



**ACTIVITIES
INDUSTRY
MUTUAL**

ACTIVITIES INDUSTRY MUTUAL LIMITED

PROPERTY COVER WORDING

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GENERAL DEFINITIONS

The following definitions apply throughout this Cover Wording except where expressly varied within a specific Section

1. **Benefit**

- The maximum amount the Mutual will pay for Bodily Injury to a covered person in respect of any one event or series of events consequent upon or attributable to a common cause

2. **Board**

- Board shall mean the Board of Directors for the time being of the Mutual

3. **Business**

Business shall mean the business of the Member as advised to the Mutual at the inception of this Cover Wording and prior to any subsequent renewal which shall include

- engagement of subcontractors for performance of work on behalf of the Member
- organisation of and participation in exhibitions trade fairs conferences and the like
- property owners lessors and lessees including repair refurbishment and maintenance of such property
- provision and management of canteen social sports welfare medical facilities fire first aid rescue and ambulance services principally in connection with but not limited to the operations of the Member
- provision of nursery crèche or baby care facilities where incidental to the Business
- private work undertaken by any Employee for any director or partner or executive of the Member
- security organisations for the benefit of the Member
- the organisation or sponsorship of charitable events or similar fund raising activities
- sponsorship of events organisations entities and individuals
- repair maintenance and servicing of own mechanically propelled vehicles
- sale or disposal of own property and goods including owned mechanically propelled vehicles
- provision of gifts and promotional material incidental to the Business

4. **Certificate of Entry**

- Certificate of Entry shall mean a document issued by the Mutual which evidences the existence of Cover in respect of the Member

5. Contribution

- Contribution shall mean all monies payable to the Mutual by a Member in respect of the protection provided by this Cover Wording or any section of this Cover Wording as evidenced by the Certificate of Entry

6. Cover

- Cover shall mean the discretionary cover provided by the Mutual subject to the Mutual's discretion upon the terms and conditions of this Cover Wording Certificate of Entry and Schedule

7. Cover Wording

- Cover Wording shall mean this Cover Wording which evidences the scope and extent of the discretionary indemnity in respect of the Member

8. Defined Perils

- Fire lightning explosion aircraft or other aerial devices or articles falling from them riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons Earthquake Storm Flood escape of water from any tank apparatus or pipe or of oil from any fixed domestic heating installation or impact by any mechanically propelled vehicle or rail rolling stock or animal

9. Estimate

- The amount representing not less than the gross profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Cover

10. Excess

- The first part of each and every loss borne by the Member as ascertained after the application of all other Cover Wording terms and conditions as specified in the Schedule

11. Limit of Indemnity

- Limit of Indemnity shall mean the Limit of Indemnity stated in the Schedule (or any other Limit of Indemnity as may hereafter be agreed to in writing by the Mutual)

12. Member

Member shall mean

- the named Member stated in the Certificate of Entry
- legal or personal representatives of the Member in respect of legal liability incurred by the Member

Indemnity on a discretionary basis may also be provided to the following parties but only at the request of the Member and at the discretion of the Board

- any director or partner of the Member
- any Employee
- lessors where such lessors are required in contract to be indemnified in respect of property plant or equipment leased to the Member
- the officers individual members committee and voluntary helpers of the Member's canteen and welfare organisations in their respective capacities as such
- the officers and individual members of the Member's security rescue first aid fire and ambulance services in their respective capacities as such
- the officers individual members committee voluntary helpers and guests of the Member's sports and social organisations in their respective capacities as such
- any director or partner or executive of the Member in respect of private work undertaken by any Employee for a director partner or executive of the Member
- the officers or individual members of the Member's medical organisation other than any doctor surgeon or dentist while working in a professional capacity

always provided such parties requesting discretionary indemnity shall observe fulfill and be subject to the terms Conditions Exclusions Extensions and Endorsements of this Cover Wording in so far as they can apply

13. Mutual

- Mutual shall mean the Activities Industry Mutual Limited

14. Percentage

- The amount stated as the Percentage in the Schedule

15. Period of Cover

- Period of Cover shall mean the duration of Cover stated in the Certificate of Entry and any subsequent period for which the Mutual has accepted a Contribution.

16. Premises

- Any premises owned occupied leased or rented by the Member anywhere within the Territorial Limits as stated in the Schedule

17. Schedule

- Schedule shall mean a document issued by the Mutual which evidences the scope and extent of the discretionary Cover in respect of a Member

18. Sum Covered

- The total amount the Mutual may pay for each item covered at each premises in respect of any one event or series of events consequent upon or attributable to a common cause

19. Territorial Limits

- The territorial limits stated in the Schedule unless otherwise stated herein

20. Total Sum Covered

- The total amount payable by the Mutual under any section in respect of any one event or series of events consequent upon or attributable to a common cause irrespective of the number of claims

GENERAL CONDITIONS

The following General Conditions shall apply to all Sections of this Cover Wording unless stated otherwise

1. **Non-Disclosure**

This Cover Wording shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular

2. **Alteration**

The Cover under this Cover Wording shall be terminated with immediate effect if after commencement of this Cover

- i) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued or
- ii) the Member's interest ceases otherwise than by death or
- iii) any alteration be made either in the Business or in the Premises or property therein or any other circumstances whereby the risk is increased

unless admitted by the Mutual in writing

For the avoidance of doubt if a Premises shall become empty or shall cease to be used by the Member or any tenant of the Member this shall be deemed an alteration whereby the risk is increased

3. **Reasonable Precautions**

The Member shall take all reasonable precautions to prevent loss or destruction of or damage to property and also to avoid interruption or interference with the Business

4. **Law and Jurisdiction**

Any phrase or word in this Cover Wording Certificate of Entry and Schedule will be interpreted in accordance with the law of England and English Courts alone will have jurisdiction in any dispute hereunder

5. **Cancellation**

This Cover Wording may be cancelled

- i) by the Mutual sending thirty days' notice (but ten days' notice in the event of non-payment of Contribution) in writing to the last known address of the Member who shall be entitled to a rebate equal to the proportionate part of the Contribution corresponding to the unexpired portion of the Period of Cover

- ii) by the Member sending thirty days' notice in writing to the last known address of the Mutual. The Member may be entitled to a return of Contribution after deduction of Contribution at the Mutual's short period rates for the period the Cover Wording has been in force provided no claim has been made during the Period of Cover
- iii) immediately subject to the requirements of the Consumer Credit Act 1974 if applicable if the Member has applied to pay the Contribution by installments and an installment is not received by the due date in these circumstances the Member's credit agreement will also be cancelled immediately

6. **Statutory Regulations**

In respect of any vessel machinery or apparatus or its contents belonging to or under the control of the Member which requires to be examined to comply with any statutory regulations cover against destruction or damage thereto caused by an explosion originating therein is subject to the provision that such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service

7. **Fire Protection Devices** (applicable to Sections 1 and 2 only)

It is a condition precedent to the Mutual's discretionary indemnity that in respect of any automatic sprinkler or automatic fire alarm installation(s) in the Premises the Member shall so far as the Member's responsibility extends

- i) maintain the installation(s) including the automatic external alarm signal in efficient condition
- ii) maintain ready access to the water supply control facilities

When any changes repairs or alterations to the installation(s) are proposed written notice thereof is to be given to the Mutual and its prior agreement obtained in writing

The Mutual shall have access to the Premises at all reasonable times for the purpose of inspection

The Member shall carry out the routine tests prescribed by the Mutual and remedy promptly any defect revealed by such tests

In the event that alterations become necessary to any automatic sprinkler installation the Mutual may at its option suspend any cover which is granted against DAMAGE (as that term is defined in the Section definitions) by the accidental escape of water from the installation until the alterations or repairs have been carried out and approved by the Mutual and notice of any such action will be given by the Mutual in writing

8. **Fire Extinguishing Appliances** (applicable to Sections 1 and 2 only)

In respect of any fire extinguishing appliances in the Premises it shall be a condition precedent to the Mutual's discretionary indemnity that the Member

shall so far as the Member's responsibility extends service annually the appliances and remedy promptly any defect discovered

9. Intruder Alarm Installation (applicable to Sections 1, 2 and 4)

In respect of any intruder alarm installed at the Premises it shall be a condition precedent to the Mutual's discretionary indemnity that

- i) it is regularly and efficiently maintained under a maintenance contract with the alarm company
- ii) it is brought into full and effective operation whenever the Premises are closed for business
- iii) the alarm company is immediately advised of any apparent defect in the intruder alarm
- iv) the Mutual is notified immediately and in writing if the Member receives written notification from a police authority warning of possible or intended withdrawal of response to calls from the intruder alarm
- v) the agreement of the Mutual is obtained in writing before replacing extending or otherwise altering the intruder alarm
- vi) details of any codes used for the operation of the intruder alarm and all keys to the intruder alarm shall be either removed from the Premises or placed within a locked safe or strongroom the keys to which are themselves removed from the Premises

10. Security (applicable to Section 1, 2 and 4)

It is a condition precedent to the Mutual's discretionary indemnity that

- i) all keys including duplicate keys relative to the security of the Premises or to any safe or strongroom containing Property Covered or Money shall be removed from the Premises whenever the Premises are closed for business or are unattended
- ii) all locks bolts and other devices for the protection of the Property Covered shall be kept in good order and put into full and effective operation whenever the Premises are closed for business or left unattended

11. Workmen (applicable to Sections 1 and 2)

This Cover Wording shall not be invalidated by workmen in and about the Premises for the purpose of carrying out minor alterations decoration repairs general maintenance or the like

12. Limit of Indemnity

The total amount payable by the Mutual in respect of any one event or series of events consequent upon or attributable to a common cause irrespective of the number of parties covered by this Cover Wording having a claim under this Cover Wording shall not exceed in the whole the Total Sum Covered or in

respect of any item its Sum Covered or any other stated Limit of Indemnity or Benefit in the Schedule or elsewhere in this Cover Wording

GENERAL EXCLUSIONS

In no circumstances shall the Mutual's discretionary indemnity under any Sections of this Cover Wording be given including any Extensions or Endorsements for the following

1. Electronic Risk

Notwithstanding anything that appears to the contrary in this Cover Wording and subject always to the terms exceptions and conditions this Cover Wording does not cover

- i) Damage to Data which shall include but shall not be limited to
 - a) loss destruction or corruption of Data whether in whole or in part
 - b) unauthorised appropriation use access to or modification of Data
 - c) unauthorised transmission of Data to any third parties
 - d) Damage arising out of any misinterpretation use or misuse of Data
 - e) Damage arising out of any operator error in respect of Data
- ii) Damage to the Property Covered (as that term is defined in the Section definitions) arising directly or indirectly from
 - a) the transmission or impact of any Virus
 - b) unauthorised access to a System
 - c) interruption of or interference with electronic means of communication used in the conduct of the Member's Business including but not limited to any diminution in the performance of any website or electronic means of communication
 - d) Failure of a System
 - e) anything described in 1. i) above

or any consequential loss arising directly or indirectly therefrom

but in respect of 1. ii) a) 1. ii) b) 1. ii) c) 1. ii) d) this shall not exclude subsequent Damage or any consequential loss arising directly or indirectly therefrom which itself results from a Defined Peril not otherwise excluded provided that such Damage or any consequential loss arising directly or indirectly therefrom does not arise by reason of any malicious act or omission

