



# Terrorism & sabotage

Policy document

United Kingdom

## PREAMBLE

This Policy is a contract of insurance between **you** and **us**. It is important for **you** to review this Policy in its entirety carefully, including **CONDITION 1**, as **your** Policy contains all the details of the cover that **we** provide and when **you** must notify **us** of a claim. This Policy consists of and must be read together with the Schedule and any Clauses and Endorsements that are attached to this Policy. This Policy is not complete unless it is signed and a Schedule is attached.

The Sections of this Policy are identified by the blue lines across the page with white upper case print, these are for information purposes only and do not form part of the cover given by this Policy. Terms in bold upper case print are references to specific Insuring Clauses, Sections or Conditions. Other terms in bold lower case print are defined terms and have a special meaning as set forth in the Definitions section and elsewhere. Words stated in the singular will include the plural and vice versa.

In consideration of the **premium** and in reliance upon the information that **you** provided to **us** prior to the commencement of this insurance, **we** agree to provide the cover as set out below.

## INSURING CLAUSES

### INSURING CLAUSE 1: PROPERTY DAMAGE

#### SECTION A: PROPERTY AND CONTENTS DAMAGE

**We** agree to reimburse **you** for any reasonable sums necessarily incurred to:

- a. repair or rebuild **your premises**, including the costs to remove any debris and for professional services including architects, surveyors and engineers; and
- b. repair or replace **your contents** that have been lost or damaged;

as a direct result of damage to **your premises** first occurring during the **period of the policy** and caused by an **act of terrorism or sabotage**.

#### SECTION B: ADDITIONAL EXPENSES

**We** agree to reimburse **you** for any reasonable sums necessarily incurred:

- a. to make temporary repairs to, expedite permanent repairs for, or expedite permanent replacement of, **your premises or contents**;
- b. to establish the value of the damage to **your premises or contents**;
- c. to locate the source of any water or oil leak, including the repair of any subsequent damage as a direct result of locating the water or oil leak;
- d. for rental payments **you** are legally obliged to pay during any period which **your premises** are unusable;

- e. for any fire department charges **you** incur;
- f. to re-charge fire extinguishing equipment; and
- g. for security guard services to temporarily safeguard **your** damaged **premises**;

as a direct result of an event covered under **INSURING CLAUSE 1 (SECTION A)** only).

#### **SECTION C: BUILDING REGULATIONS AND LAWS**

We agree to reimburse **you** for the reasonable additional costs to repair or rebuild **your premises** to the minimum standards required to comply with the building regulations and laws applicable at the time of the repair or rebuild of **your premises**, as a direct result of an event covered under **INSURING CLAUSE 1 (SECTION A)** only).

#### **SECTION D: LOOTING POST DAMAGE**

We agree to reimburse **you** for any reasonable sums necessarily incurred to repair or rebuild **your premises**, or to repair or replace **your contents**, as a direct result of damage caused by looting, burglary or theft occurring as a direct result of an event covered under **INSURING CLAUSE 1 (SECTION A)** only).

#### **SECTION E: POLLUTANT AND CONTAMINANT CLEAN-UP COSTS**

We agree to reimburse **you** for any reasonable sums necessarily incurred to extract or clean up **pollutants** as a direct result of an event covered under **INSURING CLAUSE 1 (SECTION A)** only), provided that the **pollutants** were owned by **you** or in **your** care, custody and control at the time the event occurred.

### **INSURING CLAUSE 2: BUSINESS INTERRUPTION AND LOSS OF RENT**

#### **SECTION A: ACTUAL LOSS SUSTAINED AND INCREASED COST OF WORKING**

We agree to reimburse **you** for **your actual loss sustained** and **increased cost of working** during the **indemnity period** as a direct result of an interruption to **your** business activities caused by damage to **your premises** or **contents**, first occurring during the **period of the policy** and caused by an event covered under **INSURING CLAUSE 1 (SECTION A)** only).

