

## Customer Service

At Royal & Sun Alliance Insurance plc we have a real commitment to customer care. We have built a reputation as the company that puts our customers first and foremost

You can help us to maintain this position by letting us know if you consider that our service has been unsatisfactory - the procedure is outlined below

### Our Commitment to You

We aim to give our customers a high standard of service at all times

If you are unhappy with our service for any reason you should write initially to the Manager of Royal & Sun Alliance Insurance Group at the address shown on your Policy Schedule. This information can also be found in local telephone directories

If matters are not resolved to your satisfaction you are invited to write to:

The Divisional Manager  
Royal & Sun Alliance Insurance plc  
Leadenhall Court  
1 Leadenhall Street  
London  
EC3V 1PP

Telephone No. 020 7734 7211

You may also contact the Consumer Information Department of the Association of British Insurers (ABI) at:

51 Gresham Street  
London  
EC2V 7HQ

Telephone No. 020 7600 3333

or one of its regional offices details of which can be found in local telephone directories

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# Introduction

***Please read this Policy (and the Schedule which forms part of the Policy) to ensure that it meets your requirements***

## **Property Owner's Residential Insurance Policy**

Royal & Sun Alliance insurance plc (herein called the Company) and the Insured agree that

*This Policy the Schedule (including any Schedule issued in substitution) and any endorsements shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears*

*The Proposal or any information supplied by the Insured shall be incorporated in the contract*

*The Company will provide the insurance described in this Policy subject to the terms and conditions for the Period of Insurance shown in the Schedule and any subsequent period for which the Insured shall pay and the Company shall agree to accept the premium*

The parties to a contract of insurance covering a risk situated in the United Kingdom are permitted to choose the law applicable to the contract.

This Policy shall be governed by English Law and English Courts shall have exclusive jurisdiction in any dispute arising under this Policy

## **The Company's Liability**

If the Insured described in the Schedule comprises more than one insured party each operating as a separate and distinct entity then cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each insured party

Provided that the total liability of the Company to all of the insured parties collectively shall not exceed the Sums Insured and Limits of indemnity including any inner limits set up by memorandum or endorsement stated in the Policy

It is understood and agreed that any payment or payments by the Company to any one or more such insured parties shall reduce to the extent of that payment the Company's liability to all such parties arising from any one event giving rise to a claim under this Policy

Signed for and on behalf of the Company

*Royal & Sun Alliance Insurance plc  
Registered in England and Wales No. 93792  
Registered Office - St Mark's Court, Chart Way, Horsham, West Sussex RH12 1XL  
Member of the Insurance Ombudsman Bureau and the Association of British Insurers*

## Policy Definitions

The words or phrases where used in the Policy starting with a capital letter shall have the following meaning within the section in which it appears

**Accidental Damage** shall mean Damage caused by external means other than a deliberate act of the Insured

**Block of Flats** shall mean any block of Flats or buildings converted into flats which have been notified of and accepted the risk

**Buildings** shall mean

- *Residential buildings (including foundations) built mainly of brick stone concrete or other non-combustible material*
- *landlord's fixtures and fittings (including fixed glass and fitted carpets) and tenants improvements for which the landlord is responsible in on or around the Buildings*
- *furnishings and other contents of common parts of the Buildings*
- *gangways pedestrian malls and pedestrian access bridges*
- *walls gates fences and Services*
- *car parks roads pavements and similar surfaces all constructed of solid materials*
- *landscaping excluding external ponds and lakes*
- *patios terraces footpaths swimming pools tennis courts and drives*

all being the property of the Insured or for which they are responsible and situate at the Premises

For the purpose of determining whether any property falls within the definition of Buildings the Company agrees to accept the designation under which such property has been entered in the Insured's books or which has been used by the Insured in computing the Sums Insured hereunder or for which the Insured is responsible under the terms of the lease

**Business** shall mean that which is specified in the Schedule and conducted solely from premises in the United Kingdom and shall include

- [a] ownership repair and maintenance of the Insured's own property
- [b] occupation of the Premises other than for the purpose of operating any trade or business therefrom
- [c] provision and management of canteen social sports and welfare organisations and first aid ambulance and medical services for the benefit of any Person Employed
- [d] fire and security services maintained solely for the protection of premises owned or occupied by the Insured
- [e] private work undertaken by any Person Employed for any director or partner of the Insured or Employee with the prior consent of the Insured

but in respect of Liability Section 1 shall not include any work undertaken Offshore

**Contract Works** shall mean temporary or permanent works executed or in the course of execution at the Premises by or on behalf of the Insured for the purposes of alterations or improvements to the Premises including unfixed site materials for use in connection therewith

**Damage** shall mean loss destruction or damage

**Excess** shall mean the first part of each and every loss to be borne by the Insured at each separate Premises as ascertained after the application of all other terms and conditions of the insurance

**Employee shall mean any**

- [a] person under a contract of service or apprenticeship with the Insured
- [b] labour master and persons supplied by him
- [c] persons employed by labour only sub-contractors
- [d] self employed person
- [e] person hired from any public authority, company, firm or individual

while working for the Insured in connection with the Business

**Family** shall mean the spouse, children (including adopted and foster children), parents or other relatives of the Insured or Resident who normally reside in the same private dwelling as the Insured or Resident

**Indemnity Period** shall mean the maximum period from the date of the Damage for which the Company shall be liable to pay any loss

**Mechanically Propelled Vehicle** shall mean any mechanically propelled vehicle which is licensed for road use or which is compulsorily insurable under any legislation governing the use of motor vehicles

**Rent** shall mean Rent including service charges

**Resident** shall mean the owner, lessee or tenant of any flat and any member of such owners, lessee's or tenant's family

**Residential Building** shall mean any house maisonette flat apartment or block of flats or building converted into flats with its garages or domestic outbuildings

