

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

Special definitions for this section

Derangement	Electrical or mechanical malfunction of computers or electronic circuitry controlling or operating computers arising from a cause internal to the computer unaccompanied by visible damage to or breaking out of any parts of the computer .
Hazardous substance	Any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.
Portable computers	Laptops palmtops and notebooks; personal digital assistants (PDAs); projectors printers scanners and other peripheral devices which are designed to be carried and used in conjunction with other portable computer equipment; removable satellite navigation systems; digital cameras; smartphones.
Service provider	A business that you hire under a written contract to perform services on your behalf in connection with your business activities.

What is covered

Equipment and computers	<p>1. We will insure you against failure occurring during the period of insurance to:</p> <ul style="list-style-type: none"> a. equipment at the insured premises; and b. computers at the insured premises; and c. computers anywhere in the United Kingdom; and d. equipment whilst temporarily removed from the insured premises and in transit anywhere in the United Kingdom; and e. portable computers anywhere in the world.
Hazardous substances	<p>2. We will pay for the additional cost to repair, replace, clean-up or dispose of equipment or computers solely due to contamination by a hazardous substance following a failure occurring during the period of insurance.</p>
Reconstitution of electronic data	<p>3. The reasonable costs for reconstitution of data as a direct result of:</p> <ul style="list-style-type: none"> a. failure covered under this section; or b. derangement occurring during the period of insurance. c. damage occurring at a service provider's premises.
Expediting expenses	<p>4. We will pay for the reasonable costs to make temporary repairs and expedite permanent repairs to or permanent replacement of equipment or computers following failure occurring during the period of insurance.</p>
Building repair and reconstruction requirements	<p>5. If failure of insured equipment, computers or oil or water storage tanks covered by this section causes damage to a building covered by this policy, and the loss is increased by enforcement of any regulation or legal requirement that:</p> <ul style="list-style-type: none"> a. regulates the construction or repair of buildings; or b. establishes land use requirements, <p>then we will pay for the necessary and reasonable additional costs incurred by you to:</p> <ul style="list-style-type: none"> i. demolish and clear the site of undamaged parts; and ii. repair or rebuild the building. <p>If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by any land use regulation or legal requirement.</p>

Oil and water storage tanks	<p>6. We will pay for:</p> <p>a. failure occurring during the period of insurance to oil and water storage tanks, including connected pipework, which belong to you or for which you are legally responsible at the insured premises; and</p> <p>b. the reasonable costs to:</p> <p style="margin-left: 20px;">i. replace the contents of oil storage tanks at the premises; and</p> <p style="margin-left: 20px;">ii. clean and decontaminate property at the premises,</p> <p>following damage to such tanks covered by this section, if the contents of the tank leak, discharge or overflow from the tank or are contaminated as a direct result of the damage</p>
Hire of substitute item	<p>7. If any item is damaged following a failure occurring during the period of insurance, we will pay for the cost of hire charges incurred by you during the period of insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged.</p>
Additional access costs	<p>8. We will pay for necessary additional costs incurred by you in order to gain access to repair or replace your equipment or computers following failure covered under this section and occurring during the period of insurance.</p>
Repair costs investigation	<p>9. We will pay for costs relating to repair investigations and tests by consulting engineers for failure to equipment or computers covered under this section and occurring during the period of insurance.</p>
Energy efficient improvements	<p>9. We will pay an amount in excess of the cost of replacement as new, incurred with our prior consent to replace equipment and computers lost or damaged following failure covered under this section and occurring during the period of insurance with similar equipment that is better for the environment, safer and more efficient.</p>

What is not covered

We will not make any payment for:

