

Business Interruption

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Definitions

The following Definitions apply to this Section in addition to the General Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

NOTE:

To the extent that **You** are accountable to the tax authorities for Value Added Tax all terms of this Section will be exclusive of such tax.

Estimated Gross Rent Receivable

The amount declared by **You** to **Us** as representing not less than the **Gross Rent Receivable** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds twelve months.

Estimated Gross Revenue

The amount declared by **You** to **Us** as representing not less than the **Gross Revenue** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds twelve months.

Gross Rent Receivable

The money paid or payable to **You** for accommodation and services provided (including service charges) at the **Premises**.

Gross Revenue

The money paid or payable to **You** for work done and services rendered in the course of the **Business**.

Indemnity Period

The period beginning with the date of **Damage** and lasting for the period during which **Your Business** is affected as a result of the **Damage**, but not longer than the **Maximum Indemnity Period** shown in the **Schedule**.

Maximum Indemnity Period

The period stated in the policy wording or in the **Schedule** as the maximum indemnity period.

Notifiable Human Infectious or Contagious Disease

Those diseases notifiable under the Public Health (Infectious Diseases) Regulations, 1988, namely:

Acute encephalitis, Acute poliomyelitis, Anthrax, Cholera, Diphtheria, Dysentery, Food poisoning, Leptospirosis, Legionellosis, Malaria, Measles, Meningitis, Meningococcal septicaemia (without meningitis), Mumps, Ophthalmia neonatorum, Paratyphoid fever, Plague, Rabies, Relapsing fever, Rubella, Scarlet fever, Smallpox, Tetanus, Tuberculosis, Typhoid fever, Typhus fever, Viral haemorrhagic fever, Viral hepatitis, Hepatitis A, Hepatitis B, Hepatitis C, Whooping cough, Yellow fever.

No other disease will be added to the above list without **Our** prior written consent.

Outstanding Debit Balances

The individual amounts owed to **You** by **Your** customers and shown as outstanding in **Your** records after adjustment for bad debts, abnormal trading conditions and debit/credit amounts not passed through **Your** books during the period between the last record and the date of **Damage**.

Standard Gross Rent Receivable

The **Gross Rent Receivable** during that period in the twelve months immediately before the date of **Damage** which corresponds with the **Indemnity Period**.

Standard Gross Revenue

The **Gross Revenue** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

Cover

If **Damage** occurs to property used by **You** at the **Premises** for the purposes of the **Business** which occurs during the **Period of Insurance** and causes interruption to or interference with the **Business** at the **Premises**, **We** will indemnify **You** in respect of such loss in accordance with the Basis of Cover stated in the **Schedule** and described below, provided that:

1. at the time of **Damage** there is insurance in force covering **Your** interest in the property at the **Premises** against **Damage** and that:
 - (a) payment has been made or liability admitted under that insurance; or
 - (b) payment would have been made or liability admitted, for the **Damage**, but for the operation of a proviso in the insurance excluding liability for losses below a specified amount.

Our liability in respect of any one occurrence will not exceed:

1. 133.3% of the sum insured for each item in respect of **Estimated Gross Revenue** or **Estimated Gross Rent Receivable**
 2. 100% of each other item
- as shown in the **Schedule**.

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Basis of Cover

Following **Damage** insured by this Section **We** will pay for the following in respect of any of the undermentioned items if insured by this Section.

Gross Revenue (Declaration Linked Basis)

loss thereof due to:

- (a) loss of **Gross Revenue** being the amount by which the **Gross Revenue** during the **Indemnity Period** will fall short of the **Standard Gross Revenue** in consequence of the **Damage**
- (b) increase in cost of working being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Revenue** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the amount of reduction in **Gross Revenue** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such of the charges and expenses of the **Business** payable out of **Gross Revenue** as may cease or be reduced in consequence of the **Damage**.

Gross Rent Receivable (Declaration Linked Basis)

loss thereof due to:

- (a) loss of **Gross Rent Receivable** being the amount by which the **Gross Rent Receivable** during the **Indemnity Period** will fall short of the **Standard Gross Rent Receivable** in consequence of the **Damage**
- (b) increase in cost of working being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Rent Receivable** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the amount of reduction in **Gross Rent Receivable** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such of the charges and expenses of the **Business** payable out of **Gross Rent Receivable** as may cease or be reduced in consequence of the **Damage**.

