

## Property – business interruption (culture, leisure and events)

### 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>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> , <b>insured failure</b> , when the <b>loss of licence</b> takes effect 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>Licence</b>	The premises licence or equivalent in respect of the <b>insured premises</b> for the provision of licensable activities, including the retail sale of alcohol.
<b>Loss of licence</b>	The suspension, withdrawal of or refusal to renew <b>your licence</b> by the Licensing Committee or other licensing authority.
<b>Lottery</b>	The following prize draws and competitions: <ol style="list-style-type: none"> <li>UK National Lottery prize draws including scratch cards;</li> <li>UK National Football Pools;</li> <li>Littlewoods Pools;</li> <li>Vernons Pools;</li> <li>Euro Millions Lottery; or</li> <li>UK Premium Bond prize draw.</li> </ol>
<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> <li>leptospirosis;</li> <li>paratyphoid fever;</li> <li>rabies; or</li> <li>tetanus.</li> </ol>
<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.

<b>What is covered</b>	<b>We</b> will insure <b>you</b> for <b>your</b> financial losses and other items specified in the schedule, resulting solely and directly from an interruption to <b>your activities</b> caused by:
Financial losses from insured damage	1. <b>insured damage to property:</b> <ol style="list-style-type: none"> <li>insured under any property section of this <b>policy</b> other than equipment breakdown; or</li> <li>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>
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;
Loss of attraction	5. <b>insured damage</b> in the vicinity of the <b>insured premises</b> or any fundraising event resulting in a shortfall in <b>your</b> expected <b>income</b> or <b>gross profit</b> for more than two consecutive days;
Unspecified customers	6. <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, the <b>United Kingdom</b> or Gibraltar, other than any <b>specified customer</b> ;
Specified customers	7. <b>insured damage</b> arising at the premises of any <b>specified customer</b> ;
Unspecified suppliers	8. <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, 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	9. <b>insured damage</b> arising at the premises of any <b>specified supplier</b> ;

Failure of safety equipment	10. accidental failure of a safety curtain, emergency lighting system or fire alarm system to operate at the <b>insured premises</b> during the <b>period of insurance</b> for more than 24 consecutive hours;
Public utilities	<p>11. 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, 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>12. 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, 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>13. <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>
Loss of licence	<p>14. <b>loss of licence</b> occurring during the <b>period of insurance</b> due to any cause outside of <b>your</b> direct control. <b>We</b> will also pay the reasonable costs and expenses <b>you</b> incur with <b>our</b> prior written consent in connection with any appeal against the <b>loss of licence</b>. However <b>we</b> will not make any payment for losses arising from:</p> <ul style="list-style-type: none"> <li>a. any suspension or withdrawal of or refusal to renew a <b>licence</b> for which <b>you</b> are entitled to claim statutory compensation;</li> <li>b. <ul style="list-style-type: none"> <li>i. the actual or proposed compulsory acquisition of the <b>insured premises</b>; or</li> <li>ii. any scheme of town or country planning improvement or redevelopment;</li> </ul> </li> <li>c. any alteration after the start of the <b>period of insurance</b> of the law governing the suspension, withdrawal or renewal of <b>licences</b> unless <b>we</b> confirm in writing that the insurance will apply after such alteration; or</li> </ul>

- d. **your** failure:
  - 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;

Equipment breakdown

15. **insured failure.**

**Additional cover**

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

Employees' lottery win

16. **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.

Death of a patron

17. **We** will reimburse **you** for the necessary and reasonable costs **you** incur to amend any of **your** printed literature or external webpages that refer to **your** patron, where that amendment is a result of one of the following events taking place during the **period of insurance**:
- a. death where your patron was under the age of 70 at the start of the **period of insurance**; or
  - b. being the subject of a criminal investigation; or
  - c. offending public taste;
- provided that **you** notify **us** promptly and obtain **our** approval of the costs before they are incurred.
18. If, as a sole and direct result of an unforeseen incident or event entirely beyond **your** control which occurs during the **period of insurance**, any promotional event which **you** have organised for **your activities** within the **United Kingdom** is necessarily and unavoidably postponed, abandoned, cancelled or relocated, **we** will pay the irrecoverable costs and expenses incurred by **you**.

Cancellation and abandonment

However, **we** will not make any payment for any postponement, abandonment, cancellation or relocation 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. any national, court or religious mourning, whether declared or not;
- iii. strikes, industrial action or labour disputes, whether actual or threatened;
- iv. adverse weather affecting any promotional event; or
- v. **confiscation, war or nuclear risks.**

**You** must ensure that:

- a. there is an agreement evidenced in writing between **you** and any third-party engaged by **you** for the promotional event; and
- b. **you** 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.

## What is not covered

**We** will not make any payment:

1. for any interruption to **your activities** or loss 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;
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 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.

Loss of attraction	<b>We</b> will only pay for <b>your</b> financial loss for up to three consecutive months from the time of the <b>insured damage</b> .
Failure of safety equipment	<b>We</b> will only pay for <b>your</b> financial loss for up to 72 consecutive hours from the time of the failure.
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 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>, <b>loss of licence</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>
Cancellation and abandonment	<p>For the cover provided under <b>What is covered</b>, Cancellation and abandonment, <b>we</b> will pay the costs and expenses that <b>you</b> have paid or must legally pay and are unable to recover, less any savings that <b>you</b> are able to make which would have been incurred by <b>you</b> in organising the promotional event.</p> <p><b>We</b> will also pay the necessary and reasonable additional expenses incurred by <b>you</b> with <b>our</b> 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. <b>You</b> must pay the relevant excess stated in the schedule for each and every loss.</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 <b>property</b> <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 this section by an amount equal to the detriment <b>we</b> have suffered as a result.
Loss of licence	<p><b>We</b> will not make any payment for <b>loss of licence</b> unless:</p> <ol style="list-style-type: none"> <li>1. <b>you</b> give <b>us</b> written notice within 48 hours after <b>you</b> receive information, whether oral or</li> </ol>

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 48 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.

#### 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 rearrange a cancelled or abandoned promotional event.

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.