown in the Schedule to this Policy. The INSURER shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the INSUREDs or any one or more of the INSUREDs.

2. Other Insurance

This Policy shall be excess of any other insurance available to the INSURED covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this Policy. When this Policy is written specifically in excess of other insurance covering the peril insured hereunder, this Policy shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and DAMAGE covered by this Section in excess of the INSURED'S DEDUCTIBLE with respect to each and every covered loss.

3. Situation

This Section insures PROPERTY located at the addresses stated in the Schedule to this Policy.

4. Sum Insured

The INSURER shall not be liable for more than the sum insured stated in the Schedule to this Policy in respect of each EVENT and in the policy aggregate.

5. INSURED'S DEDUCTIBLE

Each EVENT shall be adjusted separately and from each such amount the sum stated in the Schedule shall be deducted.

6. Debris Removal

This Section also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of PROPERTY stated in the Schedule damaged by an act of TERRORISM or SABOTAGE.

The cost of removal of debris shall not be considered in determination of the valuation of the PROPERTY covered.

7. Due Diligence

The INSURED (or any of the INSURED's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the PROPERTY insured, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

8. Protection Maintenance

It is agreed that any protection provided for the safety of the PROPERTY insured shall be maintained in good order throughout the currency of this Section and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the INSURER without their consent.

9. Valuation

It is understood that, in the event of DAMAGE, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) PROPERTY on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions: -

The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the actual cash value at the time of loss;

If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Section.

The INSURER's liability for loss under this Section shall not exceed the smallest of the following amounts: -

- (a) the sum insured applicable to the destroyed or damaged PROPERTY,
- (b) the replacement cost of the PROPERTY or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,
- (c) the amount actually and necessarily expended in replacing said PROPERTY or any part thereof.

The INSURER will normally expect the INSURED to carry out repair or replacement of the insured PROPERTY, but if the INSURED and the INSURER agree that it is not practicable or reasonable to do this, the INSURER will pay the INSURED an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The INSURER will only pay the INSURED up to the sum insured specified in the Schedule to this Policy.

10. Notification of Claims

The INSURED, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to the INSURER and it is a condition precedent to the liability of INSURER that such notification is given by the INSURED as provided for by this Policy.

If the INSURED notifies a claim under this insurance he must give the INSURER such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the INSURER, the INSURED must submit to examination under oath by any person designated by the INSURER.

11. Proof of Loss

The INSURED shall render a signed and sworn proof of loss within one hundred and eighty (180) days after the occurrence of a loss (unless such period be extended by the written agreement of INSURER) stating the time, place and cause of loss, the interest of the INSURED and all others in the PREMISES, the sound value thereof and the amount of loss or DAMAGE thereto.

If the INSURER has not received such proof of loss within four years of the expiry date of this policy, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Section, the burden of proving that the loss is recoverable under this Section and that no limitation or exclusion of this Section applies and the quantum of loss shall fall upon the INSURED.

12. Subrogation

Any release from liability entered into in writing by the INSURED prior to loss hereunder shall not affect this Section or the right of the INSURED to recover hereunder. The right of subrogation against any of the INSURED's subsidiary or affiliated companies or any other companies associated with the INSURED through ownership or management is waived.

In the event of any payment under this Policy, the INSURER shall be subrogated to the extent of such payment to all the INSURED's right of recovery therefor. The INSURED shall execute all papers required, shall cooperate with INSURER and, upon the INSURER's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. INSURER will act in concert with all other interests concerned (including the INSURED) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- (i) any interest, (including the INSURED's), inclusive of any INSURED'S EDUCTIBLE, suffering a loss of the type covered by this Policy and in excess of the coverage under this policy shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- (ii) out of the balance remaining, the INSURER shall be reimbursed to the extent of payment under this Section;
- (iii) the remaining balance, if any, shall inure to the benefit of the INSURED.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the INSURED, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of INSURER, the expense thereof shall be borne by the INSURER.

13. Salvage and Recoveries

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Section shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

14. False or Fraudulent Claims

If the INSURED shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Section shall become void and all claims and benefit hereunder shall be forfeited.