Definitions

For the purpose of this exclusion 1

a) Damage

Damage means for the purposes of this exclusion accidental loss or destruction or damage

b) Data

Data means information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

c) Defined Perils

The words Defined Perils shall mean fire lightning explosion aircraft or other aerial devices or articles falling from them riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons Earthquake Storm Flood escape of water from any tank apparatus or pipe or of oil from any fixed domestic heating installation or impact by any mechanically propelled vehicle or rail rolling stock or animal

d) Failure of a System

Failure of a System means the complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a System whether or not owned by the Member to operate at any time as desired as specified or as required in the circumstances of the Member's business activities

e) Microchip

A unit of packaged computer circuitry manufactured in small scale and made for program logic and/or computer memory purposes and expressly including integrated circuits and microcontrollers

f) System

System includes computers other computing and electronic equipment linked to computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation

g) Virus

programming code designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer systems

via networks extranets and internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not

2. War and Allied Risks

loss or destruction of or damage to property injury death disablement or any consequential loss arising directly or indirectly therefrom occasioned by or happening through

- i) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war
- ii) mutiny civil commotion assuming the proportions of or amounting to a popular rising military rising insurrection rebellion revolution military or usurped power
- iii) a) permanent or temporary dispossession resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority
b) permanent or temporary dispossession of any building resulting from the unlawful occupation of such building by any person

provided that the Mutual is not relieved of any discretionary indemnity to the Member in respect of loss or destruction of or damage to property occurring before dispossession or during temporary dispossession which is otherwise covered by this Cover Wording

- iv) the destruction of property by order of any public authority

This Cover Wording also excludes loss or destruction of or damage to property injury death disablement or any consequential loss caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to war and allied risks

In any action suit or other proceeding where the Mutual alleges that by reason of the provisions of this exclusion any loss or destruction of or damage to property injury death disablement or any consequential loss is not covered by this Cover the burden of proving that such loss or destruction of or damage to property injury death disablement or any consequential loss is covered shall be upon the Member

3. Terrorism

loss or destruction of or damage to property or any consequential loss occasioned by or happening through or in consequence directly or indirectly of

- i) Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss

and

- ii) in Northern Ireland riot civil commotion and (except in respect of loss or destruction of or damage to property by fire or explosion) strikers locked out workers or persons taking part in labour disturbances or malicious persons

This Cover Wording also excludes loss or destruction of or damage to property or any consequential loss directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism

In any action suit or other proceedings where the Mutual alleges that by reason of this exclusion any loss or destruction of or damage to property or any consequential loss is not covered by this Cover Wording (or is covered only up to a specified Limit of Indemnity) the burden of proving that such loss or destruction of or damage to property or any consequential loss is covered (or is covered beyond that Limit of Indemnity) shall be upon the Member

Definition

For the purpose of this exclusion Terrorism shall mean any act including but not limited to the use of force or violence or the threat thereof 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

4. Radioactive Contaminations or Explosive Nuclear Assemblies

- i) loss or destruction of or damage
- or
- ii) loss destruction or damage occasioned by or happening through or occasioning loss or destruction of or damage

to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

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

CLAIMS CONDITIONS

The following Claims Conditions shall apply to all Sections of this Cover Wording unless stated otherwise

1. Action by the Member

- i) It is a condition precedent to any liability of the Mutual to make a payment under this Cover that on the discovery of any circumstances or event which may give rise to a claim under this Cover Wording the Member shall
 - a) notify the Mutual immediately
 - b) notify the police authority immediately it becomes evident that any loss or destruction of or damage to property has been caused by malicious persons or thieves
 - c) carry out and permit to be taken any action which may be reasonably practicable to prevent further loss destruction or damage to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss
 - d) deliver to the Mutual at the Member's expense within
 - a) 7 days in the case of theft riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons
 - b) 30 days of the expiry of the Indemnity Period in the case of a claim in respect of Section 2 - Business Interruption
 - c) 30 days in the case of any other loss damage or injuryafter the circumstances or event or within such further time as the Mutual may allow
 - i) full details in writing of the claim
 - ii) details of any other insurances relating to the claim
 - iii) all such proofs and information relating to the claim as may reasonably be required
 - iv) all such books of account and other business books vouchers invoices balance sheets and other documents proofs information explanations and other evidence as may reasonably be required by the Mutual for the purpose of investigating or verifying the claim
 - v) if demanded a statutory declaration of the truth of the claim and of any matters connected with it

For the avoidance of doubt if the terms of this condition have not been complied with no claim shall be payable and any payment on account of the claim already made shall be repaid to the Mutual forthwith

2. Fraud

If a claim is fraudulent in any respect or if fraudulent means are used by the Member or by anyone acting on behalf of the Member to obtain any benefit under this Cover Wording or if any loss or destruction of or damage be occasioned by the wilful act or with the connivance of the Member all benefit under this Cover Wording shall be forfeited

3. Mutual's Rights Following a Claim

On the happening of loss or damage in respect of which a claim is made the Mutual and any person authorised by the Mutual may without thereby incurring any liability or diminishing any of the Mutuals' rights under this Cover Wording enter take or keep possession of the Premises where such loss or damage has occurred and take possession of or require to be delivered to the Mutual any property and to deal with such property for all reasonable purposes and in any reasonable manner.

No claim under this Cover Wording shall be payable unless the terms of this condition have been complied with

No property may be abandoned to the Mutual whether taken possession of by the Mutual or not

4. Arbitration

In accordance with Rule 35 of the Rules of the Mutual if any difference or dispute arises between any person and the Mutual relating to any loss claim or demand made by that person shall arise out of this Cover Wording Certificate of Entry Schedule or the Rules such difference or dispute shall in the first instance be referred to and adjudicated by the Board notwithstanding that the Board may have already considered the matter before any such difference or dispute arose such reference and adjudication shall be on written submissions only

Subject thereto any such dispute or difference shall be determined by arbitration in accordance with the Arbitration Act 1996

Such dispute or difference shall be referred to a single arbitrator in London to be agreed between the parties. Failing such agreement within 30 days of the request by one party to the other that a matter be referred to arbitration in accordance with Rule 35 of the Rules of the Mutual such reference shall be to an arbitrator appointed by the President for the time being of the London Chamber of Commerce. The decision of such arbitrator shall be final and binding upon the parties

5. Waiver of subrogation

In the event of a claim arising under this Cover Wording the Mutual agrees to waive any rights remedies or relief to which they may become entitled by subrogation against

- i) any company standing in the relation of parent to subsidiary (subsidiary to parent) to the Member as defined in current legislation
- ii) any company who is a subsidiary of a parent Mutual of which the Member are themselves a subsidiary in each case as defined in current legislation
- iii) any company whose activities are conducted/managed by the Member in whole or in part

6. Indemnity Period

The period beginning with the occurrence of the loss or destruction of or damage to property or injury death or disablement ending not later than the maximum indemnity period

The maximum indemnity period is twelve months unless otherwise endorsed hereon

7. Other Insurances

If in the event of any claim under this Cover Wording there is any insurance effected by or on behalf of the Member providing cover in respect of the same risk or part thereof against such claim the discretionary indemnity of the Mutual hereunder shall be limited to its rateable proportion of such claim

If any such other insurance

- i) shall be subject to any underinsurance or similar condition this Cover Wording if not already subject to any such condition shall be subject to the condition in like manner
- ii) is subject to any provision whereby it is excluded from ranking concurrently with this Cover Wording either in whole or in part or from contributing rateably the discretionary indemnity of the Mutual under this Cover Wording shall be limited to that proportion of the claim which the Sum Covered under this Cover Wording bears to the value of the property

SECTION 1 – MATERIAL DAMAGE

OPERATIVE CLAUSE

The Mutual may at the discretion of the Board subject to the terms conditions and limitations in this Cover Wording, in the event of DAMAGE during any Period of Cover indemnify the Member the value of the Property Covered at the time of the DAMAGE or at the Mutual's option reinstate or replace such property or any part of it

Provided that the discretionary indemnity of the Mutual under this Section shall not exceed

- a) in the whole the Total Sum Covered or in respect of any item or extension the Sum Covered or Limit of Indemnity or any other limit at the time of the DAMAGE
- b) the Sum Covered or Limit of Indemnity or any other limit remaining after deduction for any DAMAGE occurring during the same Period of Cover unless the Mutual shall have agreed to reinstate any such Sum Covered or Limit of Indemnity or any other limit

SECTION 1 OPERATIVE CLAUSE ADJUSTMENTS

1. Reinstatement Cost Clause

Applicable to the Buildings Contents and Computer items

In the event of DAMAGE in respect of these items the basis upon which the amount payable is to be calculated shall be the cost of Reinstatement subject to the provisions set out below

Reinstatement means

- i) where property is destroyed the rebuilding of the property if a Building or in the case of other property its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new
- ii) where property is damaged the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new

Provisions

- 1) No payment beyond the amount which may have been payable had this Clause not been operative shall be made
 - a) unless the work of Reinstatement is commenced and carried out with reasonable despatch
 - b) until the costs of Reinstatement have been incurred
 - c) unless any other insurance covering the Member's interest in the property at the time of the DAMAGE is upon the same basis of Reinstatement as this Cover Wording

and if pursuant to this provision no such payment is made then the rights and liabilities of the Mutual and the Member under this Cover Wording in respect of the DAMAGE shall be those which would have been applied had this Clause not been operative
- 2) Reinstatement may be carried out at another site and in any manner suitable to the Member subject to the discretionary indemnity of the Mutual not being increased as a result
- 3) In the event of partial damage to any Property Covered under this Extension the Mutual's discretionary indemnity for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed

2. Reinstatement Conditions

If any property is to be reinstated or replaced by the Mutual the Member shall at the expense of the Member provide all such plans documents books and information as may reasonably be required

The Mutual shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items covered more than its Sum Covered

3. Day One Reinstatement Clause

Applicable to the Buildings Contents or Computers items

- i) The Member having stated in writing the Declared Value incorporated in each item of Buildings Contents or Computers all as stated in the Schedule the Contribution has been calculated accordingly

Declared Value shall mean the Member's assessment of the cost of Reinstatement of the Property Covered arrived at in accordance with paragraph i) of the Reinstatement Cost Clause at the level of costs applying at the inception of the Period of Cover (ignoring inflationary factors which may operate subsequently) including insofar as the Cover by the item provides due allowance for

- a) the additional cost of Reinstatement to comply with public authorities' requirements
- b) professional fees
- c) debris removal costs
- ii) At the inception of each Period of Cover the Member shall notify the Mutual of the Declared Value of the Property Covered by each of the said item(s) and in the absence of such declaration the last amount declared by the Member shall be taken as the Declared Value for the ensuing Period of Cover
- iii) a) The discretionary indemnity of the Mutual shall not exceed the Sum Covered calculated by applying the Percentage to the Declared Values all as stated in the Schedule
- b) Where because of Provision 1 of the Reinstatement Cost Clause no payment is to be made beyond the amount which would have been payable had that Extension not been operative the discretionary indemnity of the Mutual shall be limited to 115% of the Declared Value shown in the Schedule

4. Rent Receivable

In the event of DAMAGE in respect of which there is an item on Rent Receivable specified in the Schedule for Buildings the Mutual may pay to the Member

- i) the amount by which the Rent Receivable by the Member during the period stated in the item description shall in consequence of the DAMAGE fall short of the rent which would have been received during the period had the DAMAGE not occurred
- ii) the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding a shortfall in rent but not exceeding the amount of the loss of rent which would otherwise have been payable under paragraph i)

less any savings in respect of expenditure payable out of Rent Receivable which reduces or ceases in consequence of the DAMAGE.

