



Professional insurance portfolio

Policy wording

A seamless integrated insurance solution for professionals.

Please read this wording, together with any **endorsements** and the schedule, very carefully. If anything is not correct, please notify **us** immediately.

This wording is fully protected by the laws of copyright. No unauthorized use or reproduction is permitted.

Our promise to you

In return for the premium **you** have paid, **we** agree to insure **you** in accordance with the terms and conditions of the **policy**.

Steve Langan
Managing Director, Hiscox UK

Complaints procedure

Hiscox aims to ensure that all aspects of **your** insurance are dealt with promptly, efficiently and fairly. At all times Hiscox are committed to providing **you** with the highest standard of service. If **you** have any concerns about **your policy** or **you** are dissatisfied about the handling of a claim and wish to complain **you** should, in the first instance, contact Hiscox Customer Relations in writing at:

Hiscox Customer Relations
Hiscox House
Sheepen Place
Colchester
CO3 3XL

or by telephone on 01206 773705
or by email at customer.relations@hiscox.com.

Where **you** are not satisfied with the final response from Hiscox, **you** also have the right to refer **your** complaint to the Financial Ombudsman Service. For more information regarding the scope of the Financial Ombudsman Service, please refer to www.financial-ombudsman.org.uk.

General definitions	Words shown in bold type have the same meaning wherever they appear in this policy . The words defined below are used throughout this policy . Any other definitions are shown in the section to which they apply.
Asbestos risks	<ol style="list-style-type: none">a. The mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibres or material containing asbestos; orb. exposure to asbestos, asbestos fibres or materials containing asbestos; orc. the provision of instructions, recommendations, notices, warnings, supervision or advice given, or which should have been given, in connection with asbestos, asbestos fibres or structures or materials containing asbestos.
Business	Your business or profession as shown in the schedule.
Confiscation	Confiscation, nationalisation, requisition, expropriation, deprivation, destruction of or damage to property by or under the order of any government or public or local authority.
Date recognition	Any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date.
Endorsement	A change to the terms of the policy .
Excess	The amount you must bear as the first part of each agreed claim or loss.
Geographical limits	The geographical area shown in the schedule.
Nuclear risks	<ol style="list-style-type: none">a. Any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination;b. any products or services which include, involve or relate in any way to anything in a. above, or the storage, handling or disposal of anything in a. above;c. all operations carried out on any site or premises on which anything in a. or b. above is located.
Period of insurance	The time for which this policy is in force as shown in the schedule.
Policy	This insurance document and the schedule, including any endorsements .
Programme	A set of instructions written in a computer language which tells a computer how to process data or interact with ancillary equipment.
Terrorism	An act, or the threat of an act, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, that: <ol style="list-style-type: none">a. is committed for political, religious, ideological or similar purposes; andb. is intended to influence any government or to put the public, or any section of the public, in fear; andc. <ol style="list-style-type: none">i. involves violence against one or more persons; orii. involves damage to property; oriii. endangers life other than that of the person committing the action; oriv. creates a risk to health or safety of the public or a section of the public; orv. is designed to interfere with or to disrupt an electronic system.
Virus	Programmes that are secretly introduced without your permission or knowledge including, but not limited to, malware, worms, trojans, rootkits, spyware, dishonest adware, crimeware and other malicious unwanted software.
War	War, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

General terms and conditions

We / us / our The insurers named in the schedule.

You / your The insured named in the schedule.

Conditions precedent

General Conditions 2, 3 and 4 below, General Claims Condition 1 and the conditions shown in each section under the heading **Your obligations** are all conditions precedent to **our** liability. **We** will not make any payment under this insurance unless **you** comply with all the requirements of those conditions.

General conditions

The following conditions apply to the whole of this **policy**. Any other conditions are shown in the section to which they apply.

- Basis of insurance**
1. Because of its importance, all information which **you** or anyone on **your** behalf provided before **we** agreed to insure **you** is incorporated into and forms the basis of this **policy**.
All facts and matters which might be relevant to **our** consideration of **your** proposal must be disclosed and all material representations made to **us** must be true, otherwise **we** are entitled to treat this insurance as if it had never existed.
- Change of circumstances**
2. **You** must tell **us** as soon as reasonably possible of any change in circumstances during the **period of insurance** which may materially affect this **policy**. (A material fact or circumstance is one which might affect **our** decision to provide insurance or the conditions of that insurance.) **We** may then change the terms and conditions of this **policy**.
- Due diligence**
3. **You** must take reasonable steps to prevent accident or injury and to protect **your** property against loss or damage. **You** must keep any property insured under this **policy** in good condition and repair.
- Premium payment**
4. **We** will not make any payment under this **policy** unless **you** have paid the premium.
- Cancellation**
5. **You** or **we** can cancel the **policy** by giving 30 days' written notice. **We** will give **you** a pro rata refund of the premium for the remaining portion of the **period of insurance** after the effective date of cancellation for which **you** have already paid. However, **we** will not refund any premium under £10.
If **we** have agreed that **you** can pay **us** the premium by instalments and **we** have not received an instalment 14 days after the due date, **we** may cancel the **policy**. In this event, the **period of insurance** will equate to the period for which premium instalments have been paid to **us**. **We** will confirm the cancellation and amended **period of insurance** to **you** in writing.
- Multiple insureds**
6. The most **we** will pay is the relevant amount shown in the schedule.
If more than one insured is named in the schedule, the total amount **we** will pay will not exceed the amount **we** would be liable to pay to any one of **you**.
You agree that the insured named in the schedule, or if there is more than one insured named in the schedule the first of them, is authorised to receive all notices and agree any amendments to the **policy**.
- Aggregate limit**
7. Where this **policy** specifies an aggregate limit, this means **our** maximum payment for all relevant claims or losses covered under the **policy** during the **period of insurance**.
If the **period of insurance** is continuous, the aggregate limit will apply to all relevant claims or losses covered under the **policy** during the 12 months from the date the continuous cover starts. Each aggregate limit will be reinstated to the level shown in the schedule at each anniversary.
- Rights of third parties**
8. **You** and **we** are the only parties to this **policy**. Nothing in this **policy** is intended to give any person any right to enforce any term of this **policy** which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