#### **SECTION B: GROSS RENTALS AND ALTERNATIVE PREMISES**

We agree to reimburse **you** for:

- a. **your actual loss sustained** during the **indemnity period** as a direct result of a reduction in **your rental income** caused by an event covered under **INSURING CLAUSE 1 (SECTION A)** only); and
- b. the following costs reasonably incurred in the event **your premises** become uninhabitable or inaccessible during the **period of the policy** as a result of an event covered under **INSURING CLAUSES 1 (SECTION A)** only) or **2 (SECTION D)** only) to:
  - i. re-locate **your** residential tenants, leaseholders or their tenants;
  - ii. rent alternative but substantially the same and not better premises for them;

- iii. store their furniture and belongings where they cannot be re-located to any alternative premises referred to in part ii. above;
- iv. provide reasonable alternative accommodation for domestic pets where such pets are not permitted in any alternative premises referred to in part ii. above; and
- v. temporarily store **your contents** or contents of common areas;

within the territorial scope stated in the Schedule during the **indemnity period**.

### SECTION C: UTILITIES

We agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of an interruption to **your** business activities arising directly out of the failure in the supply of water, gas, electricity, telephone or internet services to **your premises** for more than 4 consecutive hours as a direct result of damage to the property of **your** supplier of these services, including damage to the supplier's feeder lines or pipelines that supply these services to **your premises**, first occurring during the **period of the policy** and caused by an **act of terrorism or sabotage**.

### SECTION D: PREVENTION OR RESTRICTION OF ACCESS TO PREMISES

We agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of an interruption to **your** business activities caused by:

- a. damage at **third party** property which prevents access to **your premises** for longer than the **time franchise**; or
- b. prevention or restriction of access to **your premises** for longer than the **time franchise** by order of any governmental or law enforcement agency;

first occurring during the **period of the policy** and caused by an **act of terrorism or sabotage**.

### SECTION E: CONTINGENT BUSINESS INTERRUPTION

We agree to reimburse **you** for **your actual loss sustained** incurred during the **indemnity period** as a direct result of an interruption to **your** business activities caused by damage to the premises of an organisation with which **you** have a contractual arrangement to purchase goods or services that directly results in:

- a. the organisation's inability to fulfil their contractual obligations to **you**; or
- b. **your** inability to supply goods or services to **your** customers;

first occurring during the **period of the policy** and caused by an **act of terrorism or sabotage**.

### SECTION F: LOSS OF ATTRACTION

We agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of an interruption to **your** business activities caused directly by an **act of terrorism or sabotage** first occurring during the **period of the policy** at:

- a. any property situated within one mile from **your premises**; or
- b. any property listed in a specified loss of attraction endorsement attaching to this policy which **we** have issued.

#### SECTION G: THREAT

**We** agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of an interruption to **your** business activities caused directly by any specific threat first made during the **period of the policy** to carry out an **act of terrorism or sabotage** at **your premises**, provided that the interruption to **your** business activities lasts longer than the **time franchise**.

#### SECTION H: PROFESSIONAL FEES

**We** agree to pay on **your** behalf any reasonable sums necessarily incurred for professional fees to determine the amount of **your actual loss sustained** following an event covered under **INSURING CLAUSE 2**.

#### INSURING CLAUSE 3: BODILY INJURY AND PROPERTY DAMAGE LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **bodily injury** or **property damage** first occurring during the **period of the policy** and caused by an **act of terrorism or sabotage**.

**We** will also pay **costs and expenses** on **your** behalf.

#### INSURING CLAUSE 4: BRAND REHABILITATION

**We** agree to reimburse **you** for any reasonable sums necessarily incurred with **our** prior written agreement (which will not be unreasonably withheld) for advertising costs or the services of a public relations consultancy for the sole purpose of resuming or continuing **your** business activities or reducing the amount of **your actual loss sustained** as a direct result of an event covered under **INSURING CLAUSE 1 (SECTION A only)**.

#### INSURING CLAUSE 5: COURT ATTENDANCE COSTS

**We** agree to reimburse **you** for any reasonable sums necessarily incurred by **you** with **our** prior written agreement (which will not be unreasonably withheld) to attend court or any tribunal, arbitration, adjudication, mediation or other hearing in connection with any claim for which **you** are entitled to indemnity under this Policy.

## HOW MUCH WE WILL PAY

The maximum amount payable by **us** in respect of each Section and each Insuring Clause will not exceed the **limit of liability**.

In respect of **INSURING CLAUSE 1**, if **we** pay to replace **your contents**, **we** will do so on a new for old basis.

In respect of **INSURING CLAUSE 1 (SECTION A only)**, in the event the cost of repair, replacement or rebuilding is greater than the **limit of liability**, then **we** will consider increasing the **limit of liability** up to an amount that is equal to 135% of the **limit of liability** of this Section.