**Services** shall mean telephone gas electricity water mains drains and sewers electrical instruments meters piping cabling and the accessories thereto providing services to or from the Buildings and for which the Insured is responsible

**Stipulations** shall mean European Union Legislation or Building Regulations or local authority or other statutory requirements

**Sum Insured** shall mean the value shown under Item 1 in the Schedule

**Unfurnished** shall mean without sufficient furniture and furnishings for living purposes

**Uninhabitable** shall mean unfit for normal living purposes

**United Kingdom** shall mean Great Britain Northern Ireland the Isle of Man and the Channel Islands

# 1 - Property Damage Insurance - The Cover

If any Items insured suffer Damage by any of the Covers Insured the Company will pay to the Insured the amount of loss in accordance with the provisions of the insurance provided that the Company's liability in any one Period of Insurance shall not exceed

- [i] *in respect of each item on Buildings the Sum Insured*
- [ii] *in respect of the cost of additional metered gas or water £25,000*
- [iii] *any other stated Limit of Liability*

## Property Damage Insurance - The Covers Insured

The following are the Covers Insured except as otherwise stated in the Schedule

Covers Insured	Exclusions
[1] fire lightning explosion earthquake	
[2] storm or flood	<ul style="list-style-type: none"><li>▸ Damage by Frost</li><li>▸ Damage to fences or gates</li></ul>
[3] freezing of fixed water or heating installations water escaping from washing machines or dishwashers fixed water or heating installations oil escaping from a fixed heating installation	<ul style="list-style-type: none"><li>▸ Damage to any Building that has been left unfurnished for more than 30 days</li></ul>
[4] riot civil commotion strike or labour disturbance	
[5] malicious persons or vandals	<ul style="list-style-type: none"><li>▸ Damage by the Insured</li><li>▸ Damage to any Building that has been left unfurnished for more than 30 days</li></ul>
[6] theft or attempted theft.	<ul style="list-style-type: none"><li>▸ Damage to any Building that has been left unfurnished for more than 30 days</li></ul>
[7] subsidence and/or heave of the site on which the buildings stand or of land belonging to the buildings or landslip	<ul style="list-style-type: none"><li>▸ The Excess shown in the Schedule</li><li>▸ Damage to patios terraces footpaths swimming pools tennis courts drives walls fences and gates unless your home is damaged by the same cause and at the same time</li><li>▸ Damage resulting from the movement of solid floors slabs unless the foundations beneath the external walls of your home are damaged by the same cause and at the same time</li><li>▸ Damage resulting from coastal or river erosion.</li><li>▸ Demolition of or structural alteration or structural repair to your home or Damage caused by any of them.</li><li>▸ Faulty workmanship or the use of defective materials or damage</li></ul>

Covers Insured	Exclusions
[8] falling trees or branches	▸ Damage to fences or gates
[9] falling television or radio aerials or aerial fittings or masts	
[10] collision involving aircraft or aerial devices or anything dropped from them vehicles or animals	▸ Damage by domestic pets
[11] In the event that Buildings suffer Damage this Policy extends to include Loss of Rent Receivable for a maximum period of three years from the date of the Damage This Clause will also indemnify the Insured in respect of any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease while the Buildings are Uninhabitable as a result of such Damage	▸ Any amount exceeding 20% of the Buildings Sum Insured
[12] accidental damage for which you are legally responsible to drains pipes cables and underground tanks providing services to or from your buildings	
[13] accidental breakage of glass or sanitary ware fixed to and forming part of your buildings	▸ Damage to any Building that has been left unfurnished for more than 30 days
[14] accidental damage  applicable only where the schedule states cover to be <b>standard plus</b>	▸ Damage by wear and tear gradual deterioration ▸ corrosion rust wet or dry rot marring scratching insects vermin fungus atmospheric or climatic conditions ▸ Damage by a cause listed in paragraphs 2 3 5 6 7 8 or 13 and which is expressly excluded in that paragraph ▸ Faulty workmanship defective design the use of defective materials or Damage caused by any of these ▸ Movement settlement or shrinkage in any part of the buildings or damage caused by any of them ▸ Damage caused by movement of the land belonging to the buildings ▸ Demolition of or structural alteration or structural repair to your home or Damage caused by any of them

**MAINTENANCE:**  
 Your policy does not cover you for the cost of gradual deterioration - it is not a maintenance contract.  
 It is a condition of the policy that you keep your property in good order and take reasonable steps to avoid Damage.

## Buildings - The Basis of Settlement of Claims

The Company will pay the following amounts in respect of Buildings which have suffered Damage

[i] **the cost of rebuilding being**

the cost incurred in rebuilding the Buildings (or of restoring the damaged parts)

- to a condition substantially the same as but not better or more extensive than their condition when new

or if the Buildings have not been maintained in a good state of repairs or the sum insured is less than the full rebuilding cost

- less an appropriate deduction for wear and tear

or if the Insured elects not to rebuild or restore the Buildings (and the Company does not exercise its option allowed by the Company's Option to Rebuild Clause)

**the loss of market value being**

the reduction in the market value of the Buildings immediately following the Damage solely as a result of the Damage but not exceeding the amount which would have been payable had the Buildings been rebuilt or repaired

[ii] **the cost of complying with European Union and Public Authorities' Stipulations being** such additional cost of rebuilding or repair as may be incurred with the Company's consent in complying with Stipulations first imposed upon the Insured following the Damage

The Company shall not be liable for any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the Stipulations

[iii] **the cost of removing debris being** the cost incurred with the Company's consent in

[1] removing debris dismantling demolishing shoring up and propping portions of Buildings

[2] clearing cleaning or repairing Services as a result of Damage

but excluding any costs or expenses

[a] incurred in removing debris from outside the site of the Premises other than from the surface area immediately adjacent to the perimeter of the Premises