15. Misrepresentation

The INSURER irrevocably and unconditionally waives any right it may have to claim damages for, and/or to rescind this Policy because of breach of any warranty not contained in this Policy, or any innocent breach of the Policy by the INSURED, or any misrepresentation or non-disclosure whether or not contained in this Policy, unless such misrepresentation was made fraudulently

16. Abandonment

There shall be no abandonment to the INSURER of any PROPERTY.

17. Inspection and Audit

The INSURER or their agents shall be permitted but not obligated to inspect the INSURED's PROPERTY at any time.

Neither the INSURER's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the INSURED or others, to determine or warrant that such PROPERTY is safe.

The INSURER may examine and audit the INSURED's books and records at any time up to two years after the final termination of this Policy, as far as they relate to the subject matter of this Section.

18. Assignment

Assignment or transfer of this Section shall not be valid except with the prior written consent of INSURER.

19. Rights of Third Parties Exclusion

This Section is effected solely between the INSURED and INSURER.

This Section shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Section.

This clause shall not affect the rights of the INSURED.

20. Cancellation

This Section shall be non-cancellable by the INSURER except in the event of non-payment of premium where the INSURER may cancel this Section at their discretion.

In the event of non-payment of premium this Section may be cancelled by or on behalf of the INSURER by delivery to the INSURED or by mailing to the INSURED by registered, certified, or other first class mail, at the INSURED's address as shown in this Schedule to this Policy, written notice stating when, not less than 15 days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Section of the Policy shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

21. Arbitration

If the INSURED and the INSURER fail to agree in whole or in part regarding any aspect of this Section, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire.

The arbitrators together shall determine such matters in which the INSURED and the INSURER shall so fail to agree and shall make an award thereon and the award in writing of any two, duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

22. Several Liability

The INSURER's obligations under this Policy are several and not joint and are limited solely to their individual subscriptions. The INSURER are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

23. Legal Action Against INSURER

No one may bring a legal action against INSURER unless:

- (a) there has been full compliance by the INSURED with all of the terms of this Section of the Policy; and
- (b) the action is brought within two (2) years after the expiry or cancellation of this Section of the Policy.

24. Material Changes

The INSURED shall notify INSURER of any change of circumstances which would materially affect this insurance.

25. Experts Fees

This insurance includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the PROPERTY insured following DAMAGE insured under this Policy.

26. Law

The construction interpretation and meaning of the terms exclusions limitations and conditions of this Policy shall be determined in accordance with the common law of England and in accordance with the English text as it appears in this Policy.

27. Long Term Agreement

Until the expiry of the Long Term Agreement as shown on the Schedule to this Policy the INSURED undertakes to offer annually the insurance under this Policy on the terms and conditions in force at the expiry of each PERIOD OF INSURANCE it being understood that the INSURER will be under no obligation to accept an offer made in accordance with the above mentioned undertaking

The above mentioned undertaking applies to any Policy which may be issued by the INSURER in substitution for this Policy.

Payment of the premium as specified on the Schedule to this Policy will be deemed acceptance by the INSURED of the Policy terms including but in no way limited to this General Condition.

28. Other Interested Parties

The interest of other parties in this insurance is noted it being understood that in the event of loss the nature and extent of such other interest will be disclosed to the INSURER by the INSURED in the event of a claim against this Section.

SECTION 2 – BUSINESS INTERRUPTION

SUB SECTION A - COVER

1. Loss of GROSS REVENUE

Subject to the exclusions, limits and conditions contained in this Section, the INSURER will indemnify the INSURED in respect of CONSEQUENTIAL LOSS of GROSS REVENUE for a period not to exceed the INDEMNITY PERIOD specified in the Schedule to this Policy and occurring during the PERIOD OF INSURANCE caused by an act of TERRORISM or SABOTAGE within the GEOGRAPHICAL LIMITS.

Due consideration shall be given to the continuation of normal charges and expenses, including payroll expenses, to the extent necessary to resume operations of the INSURED.