Where more than one claim under this Policy arises from the same **act of terrorism or sabotage**, all of those claims will be deemed to be one claim and only one **limit of liability** for each applicable Section will be payable. In respect of this paragraph, **INSURING CLAUSE 3** is considered a Section.

**We** may at any time pay to **you** in connection with any **claim** the amount of the **limit of liability** (after deduction of any amounts already paid). Upon that payment being made **we** will relinquish the conduct and control of the **claim** and be under no further liability in connection with that **claim** except for the payment of **costs and expenses** incurred prior to the date of such payment (unless the **limit of liability** is stated to be inclusive of **costs and expenses**).

If **costs and expenses** are stated in the Schedule to be in addition to the **limit of liability**, or if the operation of local laws require **costs and expenses** to be paid in addition to the **limit of liability**, and if a damages payment in excess of the **limit of liability** has to be made to dispose of any **claim**, our liability for **costs and expenses** will be in the same proportion as the **limit of liability** bears to the total amount of the damages payment.

## YOUR DEDUCTIBLE

**We** will only be liable for that part of each and every claim which exceeds the amount of the **deductible**. If any expenditure is incurred by **us** which falls within the amount of the **deductible**, then **you** will reimburse that amount to **us** upon **our** request.

Where more than one claim under this Policy arises from the same original cause or single source or event all of those claims will be deemed to be one claim and only one **deductible** will apply.

In respect of **INSURING CLAUSE 2 (SECTIONS D and G only)**, a single **time franchise** will apply to each claim.

Where cover is provided under multiple Sections or multiple Insuring Clauses only one **deductible** will apply to that claim and this will be the highest **deductible** of the Sections under which cover is provided.

## DEFINITIONS

1. **"Act of terrorism or sabotage"** means  
any act of force or violence or any subversive act by an individual or group, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.
2. **"Actual loss sustained"** means  
**your** income that, had the incident which gave rise to the claim not occurred, would have been generated directly from **your** business activities (less sales tax) during the **indemnity period**, less:
  - a. actual income (less sales tax) generated directly from **your** business activities during the **indemnity period**; and
  - b. any cost savings achieved as a direct result of the reduction in income.
3. **"Bodily injury"** means  
death, bodily injury, mental injury, illness or disease.
4. **"Building address"** means  
a building address stated in the Schedule of Premises.
5. **"Claim"** means
  - a. a written demand for money or services; or
  - b. a threat or initiation of a lawsuit;made against **you**.
6. **"Claims managers"** means  
the claims managers stated in the Schedule.
7. **"Company"** means  
the company named as the Insured in the **Schedule**.
8. **"Computer systems"** means  
all electronic computers including operating systems, software, hardware, microcontrollers and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

9. "Contents" means

items that the **company** owns or is legally responsible for that are used primarily in connection with **your** business activities and are not permanently attached to a building, including:

- a. improvements made to the **premises** by **you** as a tenant, including decorating, flooring, internal fixtures and fittings, aerials and satellite dishes;
- b. desktop computer hardware and ancillary equipment (including monitors, keyboards and printers);
- c. television, photocopying and telecommunications equipment;
- d. wines, spirits and tobacco kept for entertainment purposes;
- e. works of art and precious metals;
- f. valuable documents including plans and designs in paper format;
- g. heating oil contained in fixed tanks in the open at **your premises**;
- h. refrigeration, ventilation, cooking, dishwashing and laundry appliances;
- i. locks and keys, provided this is necessary to maintain the security of **your premises** or safes;
- j. patterns, models, moulds, plans and designs;
- k. any trailer, provided that it was unattached from, being attached to, or being detached from, a motor vehicle when the damage occurred;
- l. outdoor signs located on the **premises**; and
- m. cash, bank and currency notes, cheques, bankers drafts, share and bond certificates, provided the loss or damage occurs whilst in a locked safe at **your premises** or whilst in secure transit.

"Contents" also means the personal belongings of any **employee** or visitor whilst at **your premises**, provided they are not covered under any other insurance.

10. "Costs and expenses" means

- a. **third party** legal and professional expenses (including disbursements) reasonably incurred in the defence of **claims** or circumstances which could reasonably be expected to give rise to a **claim** or in quashing or challenging the scope of any injunction, subpoena or witness summons;
- b. any post judgment interest; and
- c. the cost of appeal, attachment and similar bonds including bail and penal bonds.

Subject to all costs and expenses being incurred with the **claims managers'** prior written agreement (which will not be unreasonably withheld).