General terms and conditions

- Other insurance
9. **We** will not make any payment under this **policy** where **you** would be entitled to be paid under any other insurance if this **policy** did not exist except in respect of any amount in excess of the amount that would have been payable under such other insurance had this **policy** not been effected. If such other insurance is provided by **us** the most **we** will pay under this **policy** will be reduced by the amount payable under such other insurance.
- Governing law
10. Unless some other law is agreed in writing, this **policy** will be governed by the laws of England.
- Arbitration
11. Any dispute arising out of or relating to this insurance, including over its construction, application and validity, will be referred to a single arbitrator in accordance with the Arbitration Act then in force.

General claims conditions

The following claims conditions apply to the whole of this **policy**. Any other claims conditions and procedures are shown in the section to which they apply.

- Your obligations
1. **We** will not make any payment under this **policy** unless **you**:
- give **us** prompt notice of anything which is likely to give rise to a claim under this **policy**, in accordance with the terms of each section;
 - give **us**, at **your** expense, any information which **we** may reasonably require and co-operate fully in the investigation of any claim under this **policy**;
 - make every reasonable effort to minimise any loss, damage or liability and take appropriate emergency measures immediately if they are required to reduce any claim;
 - give **us** all assistance which **we** may reasonably require to pursue recovery of amounts **we** may become liable to pay under this **policy**, in **your** name but at **our** expense.
- Fraud
2. If **you**, or anyone on **your** behalf, tries to deceive **us** by deliberately giving **us** false information or making a fraudulent claim under this **policy** then **we** will treat this **policy** as if it had never existed.

The General terms and conditions and the following terms and conditions all apply to this section.

Special definitions for this section

Bodily injury	Death, or any bodily or mental injury or disease of any person.
Defence costs	Costs incurred with our prior written agreement to investigate, settle or defend a claim against you .
Denial of access	Nuisance, trespass or interference with any easement or right of air, light, water or way.
Inefficacy	The failure of any of your products or any service, process or system provided or managed by you to perform the function or serve the purpose for which it was intended.
Personal injury	False arrest, detention or imprisonment; malicious prosecution; wrongful entry into, or eviction of a person from, a room, dwelling or premises that they occupy; invasion of any rights of privacy.
Pollution	Any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
Products	Any goods sold, supplied, distributed, manufactured, constructed, erected, installed, altered, tested, serviced, maintained, repaired, cleaned or treated by you .
Property damage	Physical loss of or damage to or destruction of tangible property including the resulting loss of use of such property.
Tool of trade	Mobile plant or equipment being used where insurance or security is not required under the provisions of any road traffic legislation.
You/your	Also includes any person who was, is or during the period of insurance becomes your partner or director or senior manager in actual control of your operations.

What is covered

Claims against you	<p>If, as a result of your business, any party brings a claim against you for:</p> <ol style="list-style-type: none">bodily injury or property damage occurring during the period of insurance;personal injury or denial of access committed during the period of insurance, <p>we will indemnify you against the sums you have to pay as compensation.</p> <p>This includes a claim against any employee or volunteer worker of yours when they are acting on your behalf in whatever capacity.</p> <p>We will also pay defence costs but we will not pay costs for any part of a claim not covered by this section.</p>
Overseas personal liability	<p>We will indemnify you and if you so request, any of your directors, partners or any employee or spouse of such person against legal liability as a result of bodily injury, property damage or personal injury incurred in a personal capacity whilst temporarily outside the United Kingdom of Great Britain and Northern Ireland, the Channel Islands or the Isle of Man other than</p> <ol style="list-style-type: none">where indemnity arises out of the ownership or occupation of land or buildings;where indemnity is provided by any other insurance.
Claims against principals	<p>If, as a result of your business, any party brings a claim, which falls within the scope of What is covered, Claims against you, against a customer of your business for whom you are providing services under contract or agreement and you are liable for that claim, we will treat such claim as if made against you and make the same payment to such customer that we would have made to you, provided that the party to be indemnified:</p> <ol style="list-style-type: none">has not, in our reasonable opinion, caused or contributed to the claim against them;accepts that we can control the claim's defence and settlement in accordance with the terms of this section;

Public and products liability

Policy wording

- c. has not admitted liability or prejudiced the defence of the claim before **we** are notified of it;
- d. gives **us** the information and co-operation **we** reasonably require for dealing with the claim.

Cross liabilities

If more than one insured is named in the schedule, **we** will deal with any claim as though a separate policy had been issued to each of them provided that **our** liability in the aggregate shall not exceed the limit of indemnity shown in the schedule.

Criminal proceedings costs

If any governmental, administrative or regulatory body brings any criminal action against **you** during the **period of insurance** for any breach of statute or regulation directly relating to any actual or potential claim under this section, **we** will pay the costs incurred with **our** prior written consent to defend such an action against **you** or any employee of **yours**.

Additional cover

Court attendance compensation

If any person within the definition of **you** has to attend court as a witness in connection with a claim against **you** covered under this section, **we** will pay **you** compensation for each day, or part of a day that their attendance is required by **our** solicitor.

What is not covered

Property for which you are responsible

- A. **We** will not make any payment for any claim or loss directly or indirectly due to:
1. loss of or damage to any property belonging to **you** or which at the time of the loss or damage is in **your** care, custody or control. This does not apply to:
 - a. employees' or visitors' vehicles or effects while on **your** premises;
 - b. premises, including their contents, which are not owned or rented by **you**, where **you** are temporarily carrying out **your business**;
 - c. premises rented to **you**, for loss or damage not insurable under property insurance policies and for which **you** would not be liable other than by the lease or other agreement.
 2. the ownership, possession, maintenance or use by **you** or on **your** behalf of any aircraft or other aerial device, hovercraft, watercraft (other than hand propelled or sailing craft less than 20 feet in length in inland or territorial waters) or any mechanically propelled vehicles and their trailers.