[b] incurred or arising from pollution or contamination howsoever caused of property not covered by this insurance

[c] in respect of damage which occurred prior to the granting of cover under this insurance

provided that in respect of pollution or contamination the Company's liability arising from the removal of debris from car parks roads pavements and similar surfaces all constructed of solid materials as defined within Buildings

shall not exceed in

- respect of any one occurrence 10% of the Sum Insured by the relative item on Buildings or £250,000 whichever is the less
- the aggregate in any one Period of Insurance £1,000,000

[iv] **the cost of professional fees being**

those necessarily incurred in the rebuilding or repair but not for preparing any claims

[v] **the cost of replanting trees shrubs plants and turf used in landscaping being**

the cost incurred in restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established

- [vi] **additional sprinkler costs being**  
the costs incurred in upgrading an automatic sprinkler installation to the current LPC Rules solely as imposed upon the Insured by the Company following Damage to the Buildings provided that at the time of Damage the installation conformed to the 28th or 29th Edition Rules or to the LPC Rules current at the time of installation but did not conform to subsequent amendments to those Rules
- [vii] **extinguishment and alarm resetting expenses being**  
the reasonable costs incurred by the Insured in refilling fire extinguishing appliances replacing used sprinkler heads and resetting fire or intruder alarms
- [viii] **the cost of additional metered water or gas charges being**  
those incurred by the Insured as a result of Damage except those in respect of any loss which has not been discovered and remedial action taken within 30 days of occurrence of the Damage subject to the Company's liability not exceeding £25,000 any one claim
- [ix] **the cost of any insurance premiums or in respect of Latent Defects Policies Technical Agents fees being** those necessarily and reasonably incurred by the Insured with the consent of the Company in arranging contract works policies with the Company or in continuing any pre-existing latent defects policies



# Clauses Applicable to Items on Buildings

## Company's Option to Rebuild

The Company may at its option rebuild or restore the Buildings destroyed or portions damaged but without being bound to rebuild or restore the Buildings exactly or completely and only as circumstances permit and in reasonably sufficient manner. The Insured shall at their own expense produce and give to the Company all such plans documents books and information as the Company may reasonably require.

## Contract Works

The insurance by each Item on Buildings extends to include Contract Works to the extent to which the Insured has contracted to arrange cover subject to a limit of £25,000 any one claim at any Premises excluding the first £250 of each and every loss. This insurance shall only apply in so far as the Contract Works are not otherwise insured.

## Contractors Interest Clause

Where the Insured is required to effect insurance on the Buildings in the joint names of themselves and the contractor under the terms of a contract condition then the interest of the contractor in the Buildings as a joint insured is hereby noted subject to details of any single contract valued in excess of £150,000 having been advised to the Company prior to work commencing and an additional premium being paid as appropriate.

## Delays in Rebuilding

The Company shall not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with European Union and Public Authorities' Stipulations unless such delays are wholly outside the control of the Insured.

## Further Investigation Expenses

Where a Building has suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same Building which is not immediately apparent the Company will pay the reasonable costs incurred by the Insured with the Company's prior consent in establishing whether or not such Damage has occurred.

The Company will also pay the reasonable costs incurred by the Insured in establishing whether or not other Buildings in the vicinity have suffered Damage in the same incident but only if such Buildings are subsequently found to have suffered such Damage for which the Company is liable.

## Glass Cover Extension

The cover granted under this insurance in respect of Damage to fixed glass includes the reasonable cost of

- [a] any necessary boarding up or temporary glazing pending replacement of broken glass
- [b] removing and refixing window fittings and other obstacles to replacement

## Inflation Protection

The Building Sum Insured is the amount shown in the Schedule adjusted monthly in line with the House Rebuilding Cost Index prepared by the Royal Institute of Chartered Surveyors or an appropriate alternative index. The annual premium will be based on the adjusted sum insured.

Index linking of the sum insured will continue during repair or replacement following Damage provided the Sum Insured at the time of the Damage represents the full rebuilding cost and the Insured ensures that repair or reinstatement is carried out without undue delay.

**Obsolete Building Materials**

This Policy extends to include the reasonable additional costs incurred in replacement of materials which given consideration to the scientific and technical knowledge at the time of installation construction or fitting were reasonably deemed to be fit for the purpose intended but require replacement with more suitable modern materials

The Buildings shall not be regarded as being better or more extensive than when new provided that the Company's liability for such additional costs shall not exceed 5% of the Sum Insured

**Partial Damage**

Where Damage occurs to only part of the Buildings the Company's liability for all costs in total shall not exceed the amount which the Company would have been liable to pay to rebuild the Buildings had they been wholly destroyed

**Rebuilding on Another Site**

The Buildings may be wholly or partially rebuilt on another site and in any manner suitable to the requirements of the Insured provided that it does not increase the Company's liability

**Reinstatement to Match**

This Policy extends to include the cost of replacement repair or modification of undamaged parts of Buildings that form part of a suite common design or function where the Damage is restricted to a clearly identifiable area or to a specific part

The Company's total liability shall not exceed the amount that would have been payable for replacement repair or modification of the whole property forming a suite common design or function if such property had been wholly destroyed

**Replacement of Locks**

Any cover granted under this insurance in respect of Theft includes the reasonable expenses necessarily incurred in replacing locks which provide entry to the Premises or safes or strongrooms therein consequent upon theft of keys or reasonable evidence that keys have been duplicated by an unauthorised person subject to the Company's liability not exceeding £1,000 any one claim

**Trace and Access**

In the event of Damage resulting from escape of water or oil as covered by this Policy the Company will pay the costs necessarily and reasonably incurred in locating the source of such Damage and subsequently making good.

