

Property – business interruption

Policy wording

Please read the schedule to see if **your** loss of **income**, loss of **gross profit**, **increased costs of working** or **additional increased costs of working** are covered or if a **first loss limit** or **flexible business interruption cover** applies.

The schedule will also show if either the **amount insured** or the **indemnity period** are unlimited.

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

Special definitions for this section

Accidental bodily injury	Any identifiable bodily injury, including illness solely and directly resulting from the injury, to a key person which is caused by an accident occurring at an identifiable time and place during the period of insurance and which results in the key person's death or disablement .
Additional increased costs of working	The additional costs and expenses, not including the costs of reconstitution of data , reasonably incurred by you with our prior consent in order to continue your activities or minimise your loss of income or loss of gross profit during the indemnity period and not limited to the reduction in income or gross profit saved.
Additional research expenditure	The additional costs and expenses reasonably incurred by you with our prior consent in order to restore your research projects to the state they were in prior to any insured damage .
Alternative hire costs	The additional costs and expenses reasonably incurred by you for the necessary hire of a substitute item of similar type and capacity either while insured property is being repaired or until permanently replaced, following insured damage or insured failure .
Annualised amount insured	The amount insured divided by the indemnity period multiplied by 12.
Annualised declared amount	The declared amount for your actual income or gross profit divided by the indemnity period multiplied by 12.
Disablement	A condition which, in the opinion of a qualified medical adviser approved by us , entirely prevents the key person from attending to their duties on your behalf.
First loss limit	Any amount insured stated in the schedule as a first loss limit, where, with our consent, you have selected a limit that is less than your declared income or gross profit .
Flexible business interruption cover	Any combination of your loss of income , loss of gross profit , additional research expenditure , increased costs of working or additional increased costs of working .
Illness	An illness or disease contracted by a key person which first becomes apparent during the period of insurance and which results in the key person's disablement .
Increased costs of working	The costs and expenses necessarily and reasonably incurred by you for the sole purpose of minimising the reduction in income from your activities during the indemnity period , but not exceeding the reduction in income saved.
Indemnity period	The period, in months, beginning at the date of the insured damage or insured failure or the date the restriction is imposed, and lasting for the period during which your income is affected as a result of such insured damage , insured failure or restriction, but for no longer than the number of months stated in the schedule.
Key person	Any of your directors, partners, trustees, in-house counsel or senior managers in actual control of your operations aged between 18 and 70 inclusive at the start of the period of insurance .
Lottery	The following prize draws and competitions: <ul style="list-style-type: none"> a. UK National Lottery prize draws including scratch cards; b. UK National Football Pools; c. Littlewoods Pools;

- d. Vernons Pools;
- e. Euro Millions Lottery; or
- f. UK Premium Bond prize draw .

Rate of gross profit	The percentage produced by dividing gross profit by your income during the financial year immediately before any insured damage , insured failure or restriction.
Research projects	Your activities directly related to your development of new products or services or improvements to existing products or services.
Specified customer	Any direct customer of yours operating and based at the address individually stated in the business interruption section of the schedule.
Specified disease	Any of the following diseases: <ul style="list-style-type: none"> a. acute encephalitis; b. anthrax; c. cholera; d. dysentery; e. legionellosis; f. legionnaires disease; g. leptospirosis; h. paratyphoid fever; i. rabies; or j. tetanus.
Specified supplier	Any supplier of yours operating and based at the address individually stated in the business interruption section of the schedule.

What is covered	We will insure you for your financial losses and other items specified in the schedule, resulting solely and directly from an interruption to your activities caused by:
Financial losses from insured damage	1. insured damage to property: <ul style="list-style-type: none"> a. insured under any property section of this policy other than equipment breakdown; or b. insured elsewhere, but not under this policy, provided the damage occurred while the property was contained in the insured premises;
Denial of access	2. insured damage in the vicinity of the insured premises which prevents or hinders your access to the insured premises ;
Non-damage denial of access	3. an incident occurring during the period of insurance within a one mile radius of the insured premises which results in a denial of access or hindrance in access to the insured premises , imposed by any civil or statutory authority or by order of the government or any public authority, for more than 24 consecutive hours;
Bomb threat	4. your total inability to access the insured premises due to restrictions imposed by the police or the British Armed Forces caused by the presence or suspected presence of an incendiary or explosive device within the insured premises or in the vicinity of the insured premises during the period of insurance , provided that such restriction applies for more than four hours and subject to our liability being limited to the actual period that total access is denied. No cover will be provided if actual damage is caused by the device;
Unspecified customers	5. insured damage , other than loss or damage caused by flood or earth movement , arising at the premises of any of your direct customers, operating and based in the European Union (including in the United Kingdom or Gibraltar), other than any specified customer ;
Specified customers	6. insured damage arising at the premises of any specified customer ;