This does not apply to:

 - a. any **tool of trade**;
 - b. the loading or unloading of any vehicle off the highway.

Injury to employees

3. **bodily injury** to any person arising out of and in the course of their employment under a contract of service or apprenticeship with **you**.

Pollution

4.
 - a.
 - i. any **pollution** of buildings or other structures or of water or land or the atmosphere; or
 - ii. any **bodily injury** or **property damage** directly or indirectly caused by **pollution**; unless caused by a sudden, identifiable, unintended and unexpected incident which occurs in its entirety at a specific time and place during the **period of insurance**;
 - b. any **pollution** occurring in the United States of America or Canada.

Computer virus

5. transmission of a computer **virus**.

Professional advice

6. designs, plans, specifications, formulae, directions or advice prepared or given by **you**.

Your products

7. the costs of recalling, removing, repairing, reconditioning or replacing any **product** or any of its parts.
8.
 - a. any **products** relating to aircraft, including missiles or spacecraft, and any ground support or control equipment used in connection with such **products**;
 - b. any **products** installed in aircraft, including missiles or spacecraft, or used in connection with such craft, or for tooling used in their manufacture including ground-handling tools and equipment, training aids, instruction manuals, blueprints, engineering or other data, advice and services and labour relating to such craft or **products**.

Inefficacy	9. inefficacy.
Deliberate or reckless acts	10. any act, breach, omission or infringement you deliberately, spitefully, dishonestly or recklessly commit, condone or ignore which could reasonably be expected to cause injury or damage to another party even if such injury or damage is of a different degree or type than could reasonably have been anticipated.
Contracts	11. your liability under any contract which is greater than the liability you would have at law without the contract.
Date recognition	12. date recognition.
War, terrorism and nuclear	13. war, terrorism or nuclear risks.
Asbestos	14. asbestos risks.
	B. We will not make any payment for:
Restricted recovery rights	1. that part of any claim where your right of recovery is restricted by any contract.
Non-compensatory payments	2. fines and contractual penalties, punitive or exemplary damages.
Claims outside the applicable courts	3. any claim, including arbitration, brought outside the countries set out in the schedule under applicable courts. This applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts.
Claims outside the geographical limits	4. any claim brought against you resulting from work you undertake in any country outside the geographical limits.

How much we will pay

We will pay up to the limit of indemnity shown in the schedule for each actual or threatened claim, unless limited below. **We** will also pay for **defence costs**. However, if a payment greater than the limit of indemnity has to be made for a claim **our** liability for **defence costs** will be limited to the same proportion that the limit of indemnity bears to the amount paid. **You** must pay the **excess** for each claim.

All claims which arise from the same original cause, a single source or a repeated or continuing shortcoming in **your** work will be regarded as one claim.

Special limits

Products	For claims arising from your products , the most we will pay is a single limit of indemnity for the total of all such claims. We will also pay for defence costs for those claims until the limit of indemnity has been exhausted. You must pay the relevant excess shown in the schedule.
Pollution	For claims arising from pollution , the most we will pay is a single limit of indemnity for the total of all such claims and their defence costs , including any claims forming part of a series of other claims regarded as one claim under this section. The most we will pay for defence costs in relation to pollution claims is the amount shown in the schedule. You must pay the relevant excess shown in the schedule.
Claims brought against you in USA or Canada	If it is stated in the schedule that cover is provided for claims brought in the United States of America or Canada, the most we will pay is a single limit of indemnity for the total of all such claims and their defence costs . You must pay the relevant excess shown in the schedule.
Criminal proceedings costs	The most we will pay for the costs to defend criminal proceedings is the amount shown in the schedule. This applies to all actions brought against you during the period of insurance .
Court attendance compensation	We will pay you the following compensation for each day, or part day: <ul style="list-style-type: none"> 1. You or your partner or director £250 2. Any other employee £100 The most we will pay for the total of all court attendance compensation is £10,000.

Paying out the limit of indemnity

At any stage **we** can pay **you** the applicable limit of indemnity or what remains after any earlier payment from that limit. **We** will pay **defence costs** already incurred at the date of **our** payment. **We** will then have no further liability for those claims or their **defence costs**.

Your obligations

If a problem arises

1. **We** will not make any payment under this section:
 - a. unless **you** notify **us** promptly of any claim or threatened claim against **you**. At **our** request, **you** must confirm the facts in writing within 30 days with as much information as is available.
You should make this notification directly to **us** (and **your** insurance adviser, if **you** have one) as follows, ensuring **you** quote **your** policy number:
by email to: liability.claims@hiscox.com; or
by post to: Hiscox Liability Claims, 25 London Road, Sittingbourne ME10 1PE.
 - b. unless **you** notify **us** within seven days of a claim or anything which may give rise to a claim under this section, arising out of **bodily injury**. At **our** request, **you** must confirm the facts in writing within 30 days with as much information as is available.
You should make this notification directly to **us** (and **your** insurance adviser, if **you** have one) as follows, ensuring **you** quote **your** policy number:
by email to: liability.claims@hiscox.com; or
by post to: Hiscox Liability Claims, 25 London Road, Sittingbourne ME10 1PE.
 - c. unless **you** notify **us** as soon as practicable of:
 - i. **your** discovery that **products** are defective;
 - ii. any threatened criminal action by any governmental, administrative or regulatory body.
2. when dealing with **your** client or a third-party, **you** must not admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement. If **you** do, **we** may reduce any payment **we** make under this section by an amount equal to the detriment **we** have suffered as a result.