1. **damage** to **equipment, computers** or oil or water storage tanks due to **failure** caused by wear and tear, inherent defect, rot, fungus, mould, vermin or infestation, or any gradually operating cause;
2. **failure** caused by:
 - a. a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel;
 - b. an insulation breakdown test of any type of electrical equipment; or
 - c. a **virus**.
3. the value to **you** of any lost or distorted data or information.
4. **damage** to:
 - a. any structure, foundation, masonry, brickwork, cabinet or compartment which supports **equipment, computers** or oil or water storage tanks;
 - b. any insulating or refractory material;
 - c. sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - d. water piping other than boiler feedwater piping, boiler condensate return piping, hot water heating and supply piping or water piping forming a part of a refrigerating or air conditioning system;
 - e. sprinkler system tanks;
 - f. vehicles other than fork-lift trucks, aircraft, floating vessels or any equipment mounted on them;
 - g. dragline, excavation or construction equipment;
 - h. equipment manufactured by **you** for sale;
 - i. tools, dies, cutting edges, crushing surfaces, trailing cables, non-metallic linings, driving belts or bands or any part requiring periodic renewal;

Property – equipment breakdown

Policy wording

- j. any electronic equipment, other than **computers**, used for research, diagnostic, treatment, experimental or other medical or scientific purposes;
 - k. **production or process equipment**;
 - l. domestic laundry, kitchen, audio visual and home entertainment equipment while such equipment is used in private living quarters.
5. **damage** to any **equipment, computers** or oil or water storage tanks not insured under the other property sections of this **policy**.
6. loss or damage recoverable under any maintenance agreement, warranty or guarantee, or which would be recoverable but for a breach of **your** obligations under such agreement, warranty or guarantee.
7. a. **damage** directly or indirectly caused by, resulting from or in connection with **terrorism** or any action taken to control, prevent or respond to **terrorism**;
- b. **damage** in Northern Ireland directly or indirectly caused by civil commotion.
- If there is any dispute between **you** and **us** over the application of this exclusion, it will be for **you** to show that the exclusion does not apply.
8. **war, confiscation and nuclear risks**.
9. the amount of any **excess**.

How much we will pay

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

All losses which arise from the same original cause or event or a single source will be regarded as one incident of loss.

Repair and replacement

At **our** option **we** will repair, replace or pay for any lost or damaged items on the following basis:

- 1. for **equipment, computers**, oil or water storage tanks or other insured items owned by **you**, the cost of repair or replacement as new.
- 2. for **equipment, computers**, oil or water storage tanks or other insured items for which **you** are legally responsible, the lesser of:
 - a. **your** liability in respect of the **equipment** or **computers** or items; or
 - b. the cost of repair or replacement.

Debris removal

We will pay the necessary and reasonable costs and expenses **you** incur to remove debris of **equipment, computers**, oil or water storage tanks or other insured items from the **insured premises** or the area immediately adjacent, following **damage** insured by this section.

Other interests

Any payment **we** make will take into account the interest of any party having an insurable interest in the **property** insured, provided **you** have advised **us** of the nature and extent of the interest together with the name and address of that interested party.

Hire of substitute item

We will pay up to £10,000 per **failure**.

Additional access costs

We will pay up to £20,000 per **failure**.

Repair costs investigation

We will pay up to £25,000 per **failure**.

Energy efficient improvements

We will pay 25% of the new replacement cost of the **damaged equipment** or £25,000, per **failure**, whichever is less.

Your obligations

If any damage occurs

We will not make any payment under this section unless **you**:

- 1. notify **us** promptly of any **failure** which might be covered; and
- 2. arrange for urgent repairs to be done immediately. Before any other repair work begins **we** have the right to inspect the damaged **property**. **We** will tell **you** if **we** want to do this.



Property – equipment breakdown

Policy wording

Backing-up electronic data

You must take all reasonable steps to make back-up copies of all data at least once a week and keep the copies away from the **insured premises**. If **you** do not, **we** may reduce any payment **we** make by an amount equal to the detriment **we** have suffered as a result.

Precautions

You must take reasonable steps to:

1. comply with any statute or order applicable to the insured **equipment, computers** or oil or water storage tanks; and
2. ensure that insured **equipment, computers** and oil or water storage tanks are properly maintained and used in accordance with the manufacturer's recommendations.

We will not make any payment under this section in respect of any incident occurring while **you** are not in compliance with these conditions, unless **you** can demonstrate that such non-compliance could not have increased the risk of the loss occurring in the circumstances in which it occurred.