

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

### Special definitions for this section

<b>Additional increased costs of working</b>	The additional costs and expenses, not including the costs of <b>reconstitution of data</b> , reasonably incurred by <b>you</b> with <b>our</b> prior consent in order to continue <b>your activities</b> or minimise <b>your</b> loss of <b>income</b> or loss of <b>gross profit</b> during the <b>indemnity period</b> and not limited to the reduction in <b>income</b> or <b>gross profit</b> saved.
<b>Additional research expenditure</b>	The additional costs and expenses reasonably incurred by <b>you</b> with <b>our</b> prior consent in order to restore <b>your research projects</b> to the state they were in prior to any <b>insured damage</b> .
<b>Alternative hire costs</b>	The additional costs and expenses reasonably incurred by <b>you</b> for the necessary hire of a substitute item of similar type and capacity either while insured <b>property</b> is being repaired or until permanently replaced, following <b>insured damage</b> or <b>insured failure</b> .
<b>Annualised amount insured</b>	The <b>amount insured</b> divided by the <b>indemnity period</b> multiplied by 12.
<b>Annualised declared amount</b>	The <b>declared amount</b> for <b>your actual income</b> or <b>gross profit</b> divided by the <b>indemnity period</b> multiplied by 12.
<b>First loss limit</b>	Any <b>amount insured</b> stated in the schedule as a first loss limit, where, with <b>our</b> consent, <b>you</b> have selected a limit that is less than <b>your</b> declared <b>income</b> or <b>gross profit</b> .
<b>Flexible business interruption cover</b>	Any combination of <b>your</b> loss of <b>income</b> , loss of <b>gross profit</b> , <b>additional research expenditure</b> , <b>increased costs of working</b> or <b>additional increased costs of working</b> .
<b>Increased costs of working</b>	The costs and expenses necessarily and reasonably incurred by <b>you</b> for the sole purpose of minimising the reduction in <b>income</b> from <b>your activities</b> during the <b>indemnity period</b> , but not exceeding the reduction in <b>income</b> saved.
<b>Indemnity period</b>	The period, in months, beginning at the date of the <b>insured damage</b> or <b>insured failure</b> or the date the restriction is imposed, and lasting for the period during which <b>your income</b> is affected as a result of such <b>insured damage</b> , <b>insured failure</b> or restriction, but for no longer than the number of months stated in the schedule.
<b>Rate of gross profit</b>	The percentage produced by dividing <b>gross profit</b> by <b>your income</b> during the financial year immediately before any <b>insured damage</b> , <b>insured failure</b> or restriction.
<b>Research projects</b>	<b>Your activities</b> directly related to <b>your</b> development of new products or services or improvements to existing products or services.
<b>Specified customer</b>	Any direct customer of <b>yours</b> operating and based at the address individually stated in the Business interruption section of the schedule.
<b>Specified supplier</b>	Any supplier of <b>yours</b> 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	<ol style="list-style-type: none"> <li>1. <b>insured damage to property:</b> <ol style="list-style-type: none"> <li>a. insured under any Property section of this <b>policy</b> other than Equipment breakdown; or</li> <li>b. insured elsewhere, but not under this <b>policy</b>, provided the <b>damage</b> occurred while the <b>property</b> was contained in the <b>insured premises</b>;</li> </ol> </li> </ol>
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## Property – business interruption (trades)

### Policy wording

Denial of access	2. <b>insured damage</b> in the vicinity of the <b>insured premises</b> which prevents or hinders <b>your</b> access to the <b>insured premises</b> ;
Non-damage denial of access	3. an incident occurring during the <b>period of insurance</b> within a one mile radius of the <b>insured premises</b> which results in a denial of access or hindrance in access to the <b>insured premises</b> , 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. <b>your</b> total inability to access the <b>insured premises</b> 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 <b>insured premises</b> or in the vicinity of the <b>insured premises</b> during the <b>period of insurance</b> , provided that such restriction applies for more than four hours and subject to <b>our</b> liability being limited to the actual period that total access is denied. No cover will be provided if actual <b>damage</b> is caused by the device;
Unspecified customers	5. <b>insured damage</b> , other than loss or <b>damage</b> caused by <b>flood</b> or <b>earth movement</b> , arising at the premises of any of <b>your</b> direct customers, operating and based in the European Union (including in the <b>United Kingdom</b> or Gibraltar), other than any <b>specified customer</b> ;
Specified customers	6. <b>insured damage</b> arising at the premises of any <b>specified customer</b> ;
Unspecified suppliers	7. <b>insured damage</b> , other than loss or <b>damage</b> caused by <b>flood</b> or <b>earth movement</b> , arising at the premises of any of <b>your</b> suppliers, operating and based in the European Union (including in the <b>United Kingdom</b> or Gibraltar) other than any <b>specified supplier</b> . This does not apply to any supplier of water, gas, electricity or telecommunications services;
Specified suppliers	8. <b>insured damage</b> arising at the premises of any <b>specified supplier</b> ;
Public utilities	<p>9. failure in the supply of:</p> <ul style="list-style-type: none"> <li>a. water;</li> <li>b. gas; or</li> <li>c. electricity;</li> </ul> <p>to the <b>insured premises</b> for more than 24 consecutive hours caused by <b>insured damage</b>, other than <b>damage</b> caused by <b>flood</b> or <b>earth movement</b>, to:</p> <ul style="list-style-type: none"> <li>i. any land based premises of a service provider operating and based in the European Union (including in the <b>United Kingdom</b> or Gibraltar);</li> <li>ii. the terminal feed to the <b>insured premises</b>; or</li> <li>iii. underground cables conveying such services from the service provider to the <b>insured premises</b>.</li> </ul> <p>For cover following a failure in the supply of public utilities, <b>damage</b> shall be considered as <b>insured damage</b> 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"> <li>a. telecommunications; or</li> <li>b. internet services;</li> </ul> <p>to the <b>insured premises</b> for more than 24 consecutive hours caused by <b>insured damage</b>, other than <b>damage</b> caused by <b>flood</b> or <b>earth movement</b>, to:</p> <ul style="list-style-type: none"> <li>i. any land based premises of a service provider operating and based in the European Union (including in the <b>United Kingdom</b> or Gibraltar);</li> <li>ii. the terminal feed to the <b>insured premises</b>; or</li> <li>iii. underground cables conveying such services from the service provider to the <b>insured premises</b>.</li> </ul> <p>For cover following a failure in the supply of telecommunications or internet services, <b>damage</b> shall be considered as <b>insured damage</b> where it is self-insured by the provider of such services;</p>
Public authority	11. <b>your</b> inability to use the <b>insured premises</b> due to restrictions imposed by a public authority during the <b>period of insurance</b> following:

## Property – business interruption (trades)

### Policy wording

- 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

12. **insured failure.**

#### What is not covered

We will not make any payment:

1. for any interruption to **your activities** directly or indirectly caused by, resulting from or in connection with **terrorism**. This does not apply to the cover under **What is covered**, Bomb threat.
2. if **your activities** are 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 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:

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.

Business trends

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** had not occurred.

**Your** schedule will show if Business trends cover applies and the additional percentage amount.

## Property – business interruption (trades)

### Policy wording

#### Under insurance

If, at the time of **insured damage**, **insured failure** or restriction, **we** establish that:

1. the **annualised amount insured**; or
2. the **annualised declared amount**, where **you** have selected a **first loss limit** which is stated on the schedule;

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**.

**We** will only apply this calculation if:

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**.

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.

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## 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 activities**.

#### 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.