Correcting problems

You must take reasonable steps to remedy or rectify, at **your** expense, any defect or failure in the goods or services **you** have supplied to a client, customer or distributor. If **you** do not, **we** may reduce any payment **we** make by an amount equal to the detriment **we** have suffered as a result.

Control of defence

We have the right, but not the obligation, to take control of and conduct in **your** name, the investigation, settlement or defence of any claim. If **we** think it necessary **we** will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. **We** may appoint **your** own solicitor but on a similar-fee basis as **our** solicitor and only for work done with **our** prior written approval. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.

The General terms and conditions and the following terms and conditions all apply to this section.

Special definitions for this section

Bodily injury	Death or any bodily or mental injury or disease.
Defence costs	Costs incurred with our prior written agreement to investigate, settle or defend a claim against you .
Employee	<p>Any person normally resident in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Republic of Ireland working for you in connection with your business who is:</p> <ol style="list-style-type: none">employed by you under a contract of service or apprenticeship;hired to or borrowed by you;self-employed and working on a labour-only basis under your control or supervision;engaged by labour-only sub-contractors;a labour master or a person supplied by him;engaged under a work experience or training scheme;a voluntary helper.
Terrorism	An act, including but not limited to the use of force or violence and/or the threat of force or violence, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

What is covered

Claims against you	<p>If any employee brings a claim against you for bodily injury caused to them during the period of insurance arising out of their work for you within the geographical limits, we will indemnify you against the sums you have to pay as compensation.</p> <p>The amount we pay will include defence costs but we will not pay costs for any part of a claim not covered by this section.</p>
Criminal proceedings	If any governmental, administrative or regulatory body brings any criminal action against you during the period of insurance for any breach of statute or regulation directly relating to any actual or potential claim under this section, we will pay the costs incurred with our prior written consent to defend such an action against you .
Claims against principals	<p>If, as a result of your business, any party brings a claim, which falls within the scope of What is covered, Claims against you, against a customer of your business for whom you are providing services under contract or agreement and you are liable for that claim, we will treat such claim as if made against you and make the same payment to such customer that we would have made to you, provided that the party to be indemnified:</p> <ol style="list-style-type: none">has not, in our reasonable opinion, caused or contributed to the claim against them;accepts that we can control the claim's defence and settlement in accordance with the terms of this section;has not admitted liability or prejudiced the defence of the claim before we are notified of it;gives us the information and co-operation we reasonably require for dealing with the claim.
Unsatisfied court judgments	If any employee obtains a judgment for damages following bodily injury against any company or individual operating from premises within the United Kingdom of Great Britain and Northern Ireland, the Isle of Man or the Channel Islands and that judgment remains unpaid for more than six months, we will pay to the employee at your request the amount of any unpaid damages and awarded costs provided that:

Employers' liability

Policy wording

- a. the **bodily injury** is caused during the **period of insurance** and arises out of and in the course of his or her employment in **your business**; and
- b. **we** would have covered **your** liability if **you** had caused the **bodily injury**; and
- c. there is no appeal outstanding; and
- d. the **employee** assigns his or her judgment to **us**.

Additional cover

Court attendance compensation

If any person within the definition of **you** has to attend court as a witness in connection with a claim against **you** covered under this section, **we** will pay **you** compensation for each day, or part of a day, that their attendance is required by **our** solicitor.

What is not covered

We will not make any payment for:

1. Any claim or loss directly or indirectly due to:
 - a. any act, breach or omission **you** deliberately or recklessly commit, condone or ignore.
 - b. any **bodily injury** caused to any of **your employees** while they are offshore. An **employee** is regarded as being offshore from the moment they board any form of transport at the departure point for an offshore rig or platform until the moment they disembark on their return from the rig or platform.
 - c. any **bodily injury** to any **employee** while being carried in or upon, or entering or getting onto, or alighting from a vehicle for which insurance or security is required under any road traffic legislation or where **you** are entitled to indemnity from any other source.
2. Any claim, including arbitration, brought outside the countries set out in the schedule under applicable courts.

This applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts.

How much we will pay

We will pay up to the limit of indemnity shown in the schedule, unless limited below, for all claims and their **defence costs** which arise from the same accident or event.

Special limits

- Terrorism
- The most **we** will pay for claims and their **defence costs** arising from **terrorism** is the amount shown in the schedule. If **we** decide that this limit applies to a claim, it is **your** responsibility to prove that the claim does not arise from **terrorism**.
- Criminal proceedings costs
- We** will pay up to the amount shown in the schedule for the costs to defend criminal proceedings. This applies to all actions brought against **you** during the **period of insurance**.
- Court attendance compensation
- We** will pay **you** the following compensation for each day, or part day:
1. **You** or **your** partner or director £250
 2. Any other **employee** £100
- The most **we** will pay for the total of all court attendance compensation is £10,000.

Your obligations

If a problem arises

1. **We** will not make any payment under this section:
 - a. unless **you** notify **us** within seven days of anything which may give rise to a claim under this section. At **our** request, **you** must confirm the facts in writing within 30 days with as much information as is available.
You should make this notification directly to **us** (and **your** insurance adviser, if **you** have one) as follows, ensuring **you** quote **your** policy number:
by email to: liability.claims@hiscox.com; or
by post to: Hiscox Liability Claims, 25 London Road, Sittingbourne ME10 1PE.
 - b. unless **you** notify **us** as soon as practicable of any threatened criminal action by any governmental, administrative or regulatory body.
2. when dealing with **your employee** or a third-party, **you** must not admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement. If **you** do, **we** may reduce any payment **we** make under this section by an amount equal to the detriment **we** have suffered as a result.

Control of defence

We have the right, but not the obligation, to take control of and conduct in **your** name, the investigation, settlement or defence of any claim. If **we** think it necessary **we** will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. **We** may appoint **your** own solicitor but on a similar-fee basis as **our** solicitor and only for work done with **our** prior written approval. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.