**Unauthorised Use of Electricity Gas or Water**

The Company will pay the cost of metered electricity gas or water for which the Insured are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the Premises without the Insured's authority subject to the Company's liability not exceeding £25,000 any one claim

It is a condition of this cover that such Premises have been inspected weekly by a responsible person on behalf of the Insured and that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered

## Rent - The Basis of Settlement of Claims

The Company will pay in respect of Buildings which have suffered Damage

- [i] **the loss of Rent** being the actual amount of the reduction in the Rent receivable by the Insured during the Indemnity Period solely in consequence of the Damage
- [ii] **the cost of reletting** being the costs necessarily and reasonably incurred from the date of the Damage until the expiry of the Indemnity Period in reletting the Buildings (including legal fees in connection with the reletting) solely in consequence of the Damage
- [iii] **the additional expenditure** being the expenditure (other than that recoverable under [ii] above) necessarily and reasonably incurred in consequence of the Damage solely to avoid or minimise the loss of Rent during the Indemnity Period but not exceeding
  - the amount of the reduction avoided by such expenditureplus
  - 5% of the sum insured by the item (but not more than £250, 000)

## Clauses Applicable to Items on Rent

### Alternative Accommodation - Reduction of Loss

If in consequence of the Damage the Insured shall use other premises to provide accommodation to tenants the Rent received from those premises during the Indemnity Period shall be taken into account in assessing the loss of Rent

### Buildings Awaiting Sale

If at the time of the Damage the Insured shall have contracted to sell their interest in the Buildings or shall have accepted an offer in writing to purchase their interest in the Buildings subject to contract and the sale is cancelled or delayed solely in consequence of the Damage provided that the Insured shall make all reasonable efforts to complete the sale of the Buildings as soon as practicable after the Damage the Insured may opt for the amount payable by the Company to be as follows

- [a] during the period prior to the date upon which but for the Damage the Buildings would have been sold

**the loss of Rent** being the actual amount of the reduction in the Rent receivable by the Insured solely in consequence of the Damage
- [b] during the period commencing with the date upon which but for the Damage the Buildings would have been sold and ending with the actual date of sale or with the expiry of the Indemnity Period if earlier

**the loss in respect of interest** being
  - [1] the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the Business
  - [2] the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under 1)less any amount receivable in respect of Rent
- [c] **the additional expenditure** being
  - [1] the expenditure necessarily and reasonably incurred in consequence of the Damage solely to avoid or minimise the loss payable under [a] or [b] immediately above but not exceeding the amount of loss avoided by such expenditure plus 5% of the Sum Insured by the item (but not more than £250,000)
  - [2] the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the Damage but not exceeding either an amount equivalent to the expenditure incurred immediately prior to the Damage or £50,000 whichever is the less

except the amount payable shall be adjusted to provide for any benefit derived by the Insured from cancellation of or delay in the sale so that it represents as nearly as may be reasonably practicable the actual loss suffered by the Insured

#### **Loss of Investment Income on Late Payment of Rent**

If as a result of Damage the Company is paying indemnity in respect of loss of Rent and the payment by the Company to the Insured is made later than the date upon which the Insured would normally have expected to receive the Rent from a lessee the Company will pay a further sum representing the investment interest lost to the Insured during the delay period

#### **Managing Agents Premises**

The insurance by each Item on Rent is extended to include loss as insured resulting solely from Damage by any of the Covers Insured to Buildings or other property at any location in the United Kingdom owned or occupied by the Insured's managing agents for the purposes of their business in consequence of which rent receivable by the Insured is reduced

#### **Payments on Account**

Payments on account will be made to the Insured in respect of claims for loss of Rent on the date upon which but for the Damage the Rent would have been due from the lessee

#### **Prevention of Access**

The insurance by each Item on Rent is extended to include loss as insured caused by prevention or hindrance of access to the Buildings or prevention of use of the Buildings in consequence of Damage by any Cover insured to property in the immediate vicinity of the Buildings

#### **Professional Accountants and Legal Fees Clause**

In respect of each Item on Rent if any of the Buildings suffer Damage the Company will pay the reasonable charges payable by the Insured and incurred with the consent of the Company to

- their professional accountants for producing such information as may be required by the Company under the terms of Part B of the Action by the Insured Claims Condition applicable to Property Damage and Engineering insurance and for reporting that such information is in accordance with the Insured's accounts
- their lawyers for determining their contractual rights under any Rent cesser clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim

#### **Rent Free Period**

if at the date of the Damage any Buildings insured by this Policy are subject to a rent free period concession under the terms of the lease then the Indemnity Period stated in the Schedule shall be adjusted by adding the unexpired portion of the rent free period to the number of years shown in the Schedule provided that the Company's liability shall in no case exceed the Sum Insured specified against the relative item or any Limit of Liability stated in the Policy whichever is the lower

#### **Savings**

If any charge or expense payable out of Rent shall cease or reduce during the Indemnity Period in consequence of the Damage the sum saved shall be deducted from the amount otherwise payable under this insurance

## **General Clauses applicable to Property Damage Insurance**

### **Alterations and Additions to the Buildings**

In the event that alterations or additions to the Buildings are effected during the Period of insurance and are not more specifically insured the under-noted increases in cover shall apply from practical completion of the work until the renewal date immediately following such completion

The Sums Insured shall each be increased by such percentage as represents the value of the alterations or additions not exceeding either 10% or £2,000,000 whichever is the less

### **Automatic Cover (Newly Acquired Properties)**

The insurance by the Property Damage Section of this Policy provides automatic cover for premises newly acquired by the Insured in the United Kingdom to the extent that the Insured's interest is not protected by any other more specific insurance provided that