11. "Deductible" means

the amount stated as the deductible in the Schedule.

12. **"Employee"** means  
any employee, volunteer or contract employee of the **company**.
13. **"Expiry date"** means  
the expiry date stated in the Schedule.
14. **"Inception date"** means  
the inception date stated in the Schedule.
15. **"Increased cost of working"** means  
**your** reasonable sums necessarily incurred in addition to **your** normal operating expenses to mitigate an interruption to and continue **your** business activities, provided that the costs are less than **your** expected **actual loss sustained** had these measures not been taken.
16. **"Indemnity period"** means  
the period beginning on the date the:
- a. damage was first discovered;
  - b. prevention of access first occurred;
  - c. in respect of **INSURING CLAUSE 2 (SECTION C only)**, failure in the supply of water, gas, electricity, telephone or internet services to **your premises** first occurred;
  - d. in respect of **INSURING CLAUSE 2 (SECTION F only)**, **act of terrorism or sabotage** first occurred; or
  - e. in respect of **INSURING CLAUSE 2 (SECTION G only)**, threat was first made to carry out an **act of terrorism or sabotage** at **your premises**;
- and lasting for the **indemnity period** stated in the Schedule.
17. **"Independent expert"** means  
a suitably qualified lawyer or accountant with a minimum of 5 years' experience in the subject matter of the claim.
18. **"Limit of liability"** means  
if expressed in the Schedule as:
- a. "limit of liability" or "amount insured", the maximum amount payable by **us** in respect of each claim; or
  - b. "aggregate limit of liability" or "aggregate amount insured", the maximum amount payable by **us** in respect of all claims under this Policy.
19. **"Period of the policy"** means  
the period between the **inception date** and the **expiry date** or until the Policy is cancelled in accordance with **CONDITION 6**.

20. **"Pollutants"** means

any solid, liquid, gaseous, radiological or thermal irritant, toxic or hazardous substance, or contaminant including, but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials, including recycled, reconditioned or reclaimed materials.

21. **"Premises"** means

- a. the building;
- b. any completed extension to the building;
- c. any permanently installed machinery and equipment;
- d. any permanently attached fixtures and fittings;
- e. landlord's fixtures and fittings;
- f. retaining walls, outdoor walls, gates, fences, yards, car parks, roadways and pavements;
- g. trees, shrubs, plants and lawns;
- h. piping, ducting, cables, wires and accessories extending to the public mains that **you** are responsible for; and
- i. fixed glass in windows, doors, skylights, mirrors fixed to the building, glass showcases and shelves fixed to the building, sanitary fixtures and fittings and other fixed glass;

at the **building address**.

22. **"Premium"** means

the amount stated as the premium in the Schedule and any subsequent adjustments.

23. **"Property damage"** means

direct physical damage to, destruction of, loss of possession or loss of use of tangible property.

24. **"Referral areas"** means

any purchase or interest located in the following Post Codes: E1, EC1, EC2, EC3, EC4, E14, SE1, W1, WC1, WC2 or SW1.

25. **"Rental income"** means

- a. the anticipated gross rental income from tenant occupancy of **your premises**;
- b. the amount of all charges which are the legal obligation of the tenants, which would otherwise be **your** obligation; and
- c. the fair rental value of any portion of **your premises** which is occupied by **you**.

26. **"Third party"** means

any person who is not an **employee** or any legal entity that is not the **company**.

27. **"Time franchise"** means

the number of hours stated as the time franchise in the Schedule.

28. **"Total insured value"** means  
the amount stated as the total insured value in the Schedule of Premises.
29. **"We/our/us"** means  
the Underwriters stated in the Schedule.
30. **"You/your"** means  
the **company** and **employees**.

## EXCLUSIONS

**We** will not make any payment under this Policy:

### EXCLUSIONS RELATING TO BODILY INJURY AND PROPERTY DAMAGE LIABILITY In respect of **INSURING CLAUSE 3** only:

1. **Asbestos**  
arising directly or indirectly out of any exposure to asbestos, materials or products containing asbestos or asbestos fibres or asbestos dust.
2. **Employers' liability**  
arising directly or indirectly out of **bodily injury to your employees**.
3. **Toxic mould**  
arising directly or indirectly from the toxic properties of any fungus, mould, mildew or yeast.