2. INCREASE IN COST OF WORKING

Subject to the exclusions, limits and conditions contained in this Section, the INSURER will indemnify the INSURED in respect of the INCREASE IN COST OF WORKING necessarily incurred by the INSURED in order to continue as nearly as practicable the normal conduct of the INSURED'S BUSINESS, for a period not to exceed the INDEMNITY PERIOD specified in the Schedule to this Policy, caused by direct physical loss or physical DAMAGE to PROPERTY specified in the Schedule to this Policy occurring during the PERIOD OF INSURANCE caused by an act of TERRORISM or SABOTAGE within the GEOGRAPHICAL LIMITS.

3. Loss of RENT RECEIVABLE

Subject to the exclusions, limits and conditions contained in this Section, the INSURER will indemnify the INSURED in respect of CONSEQUENTIAL LOSS of RENT RECEIVABLE for a period not to exceed the INDEMNITY PERIOD specified in the Schedule to this Policy and occurring during the PERIOD OF INSURANCE caused by an act of TERRORISM or SABOTAGE within the GEOGRAPHICAL LIMITS.

Due consideration shall be given to the continuation of normal charges and expenses, to the extent necessary to resume operations of the INSURED with the same operational capability as existed immediately before the loss.

SUB SECTION B – SPECIAL CONDITIONS

1. Direct DAMAGE

The INSURER will not be liable under this Section unless and until a claim has been paid, or liability admitted, in respect of Section 1 – Material Damage.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a INSURED'S DEDUCTIBLE.

2. Resumption of Operations

If the INSURED could reduce the loss resulting from the loss under Sub Section A – Cover above,

- (a) by complete or partial resumption of operation of the PROPERTY,
and/or
- (b) by making use of merchandise, STOCK (raw, in process or finished), or any other PROPERTY at the INSURED's PREMISES or elsewhere,
and/or
- (c) by using or increasing operations elsewhere,

then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

3. Expenses to Reduce Loss

The cover extends to include such expenses as are necessarily and reasonably incurred for the purpose of reducing loss (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of normal, as would necessarily be incurred in replacing any finished STOCK used by the INSURED to reduce loss, but in no event to exceed the amount by which loss under this Section is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

4. INSURED'S DEDUCTIBLE

Each EVENT shall be adjusted separately and shall be subject to the application of the delay period stated in the Schedule.

5. Valuation

All amounts and accounting details to be calculated using the INSURED's usual generally accepted accounting standards.

6. Incorrect Declaration Penalty

If the SUMS INSURED specified in Schedule to this Policy are less than the correct sums insured, then any recovery otherwise due hereunder shall be reduced in the same proportion that the SUMS INSURED bear to the sums insured that should have been declared, and the INSURED shall coinsure for the balance.

SUB SECTION C – SPECIAL EXCLUSIONS

No liability shall attach to the INSURER in respect of:

1. Increase in loss resulting from interference at the INSURED's PREMISES, by strikers or other persons, with rebuilding, repairing or replacing the PROPERTY or with the resumption or continuation of operation.

2. Increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from the interruption or interference of the BUSINESS, and then the INSURER shall be liable for only such loss as affects the INSURED's earnings during, and limited to, the period of restoration covered under this Policy.
3. Increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any PROPERTY insured hereunder.
4. Loss of Market or any other consequential loss except as specified in the Schedule to this Policy.
5. Loss as a result of physical or mental or bodily injury to any person.

SUB SECTION D – SPECIAL MEMORANDA

1. The INSURER shall not be liable for more than the SUM INSURED specified in the Schedule to this Policy, in respect of such loss, regardless of the number of locations suffering an interruption of business as a result of any one EVENT.
2. With respect to loss resulting from DAMAGE to or destruction of MEDIA for, or programming records pertaining to, electronic DATA processing or electronically controlled equipment, including DATA thereon, by the perils insured against, the length of time for which the INSURER shall be liable hereunder shall not exceed:
 - (a) 30 consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the DATA thereon from duplicates or from originals of the previous generation, whichever is less; or,
 - (b) the length of time that would be required to rebuild, repair or replace such other PROPERTY herein described as has been damaged or destroyed, but not exceeding the INDEMNITY PERIOD specified in the Schedule to this Policy,

whichever is the greater length of time.



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12-13 Essex Street, London, WC2R 3AA. Registered in England No.04037502

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