In arriving at the amount of Rent Receivable such adjustments shall be made as may be necessary to provide for trend variations or other relevant circumstances either before or after the DAMAGE so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the rent which but for the DAMAGE would have been obtained during the relative period after the DAMAGE

If following DAMAGE the amount of Rent Receivable is maintained by the provision of alternative accommodation by the Member such rent shall be taken into account in calculating the amount payable

5. Rent Payable

In the event of DAMAGE in respect of which there is an item on Rent Payable specified in the Schedule on Buildings the Mutual may pay to the Member the amount of rent which continues to be payable by the Member for the Buildings or part of the Buildings whilst unfit for occupation in consequence of the DAMAGE for a period not exceeding the number of months stated in the item description

6. Branded Goods

In the event of a claim for DAMAGE to the Property Covered any salvage of branded goods or merchandise the Member's own or held by them in trust or on commission or goods sold but not delivered shall not be disposed of by sale without the consent of the Member

If such salvage is not disposed of by sale then the amount of DAMAGE will be assessed at the value agreed between the Member and Mutual and taken into consideration in the settlement of the claim

7. Inadequate Sum Covered

- i) In respect of Buildings Contents and Computers

If at the time of DAMAGE the Declared Value of the Property Covered by each item at each Premises is less than the cost of Reinstatement (as defined in the Day One Reinstatement Clause) at the inception of the Period of Cover then the Mutual's discretionary indemnity for any DAMAGE shall be limited to the proportion that the Declared Value bears to the cost of Reinstatement

- ii) In respect Stock Rent Payable Rent Receivable or any miscellaneous item described in the Schedule

If at the time of DAMAGE the Sum Covered on any item is less than the value of the property covered by such item (or in respect of any item on rent less than the amount of rent during the period to which the item relates) then the Member shall be considered as being the insurer for the difference and shall bear a rateable share of the loss accordingly

SECTION 1 DEFINITIONS

1. Buildings

Buildings including landlord's fixtures and fittings and unless more specifically insured Buildings include

- i) small outside buildings extensions annexes gangways
- ii) walls gates fences yards driveways car-parks forecourts
- iii) conveyors trunks lines wires service pipes and other equipment on the Premises

the property of the Member or for which the Member is responsible

2. Computers

- a) all computer equipment (including interconnecting wiring fixed disks and telecommunications equipment) used for the storage and communication of electronically processed data
- b) data carrying materials comprising all current and back-up computer programs and information contained on magnetic or optical discs and magnetic tapes

the property of the Member or held by the Member in trust for which the Member is responsible

3. Contents

Machinery plant and all other contents the property of the Member or held by the Member in trust for which the Member is responsible

- i) excluding
 - a) Stock
 - b) landlord's fixtures and fittings
 - c) Computers
- ii) Including
 - a) deeds, documents manuscripts business books but only for the value of materials as stationery and the cost of clerical labour expended in reproducing them but not
 - i) any expenses in connection with re-compilation or retrieval of the information contained in them
 - ii) the value to the Member of the information contained in them

- b) computer systems records but only for the cost of materials and cost of clerical labour and computer time expended in reproducing them but not exceeding £25,000 but not
 - i) any expenses in connection with re-compilation or retrieval of the information contained in them
 - ii) the value to the Member of the information contained in them
- c) patterns models moulds plans and designs
- d) in so far as they are not otherwise insured personal property of directors employees customers or visitors for an amount not exceeding £1,000 for any one person
- e) money and stamps (including National Insurance stamps) for an amount not exceeding £1,000
- f) wines spirits cigarettes and tobacco held for entertainment purposes for an amount not exceeding £750
- g) tenants' improvements, alterations and decorations

4. DAMAGE

The word "DAMAGE" in capital letters shall mean accidental loss or destruction of or damage to the Property Covered

5. Earthquake

Earthquake means

- i) earthquake and any subsequent DAMAGE but only if caused directly by earthquake and
- ii) volcanic eruption meaning the eruption explosion or effusion of a volcano

but excluding Flood

6. Flood

Flood means the escape of water from its normal natural or artificial confines (other than tanks apparatus or pipes) or inundation from the sea including tidal wave

7. Occurrence

- i) DAMAGE arising out of one event or series of events consequent upon or attributable to a common cause
- ii) DAMAGE arising out of Earthquake or Flood shall constitute a single Occurrence

- a) if more than one Earthquake should occur within any period of 72 hours sequential and commencing during the Period of Cover or
- b) if any Flood occurs within a period of the continued rising or overflow and subsidence of any river or stream within the banks of such river or stream

Each Occurrence shall be deemed to have commenced on the first happening of such DAMAGE (not within the period of any previous Occurrence)

8. Property Covered

The words "Property Covered" shall mean

- i) Buildings
- ii) Contents
- iii) Computers
- iv) Stock
- v) any miscellaneous item described in the Schedule the property of the Member or held by the Member in trust for which the Member is responsible at the Premises owned leased or rented by the Member

9. Stock

Stock and materials in trade the property of the Member or held by the Member in trust for which the Member is responsible

10. Storm

Storm means storm windstorm hurricane tornado tempest and typhoon including subsequent DAMAGE caused by water that backs up from a sewer or drain as a direct result thereof but excluding Flood

SECTION 1 EXTENSIONS

If noted on the Schedule as operative the Mutual may indemnify the Member at the discretion of the Board in respect of the following extensions subject always to the terms and conditions of this Cover Wording

1. Public Authorities

The Cover by each item of the Schedule on Buildings and Contents includes the additional cost of reinstating the Property Covered incurred solely by reason of the necessity to comply with

- i) European Union Legislation
- ii) Buildings or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Public Authority

subject to the exclusions and provisions set out below

The Mutual will not pay for

- a) the cost incurred in complying with any of such Legislation Regulations or Bye-Laws under which notice has been served upon the Member prior to the happening of any DAMAGE
- b) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of such Legislation Regulations or Bye-Laws not arisen
- c) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of the property by reason of compliance with any of such Legislation Regulations or Bye-Laws

Provisions

- i) The work of reinstatement must be commenced and carried out with reasonable despatch but within 12 months unless otherwise agreed by the Mutual and may be carried out upon another site (if such Legislation Regulations or Bye-Laws so necessitate) subject to the discretionary indemnity of the Mutual not being increased as a result
- ii) If the discretionary indemnity of the Mutual under any item of this Section apart from this extension is reduced by the application of any of the terms and conditions of this Cover Wording then the discretionary indemnity of the Mutual under this extension in respect of the item shall be reduced in like proportion
- iii) This Extension includes the additional cost of reinstatement in respect of undamaged portions of property however the Mutual shall not indemnify for such additional cost in respect of any Building or Contents which has not sustained DAMAGE

- iv) The amount recoverable shall not exceed
 - a) in respect of undamaged portions of property other than foundations 15% (fifteen per cent) of the total amount for which the Mutual may have indemnified had the Building or Contents been totally destroyed
 - b) in respect of any item the Sum Covered thereby or any lower Limit of Indemnity stated in this Cover Wording

2. Professional Fees

The Cover by each item of the Schedule on Buildings Contents and Computers includes an amount in respect of architects surveyors engineers consultants and legal fees necessarily incurred in the reinstatement of the Property Covered consequent upon DAMAGE but not for preparing any claim

If there is a Limit of Indemnity specified in the Schedule for Professional Fees the Member does not allow for the costs covered by this extension when arriving at the Declared Value

3. Removal Of Debris

The Cover by each item of the Schedule on Buildings Contents and Computers includes costs and expenses necessarily incurred by the Member with the consent of the Mutual in removing debris demolishing shoring up or propping following DAMAGE

The Mutual will not pay for any costs or expenses

- i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- ii) arising from pollution or contamination of property not covered by this Section

If there is a Limit of Indemnity specified in the Schedule for Removal of Debris the Member does not allow for the costs covered by this extension when arriving at the Declared Value

4. Stock Debris Removal

The Cover by each item of the Schedule on Stock includes costs and expenses necessarily incurred by the Member with the consent of the Mutual in removing debris of the portion or portions of the Stock following DAMAGE

The Mutual will not pay for any costs or expenses

- i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- ii) arising from pollution or contamination of property not covered by this Section

If there is a Limit of Indemnity specified in the Schedule for Removal of Debris the Member does not allow for the costs covered by this extension when arriving at the value of Stock

5. Capital Additions

The Cover by each item in the Schedule on Buildings Contents and Computers shall extend to include

- a) any newly acquired property at the Premises insofar as it is not otherwise Covered and
- b) alterations additions and improvements to the property at the Premises but not in respect of any appreciation in value during the current Period of Cover

Provided that for each item in the Schedule

- i) this cover shall not exceed 10% of the Sum Covered on such property or £500,000 whichever is the less
- ii) the Member undertakes to give particulars of such property to the Mutual within 45 days and to effect specific Cover thereon retrospective to the date of the commencement of the Mutual's discretionary indemnity
- iii) the Mutual shall be entitled to charge an appropriate additional Contribution pro rata from the date of such acquisition by the Member and may vary the terms of this Cover Wording in respect of such acquisition alteration or improvement

6. Capital Additions – New Premises

The Cover by this Section shall extend to include any new premises acquired by the Member within the Territorial Limits provided that

- i) the activities carried on shall be of a similar nature to the Member's existing activities and shall fall within the description of the Business stated in the Schedule
- ii) the Member undertakes as soon as practicable and in any event within 90 days to give particulars of such acquisition and to effect specific Cover thereon retrospectively from the date of its acquisition
- iii) the Mutual shall be entitled to charge an appropriate additional Contribution pro rata from the date of such acquisition by the Member and may vary the terms of this Cover Wording in respect of such acquisition
- iv) the Mutual shall not indemnify if such premises are insured by or would but for the existence of this Cover Wording be insured by any more specific insurance policy or policies except in respect of any excess beyond the amount which would have been payable under such other insurance policy or policies had this insurance not been effected