Unspecified suppliers	<p>7. insured damage, other than loss or damage caused by flood or earth movement, arising at the premises of any of your suppliers, operating and based in the European Union (including in the United Kingdom or Gibraltar), other than any specified supplier. This does not apply to any supplier of water, gas, electricity or telecommunications services;</p>
Specified suppliers	<p>8. insured damage arising at the premises of any specified supplier;</p>
Public utilities	<p>9. failure in the supply of:</p> <ul style="list-style-type: none"> a. water; b. gas; or c. electricity; <p>to the insured premises for more than 24 consecutive hours caused by insured damage, other than damage caused by flood or earth movement, to:</p> <ul style="list-style-type: none"> i. any land-based premises of a service provider operating and based in the European Union (including in the United Kingdom or Gibraltar); ii. the terminal feed to the insured premises; or iii. underground cables conveying such services from the service provider to the insured premises. <p>For cover following a failure in the supply of public utilities, damage shall be considered as insured damage where it is self-insured by the utility provider.</p>
Telecommunications and internet service providers	<p>10. failure in the supply of:</p> <ul style="list-style-type: none"> a. telecommunications; or b. internet services; <p>to the insured premises for more than 24 consecutive hours caused by insured damage, other than damage caused by flood or earth movement, to:</p> <ul style="list-style-type: none"> i. any land-based premises of a service provider operating and based in the European Union (including in the United Kingdom or Gibraltar); ii. the terminal feed to the insured premises; or iii. underground cables conveying such services from the service provider to the insured premises. <p>For cover following a failure in the supply of telecommunications or internet services, damage shall be considered as insured damage where it is self-insured by the provider of such services.</p>
Public authority	<p>11. your inability to use the insured premises due to restrictions imposed by a public authority during the period of insurance following:</p> <ul style="list-style-type: none"> a. a murder or suicide; b. an occurrence of any human infectious or human contagious disease, an outbreak of which must be notified to the local authority; c. injury or illness of any person traceable to food or drink consumed on the insured premises; d. defects in the drains or other sanitary arrangements; e. vermin or pests at the insured premises.
Equipment breakdown	<p>13. insured failure.</p>
Additional cover	<p>The following are also provided up to the amount stated in the schedule:</p>
Employees' lottery win	<p>14. We will pay the following costs and expenses incurred by you with our prior consent caused by one or more of your employees resigning from employment with you during the period of insurance as a direct consequence of their securing a win in a lottery:</p> <ul style="list-style-type: none"> a. recruitment and agency fees; b. additional overtime costs for your remaining employees; and c. the costs incurred by you to employ additional temporary employees. <p>However, we will not make any payment for any costs and expenses caused by your</p>

employees' **lottery** wins unless:

- i. the employees resign within 14 days from the date of their **lottery** win; and
- ii. the **lottery** win is greater than £100,000 per person.

Cancellation and abandonment

15. If, as a sole and direct result of an unforeseen incident or event which occurs during the **period of insurance** and is entirely beyond **your** control, a promotional event for **your activities** are necessarily and unavoidably postponed, abandoned, cancelled or relocated, **we** will pay the costs and expenses incurred by **you**, provided that the promotional event is:
 - a. organised by **you** in connection with **your activities**; and
 - b. due to take place within the **United Kingdom**.

However, **we** will not make any payment for loss of **gross profit** or any postponement, relocation, cancellation or abandonment of any promotional event for **your activities** directly or indirectly due to:

- i. any failure, withdrawal or inadequacy of necessary finance or financial default of any person, corporation or entity;
- ii. strikes, industrial action or labour disputes, whether actual or threatened;
- iii. any action taken by any national or international body or agency directly or indirectly to control, prevent or suppress any infectious disease; or
- iv. adverse weather affecting any promotional event.