- [a] as soon as reasonably practicable the Insured shall notify the Company in writing of each premises acquired and arrange specific cover with the Company
- [b] this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the Premises
- [c] the Company's maximum liability, any one claim for Buildings and Rent shall not exceed £2,500,000 in respect of any Premises
- [d] in respect of any Premises purchased for renovation refurbishment or redevelopment the costs which were due to be incurred in such renovation refurbishment or redevelopment shall be excluded
- [e] the insurance under this extension shall be subject to all the terms provisions clauses conditions and exclusions of the Policy

### **Automatic Reinstatement of Sum Insured**

In the absence of written notice by the Company or the Insured to the contrary within 30 days of the notification of any Damage the Sums Insured by this insurance will not be reduced by the amount of any loss subject to the Insured paying any appropriate additional premium on the amount of the loss

### **Contracting Purchaser's Interest**

If at the time of any insured Damage the Insured shall have contracted to sell their interest in any Buildings insured and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase to the benefit of this Policy on Buildings and Rent in respect of such Damage to the extent that such Buildings are not otherwise insured by the purchaser or on their behalf without prejudice to the rights and liabilities of the Insured or the Company until completion

In respect of insurance on Rent where Damage has occurred prior to exchange of contracts and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase to the benefit of the Rent insurance to the same extent as the Insured would have if the Building had not been sold

### **Fire Protection Equipment**

The Insured shall take all reasonable measures to ensure that

- [a] any sprinkler or alarm installation or other fire protection equipment for which a reduced premium rate is allowed is maintained in efficient working order
- [b] the routine tests prescribed by the Company are carried out and any defects revealed by such tests are promptly remedied
- [c] the Company's written consent is obtained to any proposed changes repairs or alterations to any sprinkler or alarm installation

**Non-Invalidation**

The insurance shall not be prejudiced

- [a] by repairs structural and other alterations all of a minor nature and general maintenance work being undertaken at the Premises
- [b] by any increase in risk of Damage resulting from an alteration act or omission which occurs without the authority or knowledge of the freeholder mortgagee or lessor

but this shall only protect the interest of the freeholder mortgagee or lessor and shall only apply if the Company shall be notified immediately on the party becoming aware of the increase in risk and any reasonable additional premium required shall be paid

**Temporary Removal**

The insurance extends to include any landlord's fixtures and fittings or other property within the definition of Buildings whilst temporarily at other premises for cleaning renovation repair or other similar purpose and whilst in transit thereto or therefrom by road rail or inland waterway but only to the extent that the property is not otherwise insured

## **General Conditions - Applicable to Property Damage**

### **Alteration**

This insurance shall be avoided with respect to any Buildings insured in regard to which there be any alteration after the commencement of this insurance

[a] by removal

or

[b] by a tenant vacating the Buildings or taking up occupation of the Buildings

or

[c] which increases the risk of Damage as insured by the Policy

or

[d] whereby the interest of the Insured ceases except by will or operation of law

or

[e] in respect of subsidence ground heave or landslip by any building demolition or excavation work being carried out on any adjoining site

unless admitted by the Company in writing

### **Policy Voidable**

This insurance shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular

### **Reasonable Precautions**

The Insured shall take all reasonable precautions to prevent Damage as insured by this Policy

### **Territorial Limits**

The insurance by this Policy shall apply

[a] in respect of the Insured's Premises situated in the United Kingdom and insofar as this insurance extends to include property at other locations

[b] elsewhere in the United Kingdom and the Republic of Ireland

### **Warranties**

Every warranty to which the Buildings or any item thereof is or may be made subject shall from the time the warranty attaches apply and continue to be in force during the whole currency of this insurance

Non-compliance with any such warranty insofar as it increases the risk of Damage as insured by the Policy shall be a bar to any claim in respect of such Damage provided that whenever this insurance is renewed a claim in respect of Damage occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period

# Claims Conditions Applicable to Property Damage

## Action by the Insured

- [a] In the event of any occurrence which may give rise to a claim under this Policy the Insured shall
  - [i] notify the Company immediately
  - [ii] notify the Police Authority immediately if it becomes evident that the damage has been caused by a criminal or malicious act
  - [iii] take and permit to be taken any action which may be reasonably practical to prevent further Damage or minimise the loss
- [b] In the event of a claim being made under this Policy the Insured shall at their own expense provide the Company with
  - [i] full information in writing of the amount of the claim (together with details of any other insurances covering any of the property damaged) within thirty days after the Damage (seven days in the case of Damage caused by any criminal or malicious act) or within such further time as the Company may allow
  - [ii] all such proofs and information relating to the claim as may be reasonably required
  - [iii] a statutory declaration of the truth of the claim (and of any matters connected with it) if requested by the Company
- [c] If the terms of this condition have not been complied with
  - [i] no claim under this Policy shall be payable
  - [ii] any payment on account of the claim already made shall be repaid to the Company forthwith

## Arbitration

If any difference shall arise as to the amount to be paid under this insurance (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions

Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company

## Contribution

If at the time of any Damage there is any other insurance effected by or on behalf of the Insured covering any of the property damaged the liability of the Company hereunder shall be limited to its rateable proportion of such Damage

If any such other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing rateably the liability of the Company hereunder shall be limited to that proportion of the Damage which the Sum Insured under this Policy bears to the value of the property

## Fraud

If a claim is fraudulent in any respect or if fraudulent means are used by the Insured or anyone acting on their behalf to obtain any benefit under this insurance or if any Damage is caused by the wilful act or with the connivance of the Insured all benefit under this insurance shall be forfeited



### **Rights of the Company**

- [a] On the happening of any Damage in respect of which a claim is made under this Policy the Company and any person authorised by them may
  - [i] enter take or keep possession of the Premises where such Damage has occurred
  - [ii] take possession of or require to be delivered to them the Property insured
  - [iii] deal with such property for all reasonable purposes and in any reasonable manner without thereby incurring liability or diminishing any of the Company's rights under this PolicyNo property may be abandoned to the Company whether taken possession of by the Company or not
- [b] No claim under this Policy shall be payable unless the terms of this condition have been complied with