- v) the Limit of Indemnity shall not exceed £500,000 or 10% of the Total Sum Covered whichever is the less

7. Temporary Removal

The Property Covered by each item of the Schedule other than

- i) Stock
- ii) deeds documents manuscripts business books and computer system records

is covered whilst temporarily removed from the Premises for cleaning renovation repair or other similar purposes elsewhere and in transit thereto and therefrom by road rail or inland waterway within the Territorial Limits

Provided that the Limit of Indemnity shall not exceed £25,000 or 10% of the Sum Covered whichever is the less

8. Temporary Removal – Documents and Computer Systems Records

The Cover in respect of deeds documents manuscripts business books and computer system records whilst temporarily removed from the Premises and whilst in transit by road rail or inland waterway within the Territorial Limits

Provided that the discretionary indemnity of the Mutual shall not exceed

- i) 10% of the total value of deeds documents manuscripts business books or £25,000 which ever is the less
- ii) 10% of the figure stated within the definition of Contents for computer systems records

any one Occurrence

9. Contract Price

In respect only of goods sold but not delivered for which the Member is responsible subject to a sale contract which following DAMAGE is cancelled by reason of its conditions wholly or to the extent of the DAMAGE the discretionary indemnity of the Mutual shall be based on the contract price

For the purpose of this Cover the value of all the goods to which this clause could apply in the event of DAMAGE shall also be ascertained on this basis

10. Contracting Purchaser's Interest

In the event of the Member having contracted to sell its interest in any Building the contracting purchaser who completes the purchase shall have the benefit of the Cover by this Section up to the date of completion if and insofar as the Building is not otherwise insured and without prejudice to the rights and liabilities of the Member or Mutual

11. Mortgagee

The interest of a mortgagee in this Cover shall not be prejudiced by any act or neglect of the mortgagor or occupier of any Building hereby Covered whereby the risk of DAMAGE is increased without the authority or knowledge of the mortgagee provided the mortgagee immediately on becoming aware thereof shall give notice to the Mutual and pay an additional Contribution if required

12. Non-Invalidation

The Cover in respect of Property Covered in Buildings or parts of Buildings not occupied by the Member shall not be invalidated by any act or omission or by any alteration whereby the risk of DAMAGE is increased unknown to or beyond the control of the Member provided that immediately the Member becomes aware thereof the Member shall give notice to the Mutual and pay an additional Contribution if required

13. Extinguishment Expenses

This Cover extends to include the costs of refilling any fire extinguishing appliances or the cylinders of any gas flooding systems and replacing used sprinkler heads all reasonably incurred by the Member solely in consequence of DAMAGE or arising out of their accidental discharge

Provided that the discretionary indemnity of the Mutual shall not exceed £50,000 any one Occurrence

14. Customer Goods

In the event that the Member shall have represented to their customers that they will accept responsibility for loss of or damage to goods the property of such customers or for which the said customer may be legally responsible held at the Premises the Cover in respect of Stock shall include these goods except in so far as they are more specifically insured

15. Landscaping

This Cover extends to include the cost of replanting trees shrubs plants and turf used as landscaping at the Premises in consequence of DAMAGE caused by the Defined Perils of fire lightning explosion aircraft or other aerial devices or articles falling from them being the cost incurred in restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established

Provided that the discretionary indemnity of the Mutual shall not exceed £25,000 any one Occurrence

16. Metered Water

This Cover extends to include the additional metered water charges for which the Member is responsible demanded by the relevant water authority and incurred in consequence of DAMAGE

Provided that the discretionary indemnity of the Mutual shall not exceed £25,000 any one Occurrence

17. Interests, other than contractors and sub-contractors

This Cover extends to include the interests of other parties not being contractors or sub-contractors in respect of Property Covered and the Member undertakes if required to declare the names of such parties and the nature and extent of their interests at the time of any loss

18. Trace and Access

In the event of DAMAGE resulting from escape of water from any fixed water services or heating installation or escape of fuel oil as covered by this Cover Wording the Mutual may pay the costs necessarily and reasonably incurred in locating the source of such DAMAGE and subsequently making good damage caused in consequence thereof

Provided that the discretionary indemnity of the Mutual shall not exceed £10,000 any one Occurrence

19. Designation of Property

For the purpose of determining where necessary the item under which any property is Covered the Mutual agrees to accept the designation under which such property has been entered in the Member's books

20. Temporary Repairs and Expediting Costs

This Cover extends to include costs necessarily and reasonably incurred with the consent of the Mutual in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of Property Covered consequent upon DAMAGE Covered by this Section

Provided that the Limit of Liability shall not exceed £10,000 or 10% of the Total Sum Covered whichever is the less

21. Exhibitions

This Cover extends to include Property Covered at exhibitions including the stand its furnishings and equipment belonging to the Member whilst such property is at any exhibition or in transit to any exhibition in Europe including loading temporary housing en route and unloading

Provided that the discretionary indemnity of the Mutual shall not exceed £15,000 any one Occurrence and in any Period of Cover

22. Fixed Glass

Following DAMAGE to fixed glass the Mutual may also pay the reasonable cost of

- i) DAMAGE to lettering painting embossing silvering or other ornamental work on glass for not more than £1,000

- ii) repair or replacement of window frames framework or security fittings for an amount not exceeding £500
- iii) temporary boarding up of broken glass pending full replacement

Excluding DAMAGE caused by or arising from

- a) repairs or alterations to the Premises
- b) Premises that are empty or not in use by the Member or any tenant of the Member
- c) defects in frames and framework

23. Automatic Reinstatement of Sum Covered after Loss

In consideration of the Sum Covered by any Item or any Limit of Indemnity not being reduced by the amount of any loss payable hereunder and in the absence of any written notice by the Mutual within 30 days of the loss the Member undertakes to pay if required by the Mutual an appropriate additional Contribution from the date of the DAMAGE

Provided

- a) the Member shall take immediate steps to effect such additions to or variations in the protections of the Property Covered as the Mutual may require
- b) that in respect of DAMAGE by theft or attempted theft the automatic reinstatement shall apply on the first occasion only in the Period of Cover

24. Locks and Keys

The Cover by this Section is extended to cover costs incurred as a result of the necessary replacement of locks to a standard equal to but not better than their original standard following the loss of keys by theft from the Premises or from the homes of directors partners or authorised employees of the Member or by the unauthorised duplication of such keys

Provided that the discretionary indemnity of the Mutual shall not exceed £2,500 any one Occurrence

SECTION 1 EXCLUSIONS

In no circumstances shall the Mutual's discretionary indemnity under Section 1 of this Cover Wording be given in respect of

- a) DAMAGE caused by or consisting of
 - i) gradual deterioration wear and tear
 - ii) inherent vice latent defect frost or the Property Covered's own faulty or defective design or materials
 - iii) change in water table level except in respect of subsidence ground heave or landslip
 - iv) faulty or defective workmanship operational error or omission on the part of the Member or any of the Member's employees
 - v) or connected with the correction of defects in design or content of any computer records or program and any costs and expenses associated therewith
 - vi) collapse or cracking of buildings or structures unless resulting from a Defined Peril and not otherwise excluded
 - vii) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
 - viii) the bursting of a boiler (not being a boiler used for domestic purposes only) economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Member

but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded

- b) DAMAGE caused by or consisting of
 - i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - ii) change in temperature colour flavour texture or finish
 - iii) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - iv) mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

ACTIVITIES INDUSTRY MUTUAL LIMITED - COVER WORDING – PROPERTY

- v) such DAMAGE not otherwise excluded which itself results from a Defined Peril
- vi) subsequent DAMAGE which itself results from a cause not otherwise excluded
- c) DAMAGE caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Covered not otherwise excluded caused by
 - i) pollution or contamination which itself results from a Defined Peril
 - ii) a Defined Peril which itself results from pollution or contamination
- d) DAMAGE caused by or consisting of or arising directly or indirectly therefrom
 - i) acts of fraud or dishonesty by the Member or by any director partner or employee of the Member
 - ii) disappearance unexplained or inventory shortage misfiling or misplacing of information or shortages due to error or omission
 - iii) the voluntary parting with title or possession of any Property Covered if induced by any fraudulent scheme trick device or false pretence
- e) DAMAGE to
 - i) moveable property in the open fences and gates
 - ii) open sided buildings or Property Covered thereincaused by wind rain hail sleet snow flood sand dust or freezing
- f) DAMAGE
 - i) caused by fire resulting from any Property Covered undergoing any heating process or any process involving the application of heat
 - ii) (other than by fire or explosion) resulting from any Property Covered undergoing any process of production packing treatment testing commissioning servicing cleaning or repair
- g) DAMAGE caused by
 - i) freezing
 - ii) the escape of water from any tank apparatus or pipe
 - iii) malicious persons not acting on behalf of or in connection with any political organisation but this shall not apply to any DAMAGE by fire or explosion which is not otherwise excluded

in respect of any building which is empty or not in use by the Member or any tenant of the Member

ACTIVITIES INDUSTRY MUTUAL LIMITED - COVER WORDING – PROPERTY

- h) consequential loss of any kind or description except loss of Rent if Covered by this Section
- i) fines liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use
- j) DAMAGE caused by or resulting from
 - i) asbestos material removal unless the asbestos is itself damaged by a Defined Peril
 - ii) demolition or increased cost of reconstruction repair debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material
 - iii) any governmental direction or request declaring that asbestos material present in or part of or utilised on any undamaged portion of the Property Covered can no longer be used for the purpose of which it was intended or installed and must be removed or modified
- k) DAMAGE caused by or arising from impact to any of the Property Covered by any waterborne vessel or craft
- l) DAMAGE caused by or consisting of
 - i) the bedding down of new structures or by the settlement or movement of made up ground or by coastal or river erosion
 - ii) subsidence ground heave or landslip which commenced prior to the inception of this cover
- m) DAMAGE caused by or consisting of theft or attempted theft
 - i) unless involving entry to or exit from a building by forcible and violent means or
 - ii) unless as a result of or in connection with actual or threatened assault or violence or use of force at the Premises against the Member or any employee of the Member or any other person lawfully on the Premises
- n) DAMAGE caused by or consisting of theft or attempted theft from any part of a building not occupied by the Member
- o) DAMAGE caused by the solidification of molten material unless such DAMAGE results from a Defined Peril not otherwise excluded
- p) the amount of any Excess specified in the Schedule

SECTION 1 EXCLUDED PROPERTY

In no circumstances shall the Mutual's discretionary indemnity under Section 1 of this Cover Wording be given in respect of