Key persons

16. If a **key person** suffers **accidental bodily injury** or contracts an **illness** which lasts for more than 28 days, **we** will pay **you** for the expense **you** incur in replacing that **key person**, less any savings **you** are able to make in order to avoid or reduce a loss. However, **we** will not make any payment where the **accidental bodily injury** to or **illness** of a **key person** is directly or indirectly caused by or results from:
 - a. any emotional or psychiatric disorder or condition;
 - b. the **key person** taking or using drugs or controlled substances (other than drugs legally and appropriately prescribed by a qualified medical practitioner and properly used by the **key person**);
 - c. the **key person** committing suicide or deliberately injuring themselves or putting themselves in unnecessary danger (unless trying to save a human life);
 - d. any criminal act by **you** or the **key person**;
 - e. pregnancy or any condition connected with pregnancy or childbirth; or
 - f. any physical defect, infirmity or medical condition known to the **key person** at the inception date of this **policy**, unless the defect, infirmity or condition has been without the need for any medical advice or medical treatment during the 24-month period preceding that **key person** suffering the **accidental bodily injury** or contracting the **illness**.

What is not covered

We will not make any payment for any interruption to **your activities** or for any loss, cost, payment or expense:

1. that is directly or indirectly caused by, contributed to by, resulting from or in connection with any of the following:
 - a. **terrorism**. This does not apply to the cover under **What is covered**, Bomb threat;
 - b. civil commotion in Northern Ireland;
 - c. **war**;
 - d. **confiscation**;
 - e. **nuclear risks**;
 - f. any fear or threat of 1.a. to 1.e. above; or
 - g. any action taken in controlling, preventing, suppressing, responding or in any way relating to 1.a. to 1.f. above.

If there is any dispute between **you** and **us** over the application of clause 1.a or 1.b above, it will be for **you** to show that the clause does not apply.

2. that is directly or indirectly caused by, contributed to by, resulting from or in connection

with any of the following:

- a. **cyber attack**;
- b. **hacker**;
- c. **computer or digital technology error**
- d. any fear or threat of 2.a. to 2.b. above; or
- e. any action taken in controlling, preventing, suppressing, responding or in any way relating to 2.a. to 2.d. above.

However, this exclusion 2. does not apply to **What is covered**, 1. Financial losses from insured damage.

- 3. if **your activities** are discontinued permanently or if a liquidator or receiver is appointed;
- 4. directly or indirectly caused by, contributed to by, resulting from or in connection with any **communicable disease** or the fear or threat of any **communicable disease**. However, this exclusion does not apply to **What is covered**, Public authority 11b in respect of any **specified diseases**.

How much we will pay

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

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

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

Flexible cover	Where the schedule shows you are covered on a flexible business interruption cover basis, the most we will pay for each interruption is the amount insured shown on the schedule, which applies to the total of your loss of income , loss of gross profit , increased costs of working and additional increased costs of working combined.
Loss of income	The difference between your actual income during the indemnity period and the income it is estimated you would have earned during that period or, if this is your first trading year , the difference between your income during the indemnity period and during the period immediately prior to the loss, less any savings resulting from the reduced costs and expenses you pay out of your income during the indemnity period . We will also pay for increased costs of working and alternative hire costs .
Loss of gross profit	The sum produced by applying the rate of gross profit to any reduction in income during the indemnity period plus increased costs of working and alternative hire costs less any expenses or charges which cease or are reduced.
Outstanding debts	Any of your outstanding debts which you are unable to recover following loss of your accounting records as a direct result of insured damage or insured failure .
Accountant's charges	The amount we will pay for loss of income or loss of gross profit includes the reasonable charges you pay to your professional accountant for producing information we require in support of a request for settlement under this section.
Specified customers	The most we will pay for insured damage arising at each premises of your specified customer is the amount stated in the schedule. If your customer is not individually stated in the business interruption section of the schedule, cover may apply under What is covered , Unspecified customers. Please check your schedule to see what cover you have for insured damage at the premises of your customers.
Specified suppliers	The most we will pay for insured damage arising at each premises of your specified supplier is the amount stated in the schedule. If your supplier is not individually stated in the business interruption section of the schedule, cover may apply under What is covered , Unspecified suppliers. Please check your schedule to see what cover you have for insured damage at the premises of your suppliers.
Employees' lottery win	The most we will pay for all losses arising from one or more of your employees resigning from their posts with you as a direct consequence of their securing a win in a lottery is the amount stated in the schedule.