### **Subrogation**

Any claimant under this insurance shall at the request and at the expense of the Company take and permit to be taken all necessary steps in the name of the Insured for enforcing rights against any other party before or after any payment is made by the Company

The Company shall not enforce any rights against

- [a] a tenant or lessee in respect of Damage to the part of the Buildings in the demise of that tenant or lessee or to common parts of the Buildings unless the Damage arises out of a criminal fraudulent or malicious act
- [b] any Company being Parent of or Subsidiary to the Insured or any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of Section 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986

# Property Damage Exclusions

This Policy does not cover

## Data Recognition Exclusion

Unless Damage results from a Defined Peril this insurance does not cover direct or indirect Damage caused by any Failure of a System resulting in Damage (whether direct or indirect) to any such System or to any other property insured

Definitions

For the purposes of this Exclusion

- [a] Failure of a System means the failure or inability of a System (whether or not owned by the Insured)
  - [1] correctly to recognise or utilise any data concerning a date (whether a date in the Year 2000 or any other date) as being such calendar date as the data is intended to represent
  - [2] to operate as a result of any command programmed into the System utilising any date (whether a date in the Year 2000 or any other date)
- [b] System includes computers other computing and electronic and mechanical equipment linked to a computer hardware software programs data electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation
- [c] Microchip includes integrated circuits and microcontrollers
- [d] Defined Peril shall mean to the extent that these are insured by this Policy
  - fire lightning explosion earthquake storm flood freezing of fixed water installations water escaping from washing machines or dishwashers fixed water or heating installations oil escaping from a fixed heating installation riot civil commotion or labour disturbance malicious persons or vandals theft or attempted theft subsidence and/or heave or landslip falling trees or branches falling televisions or radio aerials or aerial fittings or masts collision involving aircraft or aerial devices or anything dropped from them vehicles or animals

Subject otherwise to all the terms Exclusions and Conditions of this Policy

## Radioactive Contamination

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

- [1] ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- [2] the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

## Sonic Bangs

Damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

## **Terrorism**

### **Damage**

- [a] in the United Kingdom (not including the Channel Islands and the Isle of Man) other than in Northern Ireland by fire or explosion occasioned by or happening through or in consequence directly or indirectly of Terrorism

except to the extent stated in the Special Provision - Terrorism

- [b] in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
- [1] riot civil commotion and (except in respect of Damage by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons
- [2] Terrorism

For the purposes of this Exclusion

Terrorism shall mean an act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

In any action suit or other proceedings where the Company alleges that by reason of this Exclusion any Damage is not covered by this Policy (or is covered only up to a specified limit of liability) the burden of proving that such Damage is covered (or is covered beyond that limit of liability) shall be upon the Insured

### **Special Provision -Terrorism**

Subject otherwise to the terms definitions exclusions provisions and conditions of the Policy this insurance includes Damage in the United Kingdom (not including the Channel Islands and the Isle of Man) other than in Northern Ireland by fire or explosion (if insured) occasioned by or happening through or in consequence of Terrorism as defined in the above Terrorism exclusion

provided that the Company's liability in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of insurance shall not exceed

- [a] The limits shown against the undernoted (where insured by this Policy) after the application of all the provisions of the insurance including any Excess

<b>Property/Interests</b>	<b>Limit of Liability</b>
[i] Buildings occupied solely as private dwellings and Buildings of blocks of flats not insured in the name of a private individual (other than trustees or sole traders)	} £2,500,000
[ii] All other property relating to Buildings described in [i] above	}
[iii] The cost of Alternative Accommodation and Rent in respect of Buildings described in [i] above	}

or

- [b] any Limit of Liability or Sum Insured stated in the policy or policy section whichever is the lower

For the purpose of this Special Provision where a block of flats is partly used for retail or other commercial purposes provided that the majority is occupied residentially, a limit of £2,500,000 shall apply to the residential portion and a limit of £100,000 shall apply to the remainder

Any provision in this Policy relating to any sum insured or limit of liability being automatically reinstated following a loss shall not apply to losses covered under this Special Provision

## **War and Allied Risks**

### **Damage occasioned by**

- [a] riot or civil commotion except to the extent that it is specifically insured
- [b] war invasion act of foreign enemy hostilities(whether war be declared or not)civil war rebellion revolution insurrection or military or usurped power

## 2 - Public Liability Insurance - The Cover

In this section, the term Insured shall include, provided they are not entitled to indemnity from any other source and are subject to the terms of the policy as far as they can apply,

- the owner or lessee of the Buildings
- the head lessee
- the managing agents
- the residents' association

▸ if the Insured so requests, any director of the Insured or any employee as though each had been insured separately in terms of this section

### Cover

- [1] The Insured is indemnified against liability at law for Damages and/or claimants' costs awarded by any court of law within the United Kingdom in respect of accidental bodily injury (including death, disease or illness) or accidental damage to material property occurring during any period of insurance
- [a] [i] in or about the Buildings  
[ii] elsewhere in the world in respect of commercial visits by the Insured, any director of the Insured or any non-manual Employee normally resident within the United Kingdom
- [b] incurred by virtue of either Section 3 of the Defective Premises Act 1972 or section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with
- any Buildings formerly owned or leased by the Insured and occupied solely for private residential purposes
  - any private dwelling previously owned or leased by the owner or lessee of any Buildings
- provided that
- at the time of the incident giving rise to liability the Insured or such owner or lessee had disposed of all legal title to and interest in the formerly owned or leased Buildings
  - in the event of this section ceasing to apply to the owner or lessee of any Buildings described the schedule as a result of the sale of such Buildings, the indemnity under this paragraph in respect of such Buildings shall apply to such accidental bodily injury or accidental