### EXCLUSIONS RELATING TO ALL INSURING CLAUSES

4. **Chemical or biological exposure**  
arising directly or indirectly out of any chemical or biological emission, release, discharge, dispersal, escape, or exposure of any kind.  
  
However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTION E)** only).
5. **Civil unrest**  
arising directly or indirectly out of any vandalism, protest, strike, labour unrest, riot or civil commotion.  
  
However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTION D)** only).
6. **Cyber perils**  
arising directly or indirectly out of any:

- a. actual or suspected unauthorised access to or electronic attack designed to damage, destroy, corrupt, overload, circumvent or otherwise impair the functionality of any **computer systems**, including a denial of service attack, cyber terrorism, hacking attack, Trojan horse, phishing attack, man-in-the-middle attack, application-layer attack, compromised key attack, malware infection (including spyware or ransomware) or computer virus;
- b. unintentional human error in entering, processing or amending electronic data within any **computer systems** or in the upgrading, maintenance or configuration of any **computer systems**; or
- c. application bug, internal network failure, external network failure or hardware failure directly impacting any **computer systems** which renders them incapable of supporting their normal business function.

## 7. Excluded property

for the costs to repair, replace or rebuild:

- a. land or growing crops;
- b. aircraft or any other aerial device or watercraft;
- c. a land conveyance, including vehicles, locomotives or rolling stock, unless the land conveyance is specifically insured under this Policy and was located at **your premises** at the time it is damaged;
- d. animals, plants and living things of all types; or
- e. property in transit not on **your premises**.

## 8. Looting, burglary or theft

arising directly or indirectly out of looting, burglary or theft.

However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTION D)** only).

## 9. Nuclear

arising directly or indirectly from or contributed to by:

- a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component.

However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTION E)** only).

## 10. Other insurance

for which **you** are entitled to indemnity under any other insurance except for:

- a. any additional sum which is payable over and above the other insurance where that insurance has been declared to **us**; or

b. any contribution that **we** are obliged to make by law and that contribution will be in proportion to the indemnity available under the policies.

#### 11. **Pollutants**

arising directly or indirectly out of the discharge, dispersal, release, migration, seepage or escape of **pollutants**.

However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTION E)** only).

#### 12. **Threat of a malicious act**

in respect of **INSURING CLAUSES 1 and 2**, arising directly or indirectly out of any threat to inflict **bodily injury** on any person at **your premises** or damage or destroy **your premises** or **contents**.

However, this Exclusion will not apply to **INSURING CLAUSE 2 (SECTION G)** only).

#### 13. **Uninsurable fines**

for fines, penalties, civil or criminal sanctions or multiple, punitive or exemplary damages, unless insurable by law.

#### 14. **Utilities failure**

arising directly or indirectly out of any failure in the supply of water, gas, electricity, telephone or internet, including any surge or spike in voltage, electrical current or transferred energy.

However, this Exclusion will not apply to **INSURING CLAUSE 2 (SECTION C)** only).

#### 15. **War**

arising directly or indirectly out of war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or mounting to an uprising, military or usurped power, or any action taken in controlling, preventing, suppressing or in any way relating to these acts or events.

## CONDITIONS

### 1. **What you must do if an incident takes place**

If **you** become aware of any incident which may reasonably be expected to give rise to a claim under this Policy, **you** must:

- a. report the **act of terrorism or sabotage** or threat of an **act of terrorism or sabotage** to the appropriate law enforcement authorities and provide **us** with a copy of this report at **our** request;

- b. notify the **claims managers** as soon as is reasonably practicable and follow their directions; and
- c. in respect of **INSURING CLAUSE 3**, not admit liability for or settle or make or promise any payment or incur any **costs and expenses** without **our** prior written agreement (which will not be unreasonably withheld).

Due to the nature of the coverage offered by this Policy, any unreasonable delay by **you** in notifying the **claims managers** of the above could lead to the size of the **claim** increasing or to **our** rights of recovery being restricted. **We** will not be liable for that portion of any **claim** that is due to any unreasonable delay in **you** notifying the **claims managers**.

In respect of **INSURING CLAUSE 3**, **we** require **you** to provide full details of the incident, including but not limited to:

- a. the time, place and nature of the incident;
- b. the manner in which **you** first became aware of this incident;
- c. the reasons why **you** believe that this incident could give rise to a **claim**;
- d. the identity of the potential claimant; and
- e. an indication as to the size of the **claim** that could result from this incident.