- a) DAMAGE to
 - i) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft aircraft or spacecraft
 - ii) land (including water in or on land) roads pavements railway lines dams reservoirs piers jetties wharves docks canals rigs wells pipelines bridges culverts tunnels excavations mining property underground or off-shore property
 - iii) property in transit
 - iv) livestock growing crops trees or plants
 - v) above ground transmission and distribution lines and their supporting structures all the property of the Member or for which they are responsible other than those within 500 metres of any of the Premises
 - vi) property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection
 - vii) money cheques stamps bonds credit cards or securities of any description
 - viii) fixed glass by fracture not extending through its entire thickness
- b) DAMAGE in respect of
 - i) jewellery precious stones gold and silver articles china precious metals precious stones bullion watches furs curiosities works of art or rare books explosives non-ferrous metals deeds documents manuscripts or plans other than such DAMAGE caused by a Defined Peril insofar as it is not otherwise excluded
 - ii) property which at the time of the happening of the DAMAGE is insured by or would but for the existence of this Cover Wording be insured by any marine insurance policy or policies except in respect of any excess beyond the amount which would have been payable under the marine insurance policy or policies had this Cover not been effected
 - iii) any property more specifically insured by or on behalf of the Member

SECTION 2 – BUSINESS INTERRUPTION

OPERATIVE CLAUSE

The Mutual may at the discretion of the Board subject to the terms conditions and limitations in this Cover Wording, in the event of an Incident during any Period of Cover indemnify the Member the amount of any CONSEQUENTIAL LOSS

Provided that

- i) at the time of the happening of the Incident there shall be in force an insurance covering the interest of the Member in the property at the Premises against such Incident under which
 - a) payment shall have been made or liability admitted therefore or
 - b) payment would have been made or liability admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
- ii) the discretionary indemnity of the Mutual under this Section shall not exceed
 - a) in the whole the Total Sum Covered or in respect of any item its Sum Covered or Limit of Indemnity or any other limit at the time of the Incident
 - b) the Sum Covered or Limit of Indemnity or any other limit remaining after deduction for any other CONSEQUENTIAL LOSS consequent upon an Incident occurring during the same Period of Cover unless the Mutual shall have agreed to reinstate any such Sum Covered or Limit of Indemnity or any other limit

GROSS PROFIT – Basis of Settlement

The amount payable if any as discretionary indemnity in respect of CONSEQUENTIAL LOSS under Gross Profit shall be as follows

- a) **In respect of reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Incident fall short of the Standard Turnover
- b) **In respect of 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 Incident but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction avoided

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Incident

Alternative Trading

If during the Indemnity Period goods are sold or services are rendered elsewhere than at the Premises for the benefit of the Business the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period

Declaration-Linked Basis

Prior to each renewal the Member shall provide the Mutual with an Estimate of the amount representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Cover referred to in this Cover Wording as the Estimate

If the Maximum Indemnity Period exceeds 12 months the Mutual will increase the declared amount proportionately to arrive at the Estimate

- i) **Limit of Indemnity**

The Mutual's Limit of Indemnity in respect of Gross Profit shall not exceed the Sum Covered calculated by applying the Percentage to the Estimate as stated in the Schedule

- ii) **Contribution Adjustment**

The annual Contribution and any subsequent renewal Contribution are provisional and are based on the Estimate

Not later than 6 months after the expiry of each Period of Cover the Member shall provide the Mutual with a declaration (confirmed by the Member's auditors) of the Gross Profit earned during the financial year most nearly concurrent with that Period of Cover

ACTIVITIES INDUSTRY MUTUAL LIMITED - COVER WORDING – PROPERTY

If the declared amount (proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the Estimate stated in the Schedule for that Period of Cover the Mutual will allow a pro rata return of Contribution

If the declared amount (proportionately increased where the Maximum Indemnity Period exceeds 12 months) is greater than the Estimate stated in the Schedule for that Period of Cover the Member shall pay a pro rata additional Contribution

(If any Incident has occurred giving rise to a claim for loss of Gross Profit the Mutual will increase the declaration for the purpose of Contribution adjustment by the amount by which the Gross Profit was reduced during the Period of Cover in consequence of the Incident)

GROSS REVENUE – Basis of Settlement

The amount payable if any as discretionary indemnity in respect of CONSEQUENTIAL LOSS under Gross Revenue shall be as follows

- a) **In respect of reduction in Gross Revenue** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Incident fall short of the Standard Gross Revenue
- b) **In respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Gross Revenue thereby avoided

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Incident

Alternative Trading

If during the Indemnity Period work shall be done or services are rendered elsewhere than at the Premises for the benefit of the Business the money paid or payable in respect of such work or services shall be brought into account in arriving at the Gross Revenue during the Indemnity Period

Declaration-Linked Basis

Prior to each renewal the Member shall provide the Mutual with an Estimate of the amount representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Cover referred to in this Cover Wording as the Estimate

If the Maximum Indemnity Period exceeds 12 months the Mutual will increase the declared amount proportionately to arrive at the Estimate

- i) **Limit of Indemnity**

The Mutual's Limit of Indemnity in respect of Gross Revenue shall not exceed the Sum Covered calculated by applying the Percentage to the Estimate as stated in the Schedule

- ii) **Contribution Adjustment**

The annual Contribution and any subsequent renewal Contribution are provisional and are based on the Estimate

Not later than 6 months after the expiry of each Period of Cover the Member shall provide the Mutual with a declaration (confirmed by the Member's auditors) of the Gross Revenue earned during the financial year most nearly concurrent with that Period of Cover

ACTIVITIES INDUSTRY MUTUAL LIMITED - COVER WORDING – PROPERTY

If the declared amount (proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the Estimate stated in the Schedule for that Period of Cover the Mutual will allow a pro rata return of Contribution

If the declared amount (proportionately increased where the Maximum Indemnity Period exceeds 12 months) is greater than the Estimate stated in the Schedule for that Period of Cover the Member shall pay a pro rata additional Contribution

(If any Incident has occurred giving rise to a claim for loss of Gross Revenue the Mutual will increase the declaration for the purpose of Contribution adjustment by the amount by which the Gross Revenue was reduced during the Period of Cover in consequence of the Incident)

ADDITIONAL COST OF WORKING – Basis of Settlement

The amount payable if any as discretionary indemnity under this Section for Additional Cost of Working shall be the additional expenditure reasonably incurred in order to minimise any interruption of or interference with the Business carried on by the Member at the Premises during the Indemnity Period in consequence of an Incident

SECTION 2 DEFINITIONS

1. **Consequential Loss**

The words "CONSEQUENTIAL LOSS" in capital letters shall mean loss resulting from interruption of or interference with the Business carried on by the Member at the Premises in consequence of an Incident

2. **Earthquake**

Earthquake means

- i) earthquake and any subsequent Incident but only if caused directly by earthquake and
- ii) volcanic eruption meaning the eruption explosion or effusion of a volcano

but excluding Flood

3. **Flood**

Flood means the escape of water from its normal natural or artificial confines (other than tanks apparatus or pipes) or inundation from the sea including tidal wave

4. **Incident**

The word "Incident" shall mean accidental loss or destruction of or damage to property used by the Member at the Premises for the purpose of the Business

5. **Indemnity Period**

The period beginning when an Incident occurs and ending when the results of the Business cease to be affected in consequence of the Incident but not exceeding the Maximum Indemnity Period stated in the Schedule

6. **Maximum Indemnity Period**

The period shown in the Schedule

7. **Occurrence**

- i) The word "Occurrence" shall mean any Incident arising out of one event or series of events consequent upon or attributable to a common cause
- ii) CONSEQUENTIAL LOSS arising out of Earthquake or Flood shall constitute one event or common cause
 - a) if more than one Earthquake should occur within any period of 72 hours sequential and commencing during the Period of Cover or

- b) if any Flood occurs within a period of the continued rising or overflow and subsidence of any river or stream within the banks of such river or stream

provided that in the event of expiry or cancellation of this Cover Wording any such period may not end later than the termination of the Period of Cover

Each Occurrence arising out of one event or common cause shall be deemed to have commenced on the first happening of any such loss destruction or damage (not within the period of any previous Occurrence)

8. Outstanding Debit Balances

The sums outstanding in the Member's records of the individual amounts owed to them by customers

9. Property Covered

The words "Property Covered" shall mean property of any description owned leased or rented by the Member or held by the Member in trust or for which the Member is responsible

10. Storm

Storm means storm windstorm hurricane tornado tempest and typhoon and any subsequent Incident caused by water that backs up from a sewer or drain as a direct result thereof but excluding Flood

For the purpose of the Definitions below any adjustment implemented in current cost accounting shall be disregarded

11. Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Incident

12. Annual Turnover

The Turnover during the twelve months immediately before the date of the Incident

13. Standard Turnover

The Turnover during that period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period

14. Annual Gross Revenue

The Gross Revenue earned during the twelve months immediately before the date of the Incident

15. Standard Gross Revenue

The Gross Revenue during that period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period

16. Gross Profit

The amount by which

- i) the Turnover plus the value of the closing stock and work in progress exceeds
- ii) the value of the opening stock and work in progress and any of the following Uninsured Working Expenses
 - a) purchases (net of discounts received)

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

- b) carriage packing and freight
- c) discounts allowed
- d) bad debts

For the purpose of this definition the amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Member's usual accounting methods due provision being made for depreciation

17. Gross Revenue

The money paid or payable to the Member for work done and for services rendered in the course of the Business at the Premises (net of discounts allowed)

18. Turnover

The money paid or payable to the Member for goods sold and for services rendered in the course of the Business at the Premises (net of discounts allowed)

SECTION 2 EXTENSIONS

If noted on the Schedule as operative the Mutual may indemnify the Member at the discretion of the Board in respect of the following extensions subject always to the terms and conditions of this Cover Wording

1. **Additional Increase In Cost Of Working**

The Cover by this Section extends to include Additional Increase in Cost of Working which is limited to the additional expenditure necessarily and reasonably incurred in consequence of an Incident for the sole purpose of avoiding or diminishing the reduction in Turnover or Gross Revenue during the Indemnity Period in excess of the amount otherwise payable under this Section

Provided that the Member shall not indemnify under this Extension for more than the Limit of Indemnity as stated in the Schedule

2. **Restriction of Access**

For the purpose of this extension the meaning of the word Incident shall extend to include accidental loss destruction of or damage to property within a radius of one thousand metres of the Premises which shall prevent or hinder the use of the Premises or access thereto whether the Premises or property of the Member therein shall be damaged or not but excluding accidental loss or destruction of or damage to property of any supply undertaking from which the Member obtains electricity gas water or telecommunications services which prevents or hinders the supply of such services to the Premises

Provided that the Mutual shall not indemnify under this Extension for more than the Limit of Indemnity as stated in the Schedule

3. **Suppliers Customers Unspecified Storage Sites Public Utilities Loss of Attraction**

