

Property - Business interruption (Office)

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.

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

Special definitions for this section

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

What is covered

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

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

What is not covered

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

How much we will pay

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

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

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

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

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Accountant's charges	The amount we will pay for loss of income , or loss of gross profit if applicable, includes the reasonable charges you pay to your professional accountant for producing information we require in support of a request for settlement under this section.
Under insurance	If the annualised amount insured is less than 85% of your actual income , or your actual gross profit if applicable, during the 12 months immediately preceding the date of the insured damage, insured failure or restriction, the amount we pay will be reduced in the same proportion as the under insurance.
Business trends	The amount we pay for loss of income or loss of gross profit will be amended to reflect any special circumstances or business trends affecting your business , either before or after the loss, in order that the amount paid reflects as near as possible the result that would have been achieved if the insured damage, insured failure or restriction had not occurred.

Your obligations

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