## 2. Additional property

If during the **period of the policy** **you** purchase or acquire interest in property that:

- a. is of a similar type to **your premises**;
- b. is located in any country insured under this Policy at the **inception date**; and
- c. is not located in any of the **referral areas**;

then **we** will automatically cover the additional property up to 25% of its total insured value for a period of 60 days from the date **you** purchased or acquired the property. **We** will consider providing cover for the additional property after the period of 60 days if **you** give **us** full details of the additional property within 60 days of its purchase or acquisition and **you** agree to pay any additional **premium** required by **us**.

No cover will be automatically provided under this policy for any purchased or acquired property that:

- a. is not of a similar type to **your premises**;
- b. is located outside of any country insured under this Policy at the **inception date**; or
- c. is located in any of the **referral areas**.

However, **we** will consider providing cover for the additional property if **you** give **us** full details of the additional property, accept any amendment to the terms and conditions of this Policy and agree to pay any additional **premium** required by **us**.

### 3. Agreement to pay claims (duty to defend)

**We** have the right and duty to take control of and conduct in **your** name the investigation, settlement or defence of any **claim**. Except as provided for in **CONDITION 4**, **we** will not have any duty to pay **costs and expenses** of any part of a **claim** that is not covered by this Policy.

**We** will always endeavour to settle any **claim** through negotiation, mediation or some other form of alternative dispute resolution and will pay on **your** behalf the amount **we** agree with the claimant. If **we** cannot settle using these means, **we** will pay the amount which **you** are found liable to pay either in court or through arbitration proceedings, subject always to the **limit of liability**.

If **you** refuse to consent to a settlement that **we** recommend and that the claimant will accept, **you** must then defend, investigate or settle the **claim** at **your** own expense. As a consequence of **your** refusal, **our** liability for any **claim** will not be more than the amount that **we** could have settled the **claim** for had **you** consented, plus any **costs and expenses** incurred prior to the date of **your** refusal.

### 4. Allocation

In the event a claim includes both allegations, persons or matters that are covered under this Policy and allegations, persons or matters that are not covered under this Policy, then **you** and **we** will need to agree a fair and reasonable allocation of this claim, including any **costs and expenses**, judgment or settlement amount.

If **you** and **we** cannot agree a fair and reasonable allocation an **independent expert** will be appointed to determine the allocation. The cost of the **independent expert** will be paid for by **us**. Their determination will be based upon written submissions only and will be final and binding. The **independent expert** will be mutually agreed between **you** and **us** but if **you** and **we** cannot agree on the **independent expert** then the matter will be referred to mediation or arbitration in accordance with **CONDITION 8**.

### 5. Calculation of loss

In the event of a claim for any financial loss sustained by **you**, **you** must provide the **claims managers** with **your** calculation of the financial loss including:

- a. how the loss has been calculated and what assumptions have been made; and
- b. supporting documents including account statements, sales projections and invoices.

If **we** are unable to agree with **your** calculation, an appropriate third party expert will be appointed by the **claims managers**.

### 6. Cancellation

This Policy may be cancelled with 30 days written notice provided by **you**.

If **you** give **us** notice of cancellation, the return **premium** will be in proportion to the number of days that the Policy is in effect. However, if **you** have made a claim under this Policy there will be no return **premium**.

**We** reserve the right of cancellation in the event that any amount due to **us** by **you** remains unpaid more than 60 days beyond the **inception date**. If **we** exercise this right of cancellation it will take effect from 14 days after the date the written notice of cancellation is issued.

The Policy Administration Fee will be deemed fully earned upon inception of the Policy.

## 7. Changes in total insured value

**You** must notify **us** as soon as is practicable if during the **period of the policy** the **total insured value** of any **premises** increases due to:

- a. a revaluation;
- b. any construction or renovation work; or
- c. an unintentional error or omission in the valuation of **your premises**.

In this event, **we** will consider continuing to cover the **premises** under this Policy at no additional **premium** if the increase does not exceed 110% of the **total insured value** of the **premises** at the **inception date**.

However, if any of a.-c. above results in an increase that exceeds 110% of the **total insured value** of any **premises** at the **inception date**, then **we** will consider continuing to provide cover for the **premises** if **you** accept any amendment to the terms and conditions of this Policy and agree to pay any additional **premium** required by **us**.

## 8. Dispute resolution

All disputes or differences between **you** and **us** will be referred to mediation or arbitration and will take place in the country of registration of the company named as the insured in the Schedule.