For the purposes of this extension the meaning of the word Incident shall extend to include accidental loss destruction of or damage at the undernoted premises

i) **Specified Suppliers**

The premises of specified suppliers as detailed in the Schedule

ii) **Unspecified Suppliers**

The premises of any other of the Member's suppliers manufacturers or processors of components goods or materials with whom the Member has a contractual trading relationship at the time of the loss destruction or damage

but excluding the premises of

- i) any supply undertaking from which the Member obtains electricity gas water or telecommunications services
 - ii) specified suppliers detailed in the Schedule
- iii) Specified Customers
The premises of specified customers detailed in the Schedule
- iv) Unspecified Customers
The premises of any other of the Member's customers with whom the Member has a contractual trading relationship at the time of the loss destruction or damage to supply components goods or materials but excluding the premises of specified customers detailed in the Schedule
- v) Unspecified Storage Sites
Any premises not in the occupation of the Member where property of the Member is stored
- vi) Public Utilities
The land-based premises of any public supply undertaking from which the Member obtains electricity gas water or telecommunications services but excluding
 - i) telecommunications where such failure is for a period of less than 24 hours or
 - ii) electricity gas or water where such failure is for a period of less than 4 hourswithin Great Britain Northern Ireland the Channel Islands and the Isle of Man

other than those of Specified Suppliers or Specified Customers in the Schedule outside Great Britain Northern Ireland the Channel Islands and the Isle of Man where the cover provided is restricted to the Defined Perils of fire lightning explosion aircraft or other aerial devices or articles falling from them

Provided that the Mutual shall not indemnify under this Extension for more than the Limit of Indemnity as stated in the Schedule
- vii) Loss of Attraction
Applicable to Business Interruption Section

For the purposes of this extension the meaning of the word Incident shall extend to include accidental loss destruction of or damage to property within a radius of one hundred metres of the Premises which shall result in a reduction in the number of customers visiting that

Premises whether the Premises or property of the Assured therein shall be damaged or not but excluding the premises of any supply undertaking from which the Assured obtains electricity gas water or telecommunications services

Provided that in respect of this endorsement the

- i) Limit of Liability is GBP 50,000
- ii) Maximum Indemnity Period is 12 months

Subject to all other terms conditions and exclusions of this Policy

4. Infectious Diseases, Food or Drink Poisoning, Vermin or Pests, Defective Drains and Murder or Suicide

For the purpose of this extension CONSEQUENTIAL LOSS shall mean loss resulting from the interruption of or interference with the Business carried on by the Member at the Premises in consequence of the following occurrences

- i) a Notifiable Disease at the Premises or attributable to food or drink supplied from the Premises
- ii) the discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease
- iii) the discovery of vermin or pests at the Premises
- iv) any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority
- v) murder or suicide at the Premises

Notifiable Disease shall mean injury or illness sustained by any person resulting from

- a) food or drink poisoning or
- b) an occurrence of a human infectious or human contagious disease an outbreak of which the competent local authority has stipulated shall be notified to them with the exception of any occurrence whether directly or indirectly of
 - i) Acquired Immune Deficiency Syndrome (AIDS) or any AIDS related condition or
 - ii) Severe Acute Respiratory Syndrome (SARS) or
 - iii) any mutation of avian influenza or
 - iv) Methicillin-resistant Staphylococcus aureus (MRSA)

which are all specifically excluded hereunder

The Mutual shall not indemnify under this extension for any costs incurred in the cleaning repair replacement recall or checking of property

For the purpose of this extension

- a) Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of an occurrence beginning with the date from which the restrictions on the Premises are applied (or in the case of Murder or Suicide with the occurrence of the incident) and ending not later than the Maximum Indemnity Period as stated in the Schedule
- b) Premises shall mean only those locations stated in the Schedule In the event that this Section includes an extension which deems damage at other locations to be damage at the Premises such extension shall not apply to this extension
- c) The Mutual's discretionary indemnity shall be restricted to the loss arising at those Premises which are directly subject to the occurrence that caused the loss
- d) The Mutual shall not indemnify under this extension for more than the Limit of Indemnity stated in the Schedule

5. Outstanding Debit Balances

The amount payable if any as discretionary indemnity shall be

In respect of Outstanding Debit Balances the amount by which the Outstanding Debit Balances traced or received following the Incident shall fall short of the Outstanding Debit Balances on the last statement deposited by the Member with its accountants or bank before the Incident occurred to which adjustments shall be made to allow for the trend and variations in the Business and for other circumstances affecting the amount of the Outstanding Debit Balances so that the adjusted figures shall represent as nearly as may be reasonably practicable those which would have been obtained if the Incident had not occurred

In respect of Additional Expenditure the additional expenditure incurred with the previous consent of the Mutual in tracing and establishing the Outstanding Debit Balances

For the purpose of this extension

- i) the Premises shall extend to include any premises in the Territorial Limits to which the records have been temporarily removed and whilst in transit between them
- ii) It is a condition precedent to the Mutual's discretionary indemnity that
 - a) the Member shall maintain duplicate records elsewhere than in the building in which the original books of account and other business books and records are kept showing the total amount outstanding in the credit accounts of Business

- b) every three months the Member shall deposit with its accountants or bank a signed statement of the current total of Outstanding Debit Balances
- iii) If at the time of an Incident the Sum Covered is less than the Outstanding Debit Balances then the Member shall be considered as being the insurer for the difference and shall bear a rateable share of the loss accordingly

6. Automatic Reinstatement of Sum Covered after Loss

In consideration of the Sum Covered by any Item or any Limit of Indemnity (unless described as applying in the aggregate in any one Period of Cover) not being reduced by the amount of any loss payable hereunder and in the absence of any written notice by the Mutual within 30 days of the loss the Member undertakes to pay if required by the Mutual an appropriate additional Contribution from the date of the Incident

SECTION 2 CONDITIONS

1. Professional Accountants

Any particulars in the Member's accounts or other information or evidence which may be required by the Mutual under the Conditions of this Cover Wording for the purpose of investigating or verifying any claim may be produced by professional accountants if at the time they are acting regularly as such for the Member and their report shall be prima facie evidence of the information to which it relates

The Mutual may pay the reasonable charges payable by the Member to the accountants for producing such information provided that the sum of the amount payable under this clause and the amount otherwise payable under the Cover Wording shall in no case exceed the discretionary indemnity of the Mutual as stated

2. Salvage Sales

If following CONSEQUENTIAL LOSS giving rise to a claim under this Section the Member holds a salvage sale during the Indemnity Period clause a) of the Basis of Settlement in respect of Gross Profit shall read as follows

In Respect Of Reduction In Turnover the amount produced by applying the Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Incident to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall in consequence of the Incident fall short of the Turnover during the corresponding period in the 12 months immediately before the date of the Incident from which amount shall be deducted the Gross Profit actually earned during the period of the salvage sale

3. Current Cost Accounting

For the purposes of this Section any adjustment implemented in current cost accounting shall be disregarded

4. Payments on account

The Mutual may make payment on account during the Indemnity Period if the Member so requests subject to any necessary adjustment at the end of the Indemnity Period

5. Value Added Tax

To the extent that the Member is accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

SECTION 2 EXCLUSIONS

In no circumstances shall the Mutual's discretionary indemnity under Section 2 of this Cover Wording be given in respect of

- a) CONSEQUENTIAL LOSS caused by or consisting of
- i) gradual deterioration wear and tear
 - ii) inherent vice latent defect frost or the Property Covered's own faulty or defective design or materials
 - iii) change in water table level except in respect of subsidence ground heave or landslip
 - iv) faulty or defective workmanship operational error or omission on the part of the Member or any of the Member's employees
 - v) or connected with the correction of defects in design or content of any computer records or program and any costs and expenses associated therewith
 - vi) collapse or cracking of buildings or structures unless resulting from a Defined Peril and not otherwise excluded
 - vii) pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds
 - viii) the bursting of a boiler economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Member other than any boiler or economiser on the Premises or a boiler used for domestic purposes

but this shall not exclude subsequent CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded

- b) CONSEQUENTIAL LOSS caused by or consisting of
- i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - ii) change in temperature colour flavour texture or finish
 - iii) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - iv) mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

- v) such CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril
 - vi) subsequent CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded
- c) CONSEQUENTIAL LOSS
- i) caused by the deliberate act of a supply undertaking in withholding or restricting the supply of water gas electricity fuel or telecommunications services (including the provision of extranets or access to or presence on the internet or access to applications and related services over the internet)
- but this shall not exclude
- ii) such CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril
 - iii) subsequent CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded
- d) CONSEQUENTIAL LOSS resulting from pollution or contamination but this shall not exclude loss resulting from an Incident not otherwise excluded caused by
- i) pollution or contamination at the Premises which itself results from a Defined Peril
 - ii) a Defined Peril which itself results from pollution or contamination
- e) CONSEQUENTIAL LOSS arising directly or indirectly therefrom
- i) acts of fraud or dishonesty by the Member or by any director partner or employee of the Member
 - ii) disappearance unexplained or inventory shortage misfiling or misplacing of information or shortages due to error or omission
 - iii) the voluntary parting with title or possession of any property if induced by any fraudulent scheme trick device or false pretence
- f) CONSEQUENTIAL LOSS in respect of
- i) moveable property in the open fences and gates
 - ii) open sided buildings or Property Covered therein
- caused by wind rain hail sleet snow flood sand dust or freezing
- g) CONSEQUENTIAL LOSS
- i) caused by fire resulting from the Property Covered undergoing any heating process or any process involving the application of heat

- ii) (other than by fire or explosion) resulting from the Property Covered undergoing any process of production packing treatment testing commissioning servicing or repair
- h) CONSEQUENTIAL LOSS caused by
 - i) freezing
 - ii) the escape of water from any tank apparatus or pipe
 - iii) malicious persons not acting on behalf of or in connection with any political organisation but this shall not apply to CONSEQUENTIAL LOSS caused by fire or explosion which is not otherwise excluded

in respect of any building which is empty or not in use by the Member or any tenant of the Member
- i) CONSEQUENTIAL LOSS caused by or resulting from
 - i) asbestos material removal unless the asbestos is itself damaged by a Defined Peril
 - ii) demolition or increased cost of reconstruction repair debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material
 - iii) any governmental direction or request declaring that asbestos material present in or part of or utilised on any undamaged portion of the Property Covered can no longer be used for the purpose of which it was intended or installed and must be removed or modified
- j) CONSEQUENTIAL LOSS caused by or arising from impact to any of the Property Covered by any waterborne vessel or craft
- k) CONSEQUENTIAL LOSS caused by
 - i) the bedding down of new structures or by the settlement or movement of made up ground or by coastal or river erosion
 - ii) subsidence ground heave or landslip which commenced prior to the inception of this cover
- l) CONSEQUENTIAL LOSS caused by theft or attempted theft
 - i) unless involving entry to or exit from a building by forcible and violent means or
 - ii) unless as a result of or in connection with actual or threatened assault or violence or use of force at the Premises against the Member or any employee of the Member or any other person lawfully on the Premises
- m) CONSEQUENTIAL LOSS caused by theft or attempted theft from any part of a building not occupied by the Member

