

## Property – business interruption (trades)

### 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

<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 disease</b>	Any of the following diseases: <ol style="list-style-type: none"> <li>acute encephalitis;</li> <li>anthrax;</li> <li>cholera;</li> <li>dysentery;</li> <li>legionellosis;</li> <li>legionnaires disease;</li> </ol>

- 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. <b>insured damage to property:</b> <ul 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> </ul>  |
| 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                     | 9. failure in the supply of: <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> |

For cover following a failure in the supply of public utilities, **damage** shall be considered

Telecommunications and internet service providers	<p>as <b>insured damage</b> where it is self-insured by the utility provider;</p> <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	<p>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:</p> <ul style="list-style-type: none"> <li>a. a murder or suicide;</li> <li>b. an occurrence of any human infectious or human contagious disease, an outbreak of which must be notified to the local authority;</li> <li>c. injury or illness of any person traceable to food or drink consumed on the <b>insured premises</b>;</li> <li>d. defects in the drains or other sanitary arrangements;</li> <li>e. vermin or pests at the <b>insured premises</b>;</li> </ul>
Equipment breakdown	12. <b>insured failure</b> .

## 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.
- 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 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:

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 <b>your</b> outstanding debts which <b>you</b> are unable to recover following loss of <b>your</b> accounting records as a direct result of <b>insured damage</b> or <b>insured failure</b> .
Accountant's charges	The amount <b>we</b> will pay for loss of <b>income</b> or loss of <b>gross profit</b> includes the reasonable charges <b>you</b> pay to <b>your</b> professional accountant for producing information <b>we</b> require in support of a request for settlement under this section.
Specified customers	The most <b>we</b> will pay for <b>insured damage</b> arising at each premises of <b>your specified customer</b> is the amount stated in the schedule. If <b>your</b> customer is not individually stated in the business interruption section of the schedule, cover may apply under <b>What is covered</b> , Unspecified customers. Please check <b>your</b> schedule to see what cover <b>you</b> have for <b>insured damage</b> at the premises of <b>your</b> customers.
Specified suppliers	The most <b>we</b> will pay for <b>insured damage</b> arising at each premises of <b>your specified supplier</b> is the amount stated in the schedule. If <b>your</b> supplier is not individually stated in the business interruption section of the schedule, cover may apply under <b>What is covered</b> , Unspecified suppliers. Please check <b>your</b> schedule to see what cover <b>you</b> have for <b>insured damage</b> at the premises of <b>your</b> suppliers.
Business trends	<p>Provided that <b>you</b> advise <b>us</b> of <b>your</b> estimated annual <b>income</b>, or estimated annual <b>gross profit</b> if applicable, at the beginning of each <b>period of insurance</b>, the <b>amount insured</b> will automatically be increased to reflect any special circumstances or business trends affecting <b>your activities</b>, either before or after the loss. The amount that <b>we</b> will pay will reflect as near as possible the result that would have been achieved if the <b>insured damage</b> had not occurred.</p> <p><b>Your</b> schedule will show if business trends cover applies and the additional percentage amount.</p>
Under insurance	<p>If, at the time of <b>insured damage</b>, <b>insured failure</b> or restriction, <b>we</b> establish that:</p> <ol style="list-style-type: none"> <li>1. the <b>annualised amount insured</b>; or</li> <li>2. the <b>annualised declared amount</b>, where <b>you</b> have selected a <b>first loss limit</b> which is stated on the schedule;</li> </ol> <p>does not represent <b>your</b> actual <b>income</b> or <b>your</b> actual <b>gross profit</b> during the 12 months immediately preceding the date of the <b>insured damage</b>, <b>insured failure</b> or restriction, <b>we</b> will reduce the amount <b>we</b> pay in the proportion that the premium <b>you</b> have paid bears to the premium <b>we</b> would have charged <b>you</b> if <b>you</b> had declared <b>your</b> actual <b>income</b> or <b>your</b> actual <b>gross profit</b>.</p> <p><b>We</b> will only apply this calculation if:</p> <ol style="list-style-type: none"> <li>1. <b>we</b> establish that the <b>annualised amount insured</b> is less than 85% of <b>your</b> actual <b>income</b> or <b>your</b> actual <b>gross profit</b> during the 12 months immediately preceding the start of the <b>period of insurance</b>; and</li> <li>2. <b>we</b> establish that <b>your</b> failure to declare <b>your</b> actual <b>income</b> or <b>your</b> actual <b>gross profit</b> was not deliberate or reckless and was a breach of <b>your</b> obligation to make a fair presentation of the risk to <b>us</b> before the start of the <b>period of insurance</b>.</li> </ol> <p>This remedy may apply in addition to General condition 2. b.ii. If <b>your</b> failure to declare <b>your</b> actual <b>income</b> or <b>your</b> actual <b>gross profit</b> was deliberate or reckless, the remedy under General condition 2.a. will apply.</p>

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## Your obligations

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

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this section by an amount equal to the detriment **we** have suffered as a result.