Compulsory insurance clause

This insurance is in accordance with the provisions of any law relating to compulsory insurance of liability to employees in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands or the Continental Shelf around these countries. **You** must repay all payments **we** make which **we** would not have been liable to pay in the absence of such law.

**Special definitions
for all property
sections**

Amount insured	The most we will pay as shown in the schedule. Unless we say otherwise, the amounts apply to each incident of loss and will be automatically restored to the full amount after we pay a loss provided you carry out our recommendations to prevent further loss or damage.
Breakdown	<ol style="list-style-type: none">1. Breaking, failure, distortion or burning out of any part of equipment or a computer whilst in ordinary use, arising from defects in the equipment or computers causing its sudden stoppage and necessitating repair or replacement before it can resume work; or2. fracturing of any part of equipment or a computer by frost which renders such equipment or computers inoperative; or3. the actual and complete severance of a rope, but not breakage or abrasion of wires or strands even though replacement may be necessary.
Buildings	<p>The buildings, which belong to you or for which you are legally responsible, at the premises shown in the schedule, including:</p> <ol style="list-style-type: none">1. outbuildings and annexes;2. landlord's fixtures and fittings, fixed fuel tanks;3. walls, gates, fences, car parks, yards, private roads, pavements and paths at the premises;4. pipes, ducting, cables, wires and associated control equipment at the premises and up to the public mains. <p>The land at the premises is not included within this definition.</p>
Business premises	The space you occupy at the premises shown in the schedule located in a building of standard construction unless otherwise notified to us and to which we have confirmed our agreement. This includes any outbuildings you occupy on the same premises.
Computers	Computers and ancillary equipment, which belong to you or for which you are legally responsible, including software and data carrying media but excluding data or information entered by you or on your behalf.
Damage	Accidental physical loss or physical damage.
Earth movement	Any natural or man-made earth movement including, but not limited to earthquake, seaquake, volcanic eruption or subsidence and any ensuing tsunamis.
Equipment	<p>Equipment, which belongs to you or for which you are legally responsible:</p> <ol style="list-style-type: none">1. built to operate under vacuum or pressure, other than the weight of contents; or2. used for the generation, transmission or utilisation of energy. <p>Computers are not included in this definition.</p>
Explosion or collapse	<ol style="list-style-type: none">1. Sudden and violent rending by force of internal steam or other fluid pressure causing bodily displacement of any part of the insured equipment together with forcible ejection of the contents; or2. sudden and dangerous distortion of any part of the insured equipment caused by crushing stress by force of steam or other fluid pressure. <p>Pressure of chemical action or ignited flue gases or ignition of the contents is not included within this definition.</p>
Failure	<p>Damage caused by:</p> <ol style="list-style-type: none">1. electrical or mechanical breakdown, including rupture or bursting caused by centrifugal force; or2. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires; or

Property definitions (office)

3. **explosion or collapse of equipment** owned or leased by **you** or under **your** control and operating under steam or other fluid pressure; or
4. any condition or event, not otherwise excluded by this section, occurring inside **equipment** operating under steam or other fluid pressure; or
5. any condition or event, not otherwise excluded by this section, occurring inside oil or water storage tanks, hot water boilers or other water heating equipment; or
6. operator error.

Flood	Rising surface or tidal water, or the overflow of water from any natural or artificial watercourse (other than water tanks, apparatus or pipes), whether driven by storm or not.
Identity fraud	Someone, or a group of people, knowingly using a means of identification belonging to you without your knowledge or authorisation and with the intention of committing or helping someone else to commit an illegal act.
Office	The office space you occupy at the premises shown in the schedule located in a building of standard construction unless otherwise notified to us and to which we have confirmed our agreement. The office includes any outbuildings and annexes you occupy on the same premises.
Production or process equipment	Any equipment which has a primary purpose of processing or producing a product or service for eventual sale. This includes all component parts of such equipment and any other machine or apparatus used exclusively with such equipment .
Property	Tangible property.
Reconstitution of data	Reconstitution of the data you need to continue your business , if your electronic business records and electronic data have been lost or distorted.
Software	Programmes which run your computers , including both your own operating programmes and application programmes used in the course of your business .
Standard construction	Built of brick, stone or concrete and roofed with slate, tiles, concrete, metal, asbestos or any other non-combustible material.
Storm	High winds of a destructive nature, rainstorm, hailstorm or snowstorm.
Subsidence	Subsidence, landslip or heave.
Venue	The space you occupy at the premises shown in the schedule located in a building of standard construction unless otherwise notified to us and to which we have confirmed our agreement. This includes any outbuildings you occupy on the same premises.

The General terms and conditions, the Property definitions and the following terms and conditions all apply to this section.

Special definitions for this section

Contents	<p>The contents of your office used in connection with the business which belong to you or for which you are legally responsible, including:</p> <ol style="list-style-type: none"> a. computers; b. goods held in trust, stock and samples; c. works of art or precious metals; d. tenants improvements, decorations, fixtures and fittings and general contents including, if attached to the building, external signs, aerials and satellite dishes; e. pipes, ducting, cables, wires and associated control equipment within the business premises and extending to the public mains. <p>Money and personal effects are not included within this definition.</p>
Hacker	<p>Anyone who maliciously targets you and gains unauthorised access to your website, intranet, computer system, network, telephony equipment or data that you hold electronically.</p>
Money	<p>Cash, bank and currency notes, cheques, travellers' cheques, postal orders, money orders, crossed bankers' drafts, current postage stamps, savings stamps and certificates, National Insurance stamps, trading stamps, gift tokens, customer redemption vouchers, company sales vouchers, credit card counterfoils, travellers' tickets, VAT purchase receipts, contents of franking machines and, insofar as they are not otherwise insured, holiday-with-pay stamps and luncheon vouchers, all belonging to you.</p>
Personal effects	<p>Articles worn, used or carried about the person, excluding cash, bank and currency notes and jewellery.</p>
Rent payable	<p>Rent for the office that you must legally pay whilst the office or any part of it is unusable as a result of damage insured by this section.</p>