### Exclusions

- Damage to property belonging to or held in trust by or in the custody or control of the or any member of the Insured's family or (except for employees' effects) any employee
- Injury or damage arising out of any profession or business other than the Business described in the schedule
- Liability of any resident incurred solely as occupier (not as owner) of the Buildings in which they are residing
- Liability resulting directly or indirectly from pollution or contamination of buildings or other structures or of water or land or the atmosphere unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific place and moment in time.  
For the purposes of the policy we will consider pollution or contamination arising from a sudden identifiable unintended and unexpected incident to have occurred at the time the incident took place
- Injury or damage arising out of ownership, possession or use by or on behalf of the Insured of mechanically propelled vehicles (other than gardening machinery and pedestrian controlled vehicles used in or about the residential properties), caravans, aircraft, hovercraft or boats (other than hand propelled boats)
- Injury to any employee of the Insured arising out of or in the course of employment
- Liability of any director of the Insured or any employee for which the Insured would not have been entitled to indemnity if the claim had been made against the Insured
- Liability assumed by agreement unless the liability would have existed without the agreement
- Any liability under paragraph 1b) in respect of which the Insured owner or lessee is entitled to indemnity from any other source

damage to material property occurring during a period of seven years from the date of such cessation, but will not apply if the liability is covered under a more recently effected or current policy

- Liability resulting directly or indirectly from the transmission of any communicable disease or virus by any of the Insured

The limit of indemnity for all damages and claimants' costs resulting from one original cause is the amount shown in the schedule.

We may at any time pay to the Insured the limit of indemnity (after deduction of any sums already paid) or any lesser amount for which any such claims can be settled and we shall then relinquish the control of such claims and be under no further liability in connection with them.

We will also pay defence costs and other expenses incurred with our written consent.

If the Insured dies having incurred, any liability which is covered by this section we will indemnify the legal personal representatives of the provided that the legal personal representatives observe the terms of the policy as far as they can apply.

- [2] We will pay the costs and other expenses incurred with our written consent, by the Insured and, if the Insured so requests, any director of the Insured or any employee in the defence of criminal proceedings brought, or in an appeal against conviction arising from such proceedings, in respect of breach of the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 provided that proceedings relate to
- the health, safety and welfare of any person other than an employee,
- and
- an offence alleged to have been committed in or about the Buildings during the period of insurance and in the course of the Business.

- Proceedings consequent upon any deliberate act or omission
- Fines or penalties of any kind
- Cost or expenses for which indemnity is provided by any other insurance

### 3 – Employers' Liability Insurance - The Cover

In this section, the term Insured shall include provided they are not entitled to indemnity from any other source and are subject to the terms of the policy as far as they can apply,

- the owner or lessee of the Buildings
- the head lessee
- the managing agents
- the residents' association
- if the Insured so requests, any director of the Insured or any employee as though each had been insured separately in terms of this section

#### Cover

- [1] The Insured is indemnified against liability at law for Damages and/or claimants' costs awarded by any court of law within the United Kingdom in respect of accidental bodily injury (including death, disease or illness) or accidental damage to material property occurring during any period of insurance
- [a] within the United Kingdom

[b] elsewhere in the world in respect of commercial visits by the Insured, any director of the Insured or any non-manual employee normally resident within the United Kingdom arising out of and in the course of employment by the Insured in connection with the Business

The limit of indemnity for all damages and claimants' costs resulting from one original cause is the amount shown in the schedule.

If the Insured dies having incurred any liability which is covered by this section we will indemnify the legal personal representatives of the Insured provided that the legal personal representatives observe the terms of the policy as far as they can apply.

The insurance provided by this paragraph is in accordance with the provisions of any law relating to compulsory insurance of liability to employees within the United Kingdom. The Insured shall repay to us all sums paid by us which we would not have been liable to pay but for the provisions of such law

#### Exclusions

- Liability of any director of the Insured or any employee for which the Insured would not have been entitled to indemnity if the claim had been made against the Insured
- Any legal liability directly or indirectly caused by or contributed to by
  - [a] ionising radiations or contamination by radioactivity from any nuclear fuel or from nuclear waste from the combustion of nuclear fuel
  - [b] the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereofwhere such liability is
  - [i] the liability of any principal
  - [ii] liability assumed by agreement unless the liability would have existed without the agreement
- Liability resulting directly or indirectly from the transmission of any communicable disease or virus by any of the Insured

- [2] We will pay the costs and other expenses incurred with our written consent, by the Insured and, if the Insured so requests, any director of the Insured or any employee in the defence of criminal proceedings brought, or in an appeal against conviction arising from such proceedings, in respect of breach of the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 provided that proceedings relate to
- the health, safety and welfare of any person other than an employee,
- and
- an offence alleged to have been committed in or about the Buildings during the period of insurance and in the course of the Business.
- Proceedings consequent upon any deliberate act or omission
  - Fines or penalties of any kind
  - Cost or expenses for which indemnity is provided by any other insurance

## General Conditions Applicable to Legal Liabilities

### Adjustment

If any part of the Premium or Renewal Premium is based on estimates provided by the Insured the Insured shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record. The Insured shall within one month after the expiry of each Period of Insurance provide such information as the Company may require. The Premium or Renewal Premium shall then be adjusted and the difference paid by or allowed to the Insured.

### Alteration

This Policy shall be avoided if any alterations occur materially altering the facts existing at the commencement of this Policy unless admitted by the Company in writing.

### Observance

Observance of the terms of this section of the Policy relating to anything to be done or complied with by the Insured is a condition precedent to any liability of the Company except in so far as is necessary to comply with the requirements of any legislation enacted in the United Kingdom relating to compulsory insurance of legal liability to employees.

### Policy Voidable

This insurance shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular.