In respect of any arbitration proceeding **we** will follow the applicable rules of the arbitration association in the country where the company stated as the insured in the Schedule is registered, the rules of which are deemed incorporated into this Policy by reference to this Condition. Unless the applicable arbitration association rules state otherwise, a single arbitrator will be appointed who will be mutually agreed between **you** and **us**. If **you** and **we** cannot agree on a suitable appointment then **we** will refer the appointment to the applicable arbitration association.

Each party will bear its own fees and costs in connection with any mediation or arbitration proceeding but the fees and expenses of the arbitrator will be shared equally between **you** and **us** unless the arbitration award provides otherwise.

Nothing in this Condition is intended to remove **your** rights under **CONDITION 15**. However, if a determination is made in any mediation or arbitration proceeding, **CONDITION 15** is intended only as an aid to enforce this determination.

#### 9. Fraudulent claims

If it is determined by final adjudication, arbitral tribunal or written admission by **you**, that **you** notified **us** of any claim knowing it to be false or fraudulent in any way, **we** will have no responsibility to pay that claim, **we** may recover from **you** any sums paid in respect of that claim and **we** reserve the right to terminate this Policy from the date of the fraudulent act. If **we** exercise this right, **we** will not be liable to return any **premium** to **you**. However, this will not affect any non-fraudulent claim under this Policy which has been previously notified to **us**.

#### 10. No higher layer

In the event **you** decide during the **period of the policy** to purchase additional terrorism insurance to the cover provided by this Policy, such as excess terrorism insurance, **you** must notify **us** and obtain **our** written agreement prior to purchasing the additional terrorism insurance.

#### 11. Our rights of recovery

If **we** make any payment under this Policy and **you** have any right of recovery against a **third party** in respect of this payment, then **we** will maintain this right of recovery. **You** will do whatever is reasonably necessary to secure this right and will not do anything after the event which gave rise to the claim to prejudice this right.

**We** will not exercise any rights of recovery against any **employee**, unless this is in respect of any fraudulent or dishonest acts or omissions as proven by final adjudication, arbitral tribunal or written admission by the **employee**.

Any recoveries will be applied as follows:

- a. towards any recovery expenses incurred by **us**;
- b. then to **us** up to the amount of **our** payment under this Policy, including **costs and expenses**;
- c. then to **you** as recovery of **your deductible**.

#### 12. Protection maintenance

**You** must ensure any protection provided for the safety of the **premises** is maintained in good order throughout the **period of the policy** and be in use at all relevant times. This protection must not be withdrawn or varied to the detriment of **our** interest without **our** prior written agreement (which will not be unreasonably withheld).

### 13. Sanctions suspension

It is a condition under this Policy that the provision of cover, the payment of any claim and the provision of any benefit will be suspended, to the extent that the provision of the cover, payment of the claim or provision of the benefit would expose **us** to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, Canada, the European Union, United Kingdom or United States of America. The suspension will continue until such time **we** would no longer be exposed to the sanction, prohibition or restriction.

### 14. Your duty of disclosure

It is your duty to provide **us** with all information which may be material to the cover provided to **you** under this Policy. Failing this, **you** must provide sufficient information to put **us** on notice that **we** should make further enquiries in order to reveal material matters. A matter is material if it would influence a prudent insurer as to whether to accept the risk, the terms of cover provided or the amount of the premium charged.

In the event of any non-disclosure or misrepresentation by **you** of the information **you** provided prior to commencement of this Policy, including representations made in any application document or other material submitted during the underwriting process, the following remedies will be available to **us** based upon what **we** would have done had the information been disclosed or not misrepresented:

- a. if **we** would have issued this Policy on different terms, **we** have the right to amend the terms and conditions of this Policy effective from the **inception date**;
- b. if **we** would have issued this Policy on the same terms but charged a higher premium, **we** have the right to reduce proportionately the amount to be paid on any claim under this Policy and if applicable, the amount already paid on prior claims under this Policy. The amount will be reduced by applying a percentage that has been calculated using the following formula:  $(\text{premium actually charged} / \text{higher premium}) \times 100$ ; or
- c. if **we** would not have issued this Policy, treat this Policy as if it had not existed and return any paid premium.

Nothing in this clause is intended to vary the position under the Insurance Act 2015.

### 15. Choice of law and jurisdiction

This Policy will be interpreted under, governed by and construed in all respects in accordance with the laws of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.