What is covered	<p>We will insure you against damage occurring during the period of insurance to contents contained in the office and any other items specified in the schedule.</p>
Additional cover	<p>The following are also provided up to the amount shown in the schedule:</p>
Costs following glass breakage	<ol style="list-style-type: none"> 1. the necessary and reasonable costs you incur following breakage or scratching during the period of insurance of glass, which belongs to you or for which you are legally responsible, for: <ol style="list-style-type: none"> a. temporary boarding-up; b. repair of window frames or removal or replacement of fixtures and fittings in the course of replacing the glass; c. replacement lettering or other ornamental work and alarm foil on glass.
Additions to contents	<ol style="list-style-type: none"> 2. damage occurring during the period of insurance to any additional contents, provided you tell us the additional values as soon as possible and pay the appropriate premium.
Money	<ol style="list-style-type: none"> 3. damage occurring during the period of insurance to money held in connection with the business: <ol style="list-style-type: none"> a. in the office while open for business; b. in the office in a locked safe; c. in transit within the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man and the Republic of Ireland or whilst at the home of any partner, director or employee of yours in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or the Republic of Ireland.

Property – contents (office)

Policy wording

Identity fraud	4. the following reasonable and necessary expenses you have to pay solely as a direct result of an identity fraud occurring during the period of insurance : <ol style="list-style-type: none"> a. solicitor's fees to defend a claim against you by financial institutions, to remove incorrect judgments, to challenge a credit rating or to witness your signature; b. the cost of sending letters by certified post and making telephone calls to the police, financial institutions and credit agencies; c. fees charged when you re-apply for a commercial loan that was originally rejected.
Personal effects	5. damage occurring in the office during the period of insurance to the personal effects of your employees or visitors to the office provided they are not insured elsewhere.
Reconstitution of electronic data	6. the reasonable cost of reconstitution of data as a direct result of damage covered under this section.
Reconstitution of other business documents	7. the reasonable costs of replacing or reconstituting your business documents that are not held electronically and which you need to continue your business , if such documents have been lost or destroyed as a direct result of damage covered under this section.
Lock replacement	8. the costs you incur to replace locks and keys necessary to maintain the security of your business premises or safes following theft of keys involving force and violence occurring during the period of insurance .
Building damage by theft	9. the cost of repairing damage occurring during the period of insurance to the office buildings caused by theft or attempted theft and for which you are legally liable.
Personal assault following robbery or attempted robbery	10. compensation as shown in the schedule if any partner, director or employee of yours is physically injured in the course of your business in a robbery or attempted robbery occurring during the period of insurance either at the office or within the geographical limits and dies or is permanently disabled solely and directly as a result of the injury within two years from the date it happened. This cover only applies to people aged between 16 and 70 at the start of the period of insurance .
Metered water and fuel	11. the cost that you incur for any metered water and fuel used at the business premises when such water or fuel has been accidentally released or rendered unusable for its intended purpose as a direct result of damage occurring during the period of insurance to any storage tank, equipment or piping resulting from a cause not otherwise excluded.
Undamaged tenant's improvements	12. tenant's improvements if your lease is cancelled by the lessor as a consequence of damage occurring during the period of insurance to the business premises , provided the cancellation is a valid condition of your lease and tenant's improvements are an insured item under this policy .
Contents temporarily elsewhere	13. damage occurring during the period of insurance to contents , excluding laptops, mobile phones and other portable equipment, temporarily elsewhere in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man and the Republic of Ireland, including whilst in transit.
Contents kept at home	14. damage occurring during the period of insurance to contents used and kept at the home of any partner, director or employee of yours for the purposes of the business , provided the home is in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or the Republic of Ireland.

What is not covered

We will not make any payment for:

1. **damage** caused by:
 - a. wear and tear, inherent defect, rot, fungus, mould, vermin or infestation, or any gradually operating cause;
 - b. dryness or humidity, being exposed to light or extreme temperatures, unless this is a result of **storm** or fire;
 - c. coastal or river erosion;
 - d. a rise in the water table;

Property – contents (office)

Policy wording

- e. theft from an unattended vehicle unless the item is out of sight in a locked boot;
 - f. frost, other than **damage** due to water leaking from burst pipes forming part of the permanent internal plumbing provided the **office** is occupied and in use;
 - g. **date recognition**;
 - h. a **virus** or **hacker**.
2. **damage** to **property** being cleaned, worked on or maintained.
 3. **damage** to any **computers, equipment**, oil or water storage tanks or electrical or mechanical plant or equipment directly resulting from its own **failure**.
 4. loss or distortion of information resulting from error or malfunction of **computers**.
 5. the value to **you** of any lost or distorted information.
 6. misuse, inadequate or inappropriate maintenance, faulty workmanship, defective design or the use of faulty materials.
 7. unexplained loss or disappearance or inventory shortage.
 8. loss due to clerical or accounting errors.
 9. loss by fraud or dishonesty of any partner, director or employee of **yours**, unless the loss is notified to **us** within ten working days of its discovery by **you**.
 10. financial loss due to **your** parting with title or possession of **property** or rights to **property** prior to receiving payment in full.
 11. any indirect losses which result from the incident which caused **you** to claim.
 12. pollution or contamination except **damage** to insured **property** which is not otherwise excluded and which is caused by:
 - a. pollution or contamination which itself results from insured **damage** covered under this section; or
 - b. **damage** which would otherwise be covered under this section which itself was caused by pollution or contamination.
 13.
 - a. **damage** directly or indirectly caused by, resulting from or in connection with **terrorism** or any action taken to control, prevent or respond to **terrorism**;
 - b. **damage** in Northern Ireland directly or indirectly caused by civil commotion.