Cancellation and abandonment	<p>For the cover provided under What is covered, Cancellation and abandonment, we will pay the costs and expenses that you have paid or must legally pay and are unable to recover, less any savings that you are able to make which would have been incurred by you in organising the promotional event.</p> <p>We will also pay the necessary and reasonable additional expenses incurred by you with our prior agreement for the sole purpose of avoiding or reducing a loss under this additional cover, provided such expenses do not exceed the reduction in loss saved.</p> <p>You must pay the relevant excess stated in the schedule for each and every loss.</p>
Key person cover	<p>We will pay the expense you incur up to the amount stated in the schedule.</p> <p>If a key person is suffering from temporary disablement, we will pay only for the period of that key person's disablement and we will consider the key person to have made a recovery when he or she is able to engage in and perform the major duties of his or her role for you.</p>
Business trends	<p>Provided that you advise us of your estimated annual income, or estimated annual gross profit if applicable, at the beginning of each period of insurance, the amount insured will automatically be increased to reflect any special circumstances or business trends affecting your activities, either before or after the loss. The amount that we will pay will reflect as near as possible the result that would have been achieved if the insured damage, insured failure or restriction had not occurred.</p> <p>Your schedule will show if business trends cover applies and the additional percentage amount.</p>
Under insurance	<p>If, at the time of insured damage, insured failure or restriction, we establish that:</p> <ol style="list-style-type: none"> 1. the annualised amount insured; or 2. the annualised declared amount, where you are covered on a first loss limit basis; <p>does not represent your actual income or your actual gross profit during the 12 months immediately preceding the date of the insured damage, insured failure or restriction, we will reduce the amount we pay in the proportion that the premium you have paid bears to the premium we would have charged you if you had declared your actual income or your actual gross profit.</p> <p>We will only apply this calculation if:</p> <ol style="list-style-type: none"> 1. we establish that the annualised amount insured is less than 85% of your actual income or your actual gross profit during the 12 months immediately preceding the start of the period of insurance; and 2. we establish that your failure to declare your actual income or your actual gross profit was not deliberate or reckless and was a breach of your obligation to make a fair presentation of the risk to us before the start of the period of insurance. <p>This remedy may apply in addition to General condition 2. b.ii. If your failure to declare your actual income or your actual gross profit was deliberate or reckless, the remedy under General condition 2.a. will apply.</p> <p>We will not apply a reduction for under insurance where the schedule shows either the amount insured or the indemnity period as 'unlimited'.</p>

Your obligations

If any damage occurs	<p>We will not make any payment under this section unless you notify us promptly of any damage or event which might prevent or hinder you from carrying on your activities.</p>
Cancellation and abandonment	<p>For the postponement, abandonment, cancellation or relocation of any promotional event for your activities you must take reasonable steps to prevent or mitigate any loss including, but not limited to taking reasonable steps to:</p> <ol style="list-style-type: none"> a. ensure that there is an agreement evidenced in writing between you and any third-party engaged by you for the promotional event; b. rearranging a cancelled or abandoned promotional event; and c. ensure that any property to be used at the promotional event arrives in good time.



If **you** do not, **we** may reduce any payment **we** make under this section by an amount equal to the detriment **we** have suffered as a result.

Property insurance

Where the **damage** involves property **you** own or are legally responsible for, **we** will not make any payment unless **you** have property insurance in force covering the **damage** and payment has been made, or liability admitted, under that insurance for the **damage**.

Accounts records

You must keep a record of all amounts owed to **you** and keep a copy of the record away from the **insured premises**. If **you** do not, **we** may reduce any payment **we** make under this section by an amount equal to the detriment **we** have suffered as a result.