### Reasonable Precautions

The Insured at their own expense shall

- [a] take reasonable precautions to prevent any circumstances or to cease any activity which may give rise to liability under this section of the Policy and to maintain all buildings furnishings ways works machinery plant and vehicles in a sound condition
- [b] as soon as possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require

## **Claims Conditions Applicable to Legal Liabilities Insurance**

### **Action by the Insured**

The Insured shall give to the Company immediate written notice with full particulars of any claim or circumstances which may give rise to a claim (regardless of the Excess)

Every letter claim writ summons and process in connection with such circumstances shall be forwarded to the Company immediately on receipt

Written notice shall also be given by the Insured to the Company immediately the Insured shall have knowledge of any prosecution inquest or inquiry in connection with any circumstances which may give rise to liability under this section of the Policy

No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company which shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute any claim in the name of the Insured for its own benefit and shall have full discretion in the conduct of any proceedings and in the settlement of any claim

The Insured shall give all such assistance as the Company may require

### **Contribution**

Other than in respect of the Contingent Motor Liability Extension to Section 2 if at the time of any claim there is or but for the existence of this Policy there would be any other insurance covering the same legal liability the indemnity will not apply except in respect of any amount beyond that which would have been payable under such other insurance had this section of the Policy not been effected

### **Notice of Adjudication**

The Insured shall upon receipt of a Notice of Adjudication relating to any circumstance which has given or may give rise to a claim under this Policy provide immediate notice (or on the first working day thereafter) thereof by telephone to the Company

A notice of Adjudication means any notice issued to a party to a contract to which Housing Grants, Construction and Regeneration Act 1996 applies stating an intention to refer a dispute under the contract to adjudication



# **General Clauses applicable to Legal Liabilities Insurance**

## **Applicable to Sections 2 (Public Liability) & 3 (Employers' Liability)**

### **Compensation for Court Attendance**

In the event of any of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity the Company will provide compensation to the Insured at the following rates per day for each day on which attendance is required

- |     |  |      |
|-----|--|------|
| [a] | any director or partner of the Insured | £500 |
| [b] | any Employee                           | £250 |

## **Applicable to Section 2 (Public Liability)**

### **Contingent Motor Liability**

Notwithstanding the exclusion in respect of mechanically propelled vehicles the Company will provide indemnity to the Insured against legal liability arising out of the use in the course of the Business by any Employee of any mechanically propelled vehicle not the property of nor provided by the Insured.

The indemnity will not apply to legal liability

- [a] in respect of loss of or damage to such vehicle or to property conveyed therein
- [b] arising while such vehicle is being driven by the Insured
- [c] in respect of which the Insured is entitled to indemnity under any other insurance
- [d] arising outside the United Kingdom

### **Data Protection Act 1988**

The Business shall include the provision of any reciprocal arrangement for the storage or processing of computer data or for use of computer facilities

Provided that the indemnity will not apply to legal liability in respect of any loss or damage sustained by any party to such an arrangement

The Company will also provide an indemnity to the Insured and if the Insured so requests any Employee or director or partner of the Insured against legal liability to pay damages and claimant's costs and expenses for damage or distress as described in Section 13 of the Data Protection Act 1988

Provided that the Insured is registered in accordance with the terms of the Act or has applied for such registration which has not been refused or withdrawn and has taken all reasonable care to comply with the requirements of the Data Protection Act 1984

This Extension shall not apply in respect of

- [a] the payments of fines or penalties
- [b] the costs of replacing reinstating rectifying erasing blocking or destroying any personal data
- [c] liability arising from or caused by a deliberate or intentional act by or omission of any person eligible for indemnity by this Extension if the result thereof could reasonably have been expected by the Insured or any other person having regard to the nature and circumstances of such act or omission
- [d] claims which arise out of circumstances notified to previous insurers or known to the Insured at inception of this Extension
- [e] legal liability where indemnity is provided by any other insurance

### **Overseas Personal Liability**

The Company will provide indemnity to the Insured and if the Insured so requests any Employee or director or partner of the Insured against legal liability incurred in a personal capacity while temporarily outside the United Kingdom in connection with the Business

The indemnity will not apply

- [a] to legal liability arising out of the ownership or occupation of land or buildings
- [b] where indemnity is provided by any other insurance

### **Applicable to Sections 3 (Employers' Liability)**

#### **Unsatisfied Court Judgements**

In the event of a judgement for damages being obtained

- [a] by any Employee or the personal representatives of any Employee in respect of Injury of the Employee caused during the Period of Insurance and arising out of and in the course of employment by the Insured in the Business
  - [b] against any company or individual operating from premises within the United Kingdom in any court situate in the territories specified in B) above and
  - [c] remaining unsatisfied in whole or in part six months after the date of such judgement
- at the request of the Insured the Company will pay to the Employee or the personal representatives of the Employee the amount of any such damages and any awarded costs to the extent that they remain unsatisfied

Provided that

- [a] there is no appeal outstanding
- [b] if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the judgement to the CompanyLi

## **Legal Liabilities Exclusion**

### **Data Recognition Exclusion**

The indemnity will not apply to any liability of whatsoever nature which is caused directly or indirectly by or arises out of any Failure of a System or proceedings which result directly or indirectly from or arise out of the Failure of a System

#### **Definitions**

For the purposes of this Exclusion

- [a] Failure of a System means the failure or inability of a System (whether or not owned by the Insured)
  - [1] correctly to recognise or utilise any data concerning a date (whether a date in the Year 2000 or any other date) as being such calendar date as the data is intended to represent
  - [2] to operate as a result of any command programmed into the System utilising any date (whether a date in the Year 2000 or any other date)
- [b] System includes computers other computing and electronic and mechanical equipment linked to a computer hardware software programs data electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation
- [c] Microchip includes integrated circuits and microcontrollers

Subject otherwise to all the terms Exclusions and Conditions of this Policy