- n) CONSEQUENTIAL LOSS caused by the solidification of molten material unless such CONSEQUENTIAL LOSS results from a Defined Peril not otherwise excluded

SECTION 2 EXCLUDED PROPERTY

In no circumstances shall the Mutual's discretionary indemnity under Section 2 of this Cover Wording be given in respect of

- a) CONSEQUENTIAL LOSS in respect of
 - i) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft aircraft or spacecraft
 - ii) land (including water in or on land) roads pavements railway lines dams reservoirs piers jetties wharves docks canals rigs wells pipelines bridges culverts tunnels excavations mining property underground or off-shore property
 - iii) property in transit
 - iv) livestock growing crops trees or plants
 - v) above ground transmission and distribution lines and their supporting structures all the property of the Member or for which they are responsible other than those within 500 metres of any of the Premises
 - vi) property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection
 - vii) money cheques stamps bonds credit cards or securities of any description
 - viii) jewellery precious stones gold and silver articles china precious metals bullion watches furs curiosities works of art or rare books explosives non-ferrous metals deeds documents manuscripts or plans other than such CONSEQUENTIAL LOSS caused by a Defined Peril insofar as it is not otherwise excluded
 - ix) property which at the time of the happening of the loss or destruction of or damage to the property is insured by any marine insurance policy or policies
 - x) fixed glass by fracture not extending through its entire thickness

SECTION 3 – “ALL RISKS”, ACTIVITY EQUIPMENT

OPERATIVE CLAUSE

The Mutual may at the discretion of the Board subject to the terms conditions and limitations in this Cover Wording, in the event of DAMAGE during any Period of Cover indemnify the Member the value of the Property Covered at the time of DAMAGE or at the Mutual's option reinstate or replace such property or any part of it whilst anywhere within the United Kingdom

Provided that the discretionary indemnity of the Mutual under this Section shall not exceed

- a) in the whole the Total Sum Covered or in respect of any item its Sum Covered or Limit of Indemnity or any other limit at the time of DAMAGE
- b) the Sum Covered or Limit of Indemnity or any other limit remaining after deduction for any DAMAGE occurring during the same Period of Cover unless the Mutual shall have agreed to reinstate any such Sum Covered or Limit of Indemnity or any other limit

SECTION 3 OPERATIVE CLAUSE ADJUSTMENTS

Reinstatement Cost Clause

In the event of DAMAGE to Property Covered the basis upon which the amount payable is to be calculated shall be the cost of Reinstatement subject to the provisions set out below

Reinstatement means

- i) where property is destroyed its replacement by similar property in either case in a condition equal to but not better or more extensive than its condition when new
- ii) where property is damaged the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new

Provisions

- 1) No payment beyond the amount which may have been payable had this Clause not been operative shall be made
 - a) unless the work of Reinstatement is commenced and carried out with reasonable despatch
 - b) until the costs of Reinstatement have been incurred
 - c) unless any other insurance covering the Member's interest in the property at the time of the DAMAGE is upon the same basis of Reinstatement as this Cover Wording

and if pursuant to this provision no such payment is made by the Mutual in its discretion then the rights and liabilities of the Mutual and the Member under this Cover Wording in respect of the DAMAGE shall be those which would have been applied had this Clause not been operative

- 2) In the event of partial damage to any Property Covered under this Extension the Mutuals' discretionary indemnity for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed

Reinstatement Conditions

If any property is to be reinstated or replaced by the Mutual the Member shall at the expense of the Member provide all such plans documents books and information as may reasonably be required

The Mutual shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items Covered more than its Sum Covered

Inadequate Sum Covered

If at the time of DAMAGE the Sum Covered on any item is less than the value of the property covered by such item then the Member shall be considered as being the insurer for the difference and shall bear a rateable share of the loss accordingly

SECTION 3 DEFINITIONS

1. **DAMAGE**

The word "DAMAGE" in capital letters shall mean accidental loss or destruction of or damage to the Property Covered

2. **Property Covered**

The words "Property Covered" shall mean the item described in the Schedule within the Territorial Limits owned leased or rented by the Member or held by the Member in trust or for which the Member is responsible

SECTION 3 EXCLUSIONS

In no circumstances shall the Mutual's discretionary indemnity under Section 3 of this Cover Wording be given in respect of

- a) DAMAGE caused by or consisting of
 - i) gradual deterioration wear and tear
 - ii) inherent vice latent defect frost or the Property Covered's own faulty or defective design or materials
 - iii) change in water table level except in respect of subsidence ground heave or landslip
 - iv) faulty or defective workmanship operational error or omission on the part of the Member or any of the Member's employees
 - v) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded

- b) DAMAGE caused by or consisting of
 - i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - ii) change in temperature colour flavour texture or finish
 - iii) mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

- iv) such DAMAGE not otherwise excluded which itself results from a Defined Peril
 - v) subsequent DAMAGE which itself results from a cause not otherwise excluded
- c) DAMAGE caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Covered not otherwise excluded caused by
 - i) pollution or contamination which itself results from a Defined Peril
 - ii) a Defined Peril which itself results from pollution or contamination
- d) DAMAGE caused by or consisting of or arising directly or indirectly therefrom

- i) acts of fraud or dishonesty by the Member or by any director partner or employee of the Member
 - ii) disappearance unexplained or inventory shortage misfiling or misplacing of information or shortages due to error or omission
 - iii) the voluntary parting with title or possession of any Property Covered if induced by any fraudulent scheme trick device or false pretence
- e) DAMAGE
- i) caused by fire resulting from any Property Covered undergoing any heating process or any process involving the application of heat
 - ii) (other than by fire or explosion) resulting from any Property Covered undergoing any process of production packing treatment testing commissioning servicing cleaning or repair
- f) consequential loss of any kind or description
- g) loss destruction of or damage to Property Covered whilst in an unattended vehicle unless out of sight in a locked boot
- h) the amount of any Excess specified in the Schedule
- i) Damage caused whilst Activity Equipment is in use.

SECTION 3 CONDITIONS

1. Own Vehicle Security Requirements

In respect of any vehicle or trailer owned or operated by the Member it shall be a condition precedent to the Mutual's discretionary indemnity for DAMAGE caused by or consisting of theft or attempted theft that whenever the vehicle is not individually attended

- i) all doors windows and other openings are securely locked and properly fastened and the keys removed from the vehicle
- ii) any alarm and immobilizer shall be switched on and made fully operational

and outside the working day of the driver it is either

- a) garaged in a securely locked building of substantial construction or
- b) in a compound which has secure walls and fences with all exit points secured by locked gates or
- c) in a permanently guarded security park

2. Alarm and Immobiliser Systems

The Member shall in respect of any intruder alarm or immobiliser fitted to any vehicle or trailer owned or operated by the Member ensure that it is regularly and efficiently maintained under a maintenance contract

SECTION 4 – MONEY AND PERSONAL ACCIDENT (ASSAULT)

OPERATIVE CLAUSE

The Mutual may at the discretion of the Board subject to the terms conditions and limitations in this Cover Wording, in the event of DAMAGE during any Period of Cover indemnify the Member

- a) for loss of or damage to Money
- b) for loss or damage sustained as a direct result of theft or attempted theft of Money or to
 - i) any safe strongroom stamp franking machines cash registers or any case bag belt or waistcoat whilst being used for the transit of Money
 - ii) clothing and personal effects belonging to the Member or any of the Member's partners directors or employees following assault or violence or the threat of assault or violence
- c) in the amount of the Benefit when any Covered Person sustains Bodily Injury following actual assault or violence in the course of the Business and resulting within 12 months directly and independently of any other cause in death or disablement

Provided that the discretionary indemnity of the Mutual under this Section shall not exceed the Limit of Indemnity at the time of loss damage or injury

SECTION 4 DEFINITIONS

1. **Bodily Injury**

Bodily Injury shall mean injury caused by violent external and visible means excluding sickness or disease or any naturally occurring condition or degenerative process or the result of a gradually operating cause

2. **Business Hours**

The period during which the Premises are occupied for the purpose of the Business and during which the Member or any partner director or employee of the Member entrusted with Money are in the Premises

3. **Covered Person**

Covered Person shall mean the Member or any partner director or employee of the Member

4. **Damage**

The word "DAMAGE" in capital letters shall mean loss destruction or damage to Money caused by

- a) fire lightning aircraft explosion aircraft or theft or attempted theft or as a result of or in connection with actual or threatened assault or violence or use of force against the Member or any partner director or employee of the Member
- b) theft or attempted theft or as a result of or in connection with actual or threatened assault or violence or use of force against the Member or any partner director or employee of the Member

5. **Loss of Limb**

Loss of Limb shall mean the permanent total loss of use or loss by physical severance at or above the ankle or wrist of one or more limbs

6. **Loss of Sight**

Loss of Sight shall mean the permanent and total loss of sight in one or both eyes

7. **Money**

Negotiable and Non-negotiable Money the property of the Member or for which the Member is responsible

8. **Negotiable Money**

cash bank notes uncrossed cheques uncrossed postal orders uncrossed bankers's drafts uncrossed money orders uncrossed postal orders bills of exchange current postage stamps National Insurance stamps not affixed to

cards National Savings stamps Holiday with Pay stamps luncheon vouchers gift tokens and consumer redemption vouchers

9. Non-negotiable Money

crossed cheques crossed postal orders crossed bankers's drafts crossed money orders crossed postal orders National Insurance stamps fixed unused units in franking machines National Savings certificates Premium Bonds credit and debit card sales vouchers or receipts and VAT purchase invoices

10. Permanent Total Disablement

Permanent Total Disablement shall mean the permanent total disablement other than by Loss of Limb or Sight from gainful employment of any and every kind

11. Temporary Total Disablement

Permanent Total Disablement shall mean a disablement which completely and continuously prevents the Covered Person from attending their usual occupation

SECTION 4 EXCLUSIONS

In no circumstances shall the Mutual's discretionary indemnity under Section 4 of this Cover Wording be given in respect of

- a) DAMAGE caused directly or indirectly by or consisting of or arising from
 - i) disappearance unexplained or inventory shortage misfiling or misplacing of information or shortages due to error or omission
 - ii) the voluntary parting with title or possession of any Property Covered if induced by any fraudulent scheme trick device or false pretence
- b) DAMAGE caused by any partner director or employee of the Member which is not discovered within fourteen working days of such loss
- c) consequential loss of any kind or description
- d) DAMAGE or Bodily Injury not occurring within the Territorial Limits
- e) DAMAGE from an unattended vehicle
- f) DAMAGE from or loss or destruction of or damage to any machine which uses coins notes or tokens
- g) loss due to the use of counterfeit money
- h) the amount of any Excess specified in the Schedule