If there is any dispute between **you** and **us** over the application of this exclusion, it will be for **you** to show that the exclusion does not apply.
 14. **war, confiscation** and **nuclear risks**.
 15. the amount of the **excess**.

How much we will pay

Repair and replacement

We will pay up to the **amount insured** shown in the schedule unless limited below or in the schedule.

At our option **we** will repair, replace or pay for any lost or damaged items on the following basis:

1. for **contents**, other than stock and samples or **personal effects**, the cost of repair or replacement as new.
2. for stock and samples other than second-hand stock or goods held in trust, the cost of repair or replacement at the cost price to **you**.
3. for second hand stock, other than goods held in trust, the cost of repair or replacement at the trade market value.
4. for goods held in trust, the lesser of:
 - i. **your** liability in respect of the goods held in trust; or
 - ii. the cost of repair or replacement at the trade market value of such goods.
5. for **personal effects**, the cost of repair or replacement as new, but not more than the amount shown in the schedule for each incident of loss.

Property – contents (office)

Policy wording

Debris removal	We will pay the necessary and reasonable costs and expenses you incur to remove debris of contents from the premises or the area immediately adjacent, following damage insured by this section.
Under insurance	<p>If, at the time of damage, we establish that the amount insured does not represent the total value of the contents, we will reduce the amount we pay in the proportion that the premium you have paid bears to the premium we would have charged you if you had declared the total value of the contents.</p> <p>We will only apply this calculation if:</p> <ol style="list-style-type: none"> 1. we find that the amount insured is less than 85% of the contents; and 2. we establish that your failure to declare the total value of the contents was not deliberate or reckless and was a breach of your obligation to: <ol style="list-style-type: none"> a. make a fair presentation of the risk to us before the start of the period of insurance; or b. notify us of a change of circumstances in relation to the total value of the contents, which may materially affect the policy; or c. make a fair presentation of the risk to us when notifying us of a change of circumstances in relation to the total value of the contents which may materially affect the policy. <p>This remedy may apply in addition to General Conditions 2. b.ii. and 4. b. ii.</p> <p>If your failure to declare the total value of the contents was deliberate or reckless, the remedy under General Conditions 2.a. or 4.a. will apply.</p>
Index linking	The amount insured for contents will be adjusted monthly in line with any increase in nationally published indices. We will not reduce the amount insured without your consent.
Personal assault following robbery or attempted robbery	We will not pay compensation under more than one heading in the schedule for the same injury.
Pairs and sets	If any contents which have an increased value because they form part of a pair or set are damaged any payment we make will take account of the increased value.
Other interests	Any payment we make will take into account the interest of any party having an insurable interest in the contents insured, provided you have advised us of the nature and extent of the interest together with the name and address of that interested party.

Your obligations

If any damage occurs	<p>We will not make any payment under this section unless you:</p> <ol style="list-style-type: none"> 1. notify us promptly of any damage which might be covered; 2. report to the police, as soon as reasonably possible, any damage arising from theft, arson, malicious damage, riot or civil commotion and obtain a crime reference from them; and 3. arrange for urgent repairs to be done immediately. Before any other repair work begins we have the right to inspect the damaged property. We will tell you if we want to do this.
Backing-up electronic data	You must take all reasonable steps to make back-up copies of data at least once a week and keep the copies away from the office . If you do not, we may reduce any payment we make by an amount equal to the detriment we have suffered as a result.
Protections	<ol style="list-style-type: none"> 1. You must ensure that all fire alarms, security systems and physical protections notified to us are in full operation whenever the office is left unattended, unless you have already advised us that a system is not working properly. 2. You must also advise us as soon as reasonably possible if for any reason a system is not working properly. We may then vary the terms and conditions of this policy. All systems must be regularly serviced under contract by a reputable company at least annually.



Property – contents (office)

Policy wording

We will not make any payment under this section in respect of any incident occurring whilst **you** are not in compliance with these conditions unless **you** can demonstrate that such non-compliance could not have increased the risk of the **damage** occurring in the circumstances in which it occurred.

Unoccupancy

You must tell **us** immediately if the **office**, including any self-contained areas of the buildings, will be left unoccupied or will not be used for more than 30 consecutive days. **We** may change the terms and conditions of this **policy** or impose additional requirements that **you** must carry out. If **we** impose additional requirements **we** will tell **you** the timeframes within which **you** must carry them out.

If **you** do not tell **us**, **we** will not make any payment for **damage** occurring while the **office** is unoccupied.

Please read the schedule to see if **your** loss of **income**, loss of **gross profit**, or **additional increased costs of working** are covered.

The General terms and conditions, the Property definitions and the following terms and conditions all apply to this section.

