

Property – business interruption (specialist retail)

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 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 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.
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 .
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 , insured failure , when the loss of licence takes effect 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.
Licence	The premises licence or equivalent in respect of the insured premises for the provision of licensable activities, including the retail sale of alcohol.
Loss of licence	The suspension or withdrawal of, or refusal to renew, your licence by the Licensing Committee or other licensing authority.
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;
Loss of attraction	5. insured damage in the vicinity of the insured premises or any fundraising event resulting in a shortfall in your expected income or gross profit for more than two consecutive days;
Unspecified customers	6. 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

7. **insured damage** arising at the premises of any **specified customer**;

Unspecified suppliers

8. **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;

Specified suppliers

9. **insured damage** arising at the premises of any **specified supplier**;

Public utilities

10. failure in the supply of:

- a. water;
- b. gas; or
- c. electricity;

to the **insured premises** for more than 24 consecutive hours caused by **insured damage**, other than **damage** caused by **flood** or **earth movement**, to:

- 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**.

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;

Telecommunications and internet service providers

11. failure in the supply of:

- a. telecommunications; or
- b. internet services;

to the **insured premises** for more than 24 consecutive hours caused by **insured damage**, other than **damage** caused by **flood** or **earth movement**, to:

- 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**.

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;

Online market places

12. failure of any online market place, used by **you** and provided by a service provider operating and based in the European Union (including in the **United Kingdom** or Gibraltar), for more than 24 consecutive hours caused by **insured damage**, other than loss or **damage** caused by **flood** or **earth movement**, to any land based premises of the service provider or to the terminal feed to the **insured premises** or to underground cables conveying such services from the service provider to the **insured premises**;

Public authority

13. **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	<p>14. cyber attack, provided:</p> <ul style="list-style-type: none"> 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; <p>However, we will not make any payment for:</p> <ul style="list-style-type: none"> 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. <p>This cover does not apply if you have purchased separate cyber and data insurance from us;</p>
Equipment breakdown	15. insured failure ;
Loss of licence	<p>16. loss of licence occurring during the period of insurance due to any cause outside of your direct control. We will also pay the reasonable costs and expenses you incur with our prior written consent in connection with any appeal against the loss of licence. However we will not make any payment for losses arising from:</p> <ul style="list-style-type: none"> a. any suspension or withdrawal of or refusal to renew a licence for which you are entitled to claim statutory compensation; b. <ul style="list-style-type: none"> i. the actual or proposed compulsory acquisition of the insured premises; or ii. any scheme of town or country planning improvement or redevelopment; c. any alteration after the start of the period of insurance of the law governing the suspension, withdrawal or renewal of licences unless we confirm in writing that the insurance will apply after such alteration; or d. your failure: <ul style="list-style-type: none"> i. other than for good cause, to keep the insured premises open during the permitted hours; ii. to comply with any direction or requirement of the Licensing Justices or other licensing authority; or iii. to maintain the insured premises in a good sanitary condition and a good state of general repair; e. any loss of licence occasioned wholly or in part by any act or omission by you or by your failure to take all reasonable action to maintain the licence in force; or f. the suspension or withdrawal of, or refusal to renew, any late night, afternoon or morning extension of the standard opening hours or permitted hours unless such suspension, withdrawal or refusal to renew is ancillary to the licence being suspended, withdrawn or not renewed.
Additional cover	The following are also provided up the amount stated in the schedule:
Hacker damage	<p>17. 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.</p> <p>This cover does not apply if you have purchased separate Cyber and data insurance</p>

from **us**.

Employees' lottery win

18. **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**:
- recruitment and agency fees;
 - additional overtime costs for **your** remaining employees; and
 - 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:

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

Cancellation and abandonment

19. 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:

- organised by **you** in connection with your **activities**; and
- 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:

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

What is not covered

We will not make any payment:

- 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;
 - 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**;
- if **your activities** are discontinued permanently or if a liquidator or receiver is appointed;
- 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 13b 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:

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>
Loss of attraction	We will only pay for your financial loss for up to three consecutive months from the time of the insured damage .
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> <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, loss of licence 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 have selected a first loss limit which is stated on the schedule; <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**.

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.

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.

Loss of licence

We will not make any payment for **loss of licence** unless:

1. **you** give **us** written notice within 48 hours after **you** receive information, whether oral or written, that:
 - a. any notice caution or complaint has been given or made against the **insured premises**, or against the tenant, manager, occupier or **licence** holder, or that such person has been summoned or charged with or convicted of or committed for trial for any offence whatsoever;
 - b. an application for renewal is to be opposed, or its consideration is adjourned or referred to the compensation authority, or the **licence** holder is required to give any undertaking, or any structural alterations are required; or
 - c. the **licence** holder has died, become bankrupt, absconded or been rendered incapable by sickness or other infirmity of carrying on **your activities**; and
2. **you** notify **us** in writing within forty-eight hours after:
 - a. **your licence** is suspended, withdrawn or not renewed;
 - b. **you** become aware of any event likely to prejudice the **licence**.
3. **you** tell **us**, as far as **you** are able, the grounds for such suspension, withdrawal or refusal to renew or the details of such event.

We shall be entitled to appeal in **your** name against any **loss of licence** and shall have full discretion in the conduct of any proceedings. **You** must give **us** all assistance **we** may reasonably require.