SECTION 4 CONDITIONS

1. In the event of Bodily Injury giving rise to a claim the covered person must
 - i) as soon as possible consult a qualified medical practitioner and follow the advice of such practitioner
 - ii) submit certificates information and evidence to support a claim at their own expense
 - iii) submit to any medical examination as may be required by Mutual at Mutual's expense

2. In respect of each Covered Person the Benefit will not be payable
 - i) under more than one of Benefits 1, 2, 3 or 4 as set out in the Schedule in connection with the same occurrence of Bodily Injury
 - ii) under Benefit 5 as set out in the Schedule for more than 104 weeks in all in connection with the same occurrence of Bodily Injury

3. It is a condition precedent to the Mutual's discretionary indemnity that
 - i) out of Business Hours all keys and notes of combination lock letters and numbers of safes and strongrooms containing Money are removed from the Premises
 - ii) any Negotiable Money whilst in transit shall be in the
 - a) personal custody of not less than the number of any authorised partner's director's or employee's of the Member specified below
 - i) two adults when in excess of £3,000
 - ii) three adults when in excess of £7,500 but not exceeding £10,000
 - or
 - b) custody of a professional carrier of money but any single transit shall not exceed £100,000
 - iii) any Non-Negotiable Money in transit shall not exceed
 - a) £25,000 in the personal custody of authorised partner's director's or employee's of the Member
 - b) £250,000 in the custody of a professional carrier of money

SECTION 5 – DETERIORATION OF STOCK

OPERATIVE CLAUSE

The Mutual may at the discretion of the Board subject to the terms conditions and limitations in this Cover Wording, in the event of DAMAGE during any Period of Cover due to or arising from

- a) a rise or fall in temperature caused by the failure of the deep freeze or freezer cabinet
- b) the escape of refrigerant fumes from the deep freeze or freezer cabinet

indemnify the Member the value of the Property Covered at the time of the DAMAGE the amount of the damage or at the Mutual's option replace such property or any part of it

Provided that the discretionary indemnity of the Mutual under this Section shall not exceed

- a) in the whole the Total Sum Covered or in respect of any item its Sum Covered or Limit of Indemnity or any other limit at the time of the DAMAGE
- b) the Sum Covered or Limit of Indemnity or any other limit remaining after deduction for any DAMAGE occurring during the same Period of Cover unless the Mutual shall have agreed to reinstate any such Sum Covered or Limit of Indemnity or any other limit

SECTION 5 OPERATIVE CLAUSE ADJUSTMENTS

Inadequate Sum Covered

If at the time of DAMAGE the Sum Covered on any item is less than the value of the Property Covered by such item then the Member shall be considered as being the insurer for the difference and shall bear a rateable share of the loss accordingly

SECTION 5 DEFINITIONS

1. **Damage**

The word “DAMAGE” in capital letters shall mean accidental loss or destruction of or damage to the Property Covered by deterioration or putrefaction

2. **Property Covered**

The words “Property Covered” shall mean Stock at the Premises owned leased or rented by the Member or held by the Member in trust or for which the Member is responsible

3. **Stock**

Stock consisting of foodstuffs in cold chambers of a deep freeze or freezer cabinets under fifteen years of age at the commencement of the Period of Cover which is the property of the Member or held by the Member in trust for which the Member is responsible

SECTION 5 EXCLUSIONS

In no circumstances shall the Mutual's discretionary indemnity under Section 6 of this Cover Wording be given in respect of

- i) DAMAGE caused by or consisting of a Defined Peril or by leakage of a sprinkler installation
- ii) DAMAGE caused by the deliberate act of a supply undertaking in withholding or restricting the supply of electricity fuel
- iii) DAMAGE caused by or consisting of
 - a) vermin or insects
 - b) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
 - c) the incorrect setting of thermostats or automatic controls
- iv) consequential loss of any kind or description
- v) fines liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use
- vi) the amount of any Excess specified in the Schedule

SECTION 5 CONDITIONS

1. Maintenance Contract

In respect of any deep freeze or freezer cabinet over 5 years of age at the Premises it shall be a condition precedent to the Mutual's discretionary indemnity that it is maintained under an annual maintenance contract with a refrigeration engineering company

2. Automatic Reinstatement of Sum Covered after Loss

In consideration of the Sum Covered by any item or any Limit of Indemnity not being reduced by the amount of any loss payable hereunder and in the absence of any written notice by the Mutual within 30 days of the loss the Member undertakes to pay if required by the Mutual an appropriate additional Contribution from the date of the DAMAGE

Provided the Member shall take immediate steps to effect such additions to or variations in the protections of the Property Covered as the Mutual may require

SECTION 6 – LOSS OF LICENCE

OPERATIVE CLAUSE

The Mutual may at the discretion of the Board subject to the terms conditions and limitations in this Cover Wording, in the event of the Premises Licence or Club Premises Certificate (“the Licence / Certificate”) or any part thereof which has been granted under the Licensing Act 2003 (“the Act”) or any subsequent legislation in respect of the Premises described in the Schedule for the following licensable activities

- a) the sale by retail of alcohol
- b) the supply of alcohol by or on behalf of a club to or to the order of a member of the club
- c) the sale by retail of alcohol by or on behalf of a club to a guest of a member of the club for consumption on the Premises where the sale takes place

being totally and permanently forfeited or revoked or refused renewal by the Licensing Authority during the Period of Cover indemnify the Member or make good to the Member all loss that the Member sustains in respect of

- 1. The depreciation in value of the interest of the Member in the Premises by the forfeiture of or revocation of the Licence / Certificate(s)
- 2. The cost and expenses being incurred by the Member with the prior written consent of the Mutual in connection with any appeal against the forfeiture of or revocation of the Licence / Certificate(s)

provided that the discretionary indemnity of the Mutual under this Section shall not exceed in the whole the Section Limit or for each Premises the Limit of Indemnity

SECTION 6 DEFINITIONS

1. **Section Limit**

The total discretionary indemnity of the Mutual arising under this section ascertained after the application of all other Cover Wording terms and conditions irrespective of the number of claims during any Period of Cover

SECTION 6 EXCLUSIONS

In no circumstances shall the Mutual's discretionary indemnity under Section 8 of this Cover Wording be given in respect of loss

- i) arising directly or indirectly from any scheme of town or country planning improvement redevelopment or compulsory purchase
- ii) arising from any alteration in the law or statutory guidance or statement of policy affecting the grant lapse withdrawal surrender forfeiture suspension extent renewal or duration of any Licence / Certificate or the imposition of conditions thereon
- iii) occasioned wholly or partly by or through the misconduct procurement connivance action neglect or omission of the Member or tenants partners directors employees or agents of the Member to take any step necessary for keeping the Licence / Certificate(s) in force (including but not limited to the payment of any fee due) unless the Member shall prove to the reasonable satisfaction of the Mutual that such matter was beyond the power or control of the Member or tenants partners directors employees or agents of the Member
- iv) arising from the suspension lapse withdrawal forfeiture of or revocation of or refusal to renew the Licence / Certificate(s) or the imposition of conditions thereon occasioned wholly or partly by a criminal act of the owner manager or the Member or tenants partners directors employees or agents of the Member
- v) arising from the suspension lapse withdrawal forfeiture of or revocation of the Licence / Certificate(s) or the imposition of conditions thereon on the grounds that there is or may be a problem relating to the supply or use of illegal or controlled drugs at the Premises
- vi) arising from the lapse of the Licence / Certificate(s) on the grounds that the holder of the Licence / Certificate has died, been dissolved, become mentally incapable or insolvent (which includes but not exclusively the approval of a voluntary arrangement, an adjudication of bankruptcy or order of sequestration, or the entering into of a deed of arrangement or a trust deed made for the benefit of his creditors, or in the case of a company, the approval of a voluntary arrangement proposed by its directors, the appointment of an administrator or an administrative receiver in respect of the company, or entering into liquidation
- vii) any claim arising from the surrender of the Licence / Certificate(s) by the holder of the Licence / Certificate or other person

- viii) any claim where the Member is entitled to obtain the payment of compensation under the provisions of any Act of Parliament in respect of the suspension lapse withdrawal forfeiture, revocation or refusal to renew the Licence / Certificate(s) or the imposition of conditions thereon
- ix) any claim arising from the withdrawal of a Licence / Certificate Club Premises Certificate following a review or a club ceasing to be a qualifying club as defined by the Act or and subsequent legislation
- x) the amount of any Excess specified in the Schedule

SECTION 6 CONDITIONS

1. In the event of the death incapacity insolvency or dissolution of the Licence / Certificate holder or the desertion of the Premises or the conviction for any offence (where such conviction affects the character or reputation of the convicted person with respect of his honesty moral standing or sobriety) of the tenant manager occupier or personal Licence holder the Member shall forthwith (and in any event within 7 days from the date of the foregoing event) procure a suitable person to replace him with a person to whom the Licensing Authority has granted a personal Licence / Certificate and serve all necessary notices within that period
2. On the Member becoming aware of any
 - a) complaint (formal or otherwise) against the Licence / Certificate its control
 - b) proceedings against or conviction of the holder of the Licence / Certificate tenant manager occupier of the Premises the Designated Premises Supervisor or the holder of any Licence / Certificate or other person employed at the Premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with respect to their honesty moral standing or sobriety
 - c) transfer or proposed transfer of the Licence / Certificate
 - d) alteration in the purpose for which the Premises are used or any other intended variation of the Licence / Certificate (save that applications may be made without notice to the Member to vary the Licence / Certificate under section 37(1) of the Act to specify an individual as a the designated Premises supervisor)
 - e) application for revocation or suspension of the Licence / Certificate or the imposition of conditions thereon or
 - f) other circumstances which may endanger the Licence / Certificate or give rise to a claim under this Cover

the Member shall immediately give notice in writing to the Mutual and supply such additional information and give such assistance as the Mutual or its nominated solicitors may reasonably require

3. The Member shall
 - i) not use any reference to the Mutual hereon to promote his business or advertise or inform any other party of the existence of this Cover
 - ii) make all necessary arrangements for fulfilment of the Business in a prudent and timely manner
 - iii) ensure all necessary Licence / Certificates visas and permits are obtained and are current for the Period of Cover and that all contractual arrangements have been confirmed in writing by the Member
 - iv) take all reasonable precautions to avoid or diminish a loss under this Section and shall (without limiting the foregoing) comply with any reasonable request or direction given by the licensing authority or magistrates on appeal or official employed by any responsible authority (as defined by the Act)

4. It is a condition precedent to the Mutual's discretionary indemnity under this Cover Wording that in the event of the receipt by the Member or tenants partners directors employees or agents of the Member of any notice or other communication which could lead to an application to forfeit revoke suspend restrict or withdraw the Licence / Certificate or impose conditions thereon that the Member will notify the Mutual forthwith and will allow the Mutual's solicitors full discretion in the conduct of proceedings, including any decision to appeal or otherwise.