

Property – business interruption (technology)

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.
Computer system	Any computer network, hardware, software , information technology and communications system, including any email, intranet, extranet or website.
Cyber attack	Any financial harm caused to you due to: <ul style="list-style-type: none"> a. the activities of a third-party who specifically targets you alone by maliciously blocking electronically the access to your computer system, programs, or data held electronically by you or on your behalf; or b. a hacker who specifically targets you alone.
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.



Insured damage	<p>Damage, other than failure, to property occurring during the period of insurance provided that:</p> <ol style="list-style-type: none">the damage is not otherwise excluded by the buildings, contents or other property section of this policy; andpayment has been made or liability admitted by the insurer under any insurance covering such damage.
Insured failure	<p>Failure of equipment, computers, oil or water storage tanks and other insured items occurring during the period of insurance provided that:</p> <ol style="list-style-type: none">the failure is not otherwise excluded by the equipment breakdown section of this policy; andpayment has been made or liability admitted by us under the equipment breakdown section of this policy.
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	<p>The following prize draws and competitions:</p> <ol style="list-style-type: none">UK National Lottery prize draws including scratch cards;UK National Football Pools;Littlewoods Pools;Vernons Pools;Euro Millions Lottery; orUK 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.
Rent	<p>Rent:</p> <ol style="list-style-type: none">for the insured premises that you must legally pay while the insured premises 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 while the buildings or any part are unusable as a result of 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	<p>Any of the following diseases:</p> <ol style="list-style-type: none">acute encephalitis;anthrax;cholera;dysentery;legionellosis;legionnaires disease;leptospirosis;paratyphoid fever;rabies; ortetanus.
Specified supplier	Any supplier of yours operating and based at the address individually stated in the business interruption section of the schedule.
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 other items specified in the schedule, resulting solely and directly from an interruption to **your activities** caused by:

Financial losses from insured damage	<p>1. insured damage to property:</p> <p>a. insured under any property section of this policy other than equipment breakdown; or</p> <p>b. insured elsewhere, but not under this policy, provided the damage occurred while the property was contained in the insured premises.</p>
Denial of access	<p>2. insured damage in the vicinity of the insured premises which prevents or hinders your access to the insured premises.</p>
Non-damage denial of access	<p>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.</p>
Bomb threat	<p>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.</p>
Unspecified customers	<p>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.</p>
Specified customers	<p>6. insured damage arising at the premises of any specified customer.</p>
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> <p>a. water;</p> <p>b. gas; or</p> <p>c. electricity;</p> <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> <p>i. any land based premises of a service provider operating and based in the European Union (including in the United Kingdom or Gibraltar);</p> <p>ii. the terminal feed to the insured premises; or</p> <p>iii. underground cables conveying such services from the service provider to the insured premises.</p> <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> <p>a. telecommunications; or</p> <p>b. internet services;</p> <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> <p>i. any land based premises of a service provider operating and based in the European Union (including in the United Kingdom or Gibraltar);</p> <p>ii. the terminal feed to the insured premises; or</p>

- iii. underground cables conveying such services from the service provider to the **insured premises**.

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.

Public authority

- 11. **your** inability to use the **insured premises** due to restrictions imposed by a public authority during the **period of insurance** following:
 - 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**.

Cyber attack

- 12. **cyber attack**, provided:
 - a. the interruption lasts for a continuous period of more than 12 consecutive hours during the **period of insurance**; and
 - b. **you** first discover the attack during the **period of insurance**.

However, **we** will not make any payment for:

 - i. any **cyber attack** carried out by any person who was, is or during the **period of insurance** becomes **your** partner, director, trustee, in-house counsel or senior manager in actual control of **your** operations;
 - ii. any **cyber-attack** affecting any internet service provider, telecommunications provider, cloud provider but not including the hosting of hardware and software that **you** own, or other utility provider. This exclusion does not apply where **you** provide such services as part of **your business**;
 - iii. any actual or alleged loss, theft or infringement of intellectual property;
 - iv. any actual or alleged infringement, use, misappropriation or disclosure of a patent or trade secret;
 - v. **confiscation**; or
 - vi. **war** or **nuclear risks**.

This cover does not apply if **you** have purchased separate cyber and data insurance from **us**.

Equipment breakdown

- 13. **insured failure**.

Additional cover

The following are also provided up the amount stated in the schedule:

Hacker damage

- 14. Following a **cyber attack** covered under this section, **we** will pay the reasonable and necessary expenses incurred with **our** prior written agreement in replacing or repairing **your computer system, programs** or data **you** hold electronically to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused.

This cover does not apply if **you** have purchased separate cyber and data insurance from **us**.

Employees' lottery win

- 15. **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**:
 - 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.

However, **we** will not make any payment for any costs and expenses caused by **your** 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

16. 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** is 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;
- iv. adverse weather affecting any promotional event; or
- v. **war** or **nuclear risks**.

Key persons

17. 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;
 - 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:

- 1. for any interruption to **your activities** directly or indirectly caused by, resulting from or in connection with:
 - a. **terrorism**. This does not apply to the cover under **What is covered**, Bomb threat;
 - b. any **virus** which indiscriminately replicates itself and is automatically disseminated on a global or national scale or to an identifiable class or sector of users unless created by a **hacker**;
- 2. if **your activities** are discontinued permanently or if a liquidator or receiver is appointed;
- 3. for any interruption or loss 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

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

will pay	<p>pay for no longer than the indemnity period stated in the schedule against each insured item.</p> <p>If you are accountable to the tax authorities for Value Added Tax, the amount we pay will be exclusive of such tax.</p> <p>The amount we pay for each item will be calculated as follows:</p>
Flexible cover	<p>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.</p>
Loss of income	<p>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.</p>
Loss of gross profit	<p>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.</p>
Outstanding debts	<p>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.</p>
Accountant's charges	<p>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.</p>
Specified customers	<p>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.</p>
Specified suppliers	<p>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.</p>
Employees' lottery win	<p>The most we will pay for all losses arising from one or more of your employees resigning from their posts as a direct consequence of their securing a win in a lottery is the amount stated in the schedule.</p>
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 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.</p>

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

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** are covered on a **first loss limit** basis;

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.

We will not apply a reduction for under insurance the schedule shows either the **amount insured** or the **indemnity period** as 'unlimited'.

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**.

Cancellation and abandonment

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:

- 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.

Backing-up electronic data

You must take all reasonable steps to make back-up copies of data at least once a week and keep the copies away from the location where the electronic data is normally held. If **you** do not, **we** may reduce any payment **we** make under **What is covered**, Cyber attack by an amount equal to the detriment **we** have suffered as a result.