Special definitions for this section

Additional increased costs of working	The additional costs and expenses, not including the costs of reconstitution of data , reasonably incurred by you with our prior consent in order to continue your business or minimise your loss of income or loss of gross profit during the indemnity period and not limited to the reduction in income or gross profit saved.
Alternative hire costs	The reasonable hire costs incurred by you during the period of insurance for the necessary hire of a substitute item of similar type and capacity either whilst property is being repaired or until permanently replaced, following insured damage or insured failure .
Annualised amount insured	The amount insured divided by the indemnity period multiplied by 12.
Gross profit	The difference between the sum of your income , closing stock and work in progress and the sum of your opening stock, work in progress and uninsured working expenses .
Income	The total income of the business carried out from your office .
Increased costs of working	The costs and expenses necessarily and reasonably incurred by you for the sole purpose of minimising the reduction in income to your business during the indemnity period , but not exceeding the reduction in income saved.
Indemnity period	The period, in months, beginning at the date of the insured damage or insured failure , or the date the restriction is imposed, and lasting for the period during which your income is affected as a result of such insured damage , insured failure or restriction, but for no longer than the number of months shown in the schedule.
Insured damage	Damage , other than failure , to property provided that: <ul style="list-style-type: none"> a. the damage is not otherwise excluded by the buildings or contents or other property section of this policy; and b. payment has been made or liability admitted by the insurer under any insurance covering such damage.
Insured failure	Failure of equipment, computers , oil or water storage tanks and other insured items provided that: <ul style="list-style-type: none"> a. the failure is not otherwise excluded by the equipment breakdown section of this policy; and b. payment has been made or liability admitted by us under the equipment breakdown section of this policy.
Notifiable human disease	Any human infectious or human contagious disease, an outbreak of which must be notified to the local authority.
Rate of gross profit	The percentage produced by dividing gross profit by your income during the financial year immediately before the date of any insured damage , insured failure or restriction.
Rent	Rent: <ul style="list-style-type: none"> a. for the office that you must legally pay whilst the office or any part of it is unusable as a result of insured damage, insured failure or restriction; b. that you cannot legally recover from your tenants whilst the buildings or any part are unusable as a result of insured damage, insured failure or restriction.
Uninsured working expenses	Purchases less discounts received, bad debts, rent and any other item described in the schedule.

What is covered

We will insure **you** for **your** financial losses and any other items specified in the schedule, resulting solely and directly from an interruption to **your business** caused by:

- | | |
|--------------------------------------|---|
| Financial losses from insured damage | 1. insured damage to property: <ol style="list-style-type: none"> a. insured under any property section of this policy, other than equipment breakdown; or b. insured elsewhere, but not under this policy, provided the damage occurred whilst the property was contained in the office. |
| Denial of access | 2. insured damage to property in the vicinity of the office which prevents or hinders your access to the office . |
| Suppliers | 3. insured damage , other than damage caused by flood or earth movement , arising at the premises of one of your suppliers operating and based in the European Union, other than water, gas, electricity or telecommunications services. |
| Public utilities | 4. failure in the supply of water, gas, electricity or telecommunications services supplied by a supplier operating and based in the European Union to the office for more than 24 consecutive hours caused by insured damage , other than damage caused by flood or earth movement , to any land based premises of the supply authority or the terminal feed to your office or business premises or to underground pipes or underground cables conveying such services from the supply authority to your premises. |
| Public authority | 5. your inability to use the office due to restrictions imposed by a public authority during the period of insurance following: <ol style="list-style-type: none"> a. a murder or suicide; b. an occurrence of a notifiable human disease; c. injury or illness of any person traceable to food or drink consumed on the premises; d. defects in the drains or other sanitary arrangements; e. vermin or pests at the premises. |
| Equipment breakdown | 6. insured failure . |

What is not covered

1. **We** will not make any payment for any interruption to **your business** directly or indirectly caused by, resulting from or in connection with **terrorism**.
2. **We** will not make any payment under this section if **your business** is discontinued permanently or if a liquidator or receiver is appointed.

How much we will pay

We will pay up to the **amount insured** unless limited below or shown in the schedule. **We** will pay for no longer than the period shown in the schedule against each item insured.

If **you** are accountable to the tax authorities for value added tax, the amount **we** pay will be exclusive of such tax.

The amount **we** pay for each item will be calculated as follows:

- | | |
|----------------------|--|
| Loss of income | the difference between your actual income during the indemnity period and the income it is estimated you would have earned during that period or, if this is your first trading year, the difference between your income during the indemnity period and during the period immediately prior to the loss, less any savings resulting from the reduced costs and expenses you pay out of your income during the indemnity period . We will also pay for increased costs of working and alternative hire costs . |
| Loss of gross profit | the sum produced by applying the rate of gross profit to any reduction in income during the indemnity period plus increased costs of working and alternative hire costs , less any business expenses or charges which cease or are reduced. |
| Outstanding debts | any of your outstanding debts which you are unable to recover following loss of your accounting records as a direct result of insured damage or insured failure . |

Property – business interruption (office)

Policy wording

Accountant's charges	The amount we will pay for loss of income , or loss of gross profit if applicable, includes the reasonable charges you pay to your professional accountant for producing information we require in support of a request for settlement under this section.
Under insurance	<p>If, at the time of insured damage, insured failure or restriction, we establish that the annualised amount insured declared to us does not represent your actual income or your actual gross profit during the 12 months immediately preceding the date of the insured damage, insured failure or restriction, we will reduce the amount we pay in the proportion that the premium you have paid bears to the premium we would have charged you if you had declared your actual income or your actual gross profit.</p> <p>We will only apply this calculation if:</p> <ol style="list-style-type: none">1. we establish that the annualised amount insured is less than 85% of your actual income or your actual gross profit during the 12 months immediately preceding the start of the period of insurance; and2. we establish that your failure to declare your actual income or your actual gross profit was not deliberate or reckless and was a breach of your obligation to make a fair presentation of the risk to us before the start of the period of insurance. <p>This remedy may apply in addition to General Condition 2. b.ii. If your failure to declare your actual income or your actual gross profit was deliberate or reckless, the remedy under General Condition 2.a. will apply.</p>
Business trends	The amount we pay for loss of income or loss of gross profit will be amended to reflect any special circumstances or business trends affecting your business , either before or after the loss, in order that the amount paid reflects as near as possible the result that would have been achieved if the insured damage, insured failure or restriction had not occurred.

Your obligations

If any damage occurs	We will not make any payment under this section unless you notify us promptly of any damage or event which might prevent or hinder you from carrying on your business .
Property insurance	Where the damage involves property you own or are legally responsible for, we will not make any payment unless you have property insurance in force covering the damage and payment has been made, or liability admitted, under that insurance for the damage .
Accounts records	You must keep a record of all amounts owed to you and keep a copy of the record away from the office . If you do not, we may reduce any payment we make by an amount equal to the detriment we have suffered as a result.