Increase in Cost of Working

Increase in Cost of Working (where insured as a separate Item) is limited to the additional expenditure necessarily and reasonably incurred as a result of the **Damage** in order to minimise any interruption or interference with the **Business** during the **Indemnity Period**.

Additional Increase in Cost of Working

Additional expenditure necessarily and reasonably incurred by **You** during the **Indemnity Period** in excess of the amount payable under the **Gross Revenue** or **Gross Rent Receivable** basis (as applicable) for the sole purpose of avoiding or diminishing the reduction in:

- (a) **Gross Revenue**
- (b) **Gross Rent Receivable**

in order to resume or maintain normal **Business** operations.

Our liability shall not exceed the sum insured shown in the **Schedule**.

Extensions

The following Extensions will apply subject to all terms, conditions and exclusions of this policy where shown on the **Schedule**.

Our liability under each Extension for any one occurrence will not exceed the limit shown in the **Schedule**.

A. Book Debts

Interruption of or interference with the **Business** in consequence of **Damage** to **Your** records of **Outstanding Debit Balances** contained within the **Premises**. **We** will pay for any net **Outstanding Debit Balances** which **You** are unable to recover from customers as a result of **Damage** to such records and any additional expenditure incurred after such **Damage** in tracing and establishing **Outstanding Debit Balances**.

Our liability in respect of loss of net **Outstanding Debit Balances** and their associated additional expenditure and accountants charges will not exceed the amount stated within the **Schedule** in respect of any one occurrence.

Special Condition

At the end of each month **You** will record the total amount outstanding in customer's accounts and will maintain a separate record, in addition to the books of account, at alternative premises.

B. Compulsory Closure

Interruption of or interference with the **Business** in consequence of compulsory closure by a public body authorised to prevent or restrict access to the **Premises** arising from:

- (a) discovery of a **Notifiable Human Infectious or Contagious Disease** at the **Premises**
- (b) foreign or deleterious matter in food or drink sold, supplied or provided at the **Premises**
- (c) the occurrence at the **Premises** of murder, manslaughter, suicide or rape
- (d) defective sanitation or the presence of vermin or pests.

For the purpose of this cover the **Maximum Indemnity Period** is restated as 3 months.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

C. Documents, Plans, Models and Drawings

Interruption of or interference with the **Business** in consequence of **Damage** to documents, deeds, patterns, models, moulds, drawings, plans, designs or templates belonging to **You** or for which **You** are responsible, whilst at the **Premises** or anywhere within the **Territorial Limits** whilst:

- (a) at any premises not occupied by **You**
- (b) at any exhibition site, provided that such exhibition site is not under canvas or in the open.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

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D. Denial of Access

Interruption of or interference with the **Business** in consequence of **Damage** to property within 1 kilometre of the **Premises** which prevents or hinders the use of or prevents access to the **Premises** but excluding damage to property of any public utility from which **You** obtain supplies or services.

Our liability will not exceed the **Estimated Gross Revenue** or **Estimated Gross Rent Receivable** or Increase in Cost of Working (as applicable) sum insured shown in the **Schedule**.

E. Exhibition Sites

Interruption of or interference with the **Business** in consequence of **Damage** at any trade fair or exhibition at which **You** are to occupy a stand.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

F. Full Failure of Public Utilities

- (a) Interruption of or interference with the **Business** in consequence of **Damage** to property at any:
- (i) generating station or sub-station of the public electricity supplier
 - (ii) land based premises of the public gas supplier or of any natural gas producer linked directly with them
 - (iii) land based premises of the public telecommunications supplier or internet service provider
 - (iv) waterworks or pumping station of the public water supplier
 - (v) within the **Territorial Limits** from which **You** obtain electricity, gas or water supplies or telecommunication services.
- (b) the accidental failure of the public supply of:
- (i) electricity at the terminal ends of the supply undertaking's service feeders at the **Premises**
 - (ii) gas at the supply undertaking's meters at the **Premises**
 - (iii) water at the supply undertaking's main stop cock serving the **Premises**
 - (iv) telecommunications services at the incoming line terminals or receivers at the **Premises** in the **Territorial Limits**.

but excluding:

- (a) any failure which does not involve a cessation of supply for at least
- (i) 4 hours in respect of the public supply of electricity, gas or water
 - (ii) 24 hours in respect of the public supply
- (b) loss resulting from failure caused by:
- (i) the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply or services
 - (ii) strikes or any labour or trade dispute
 - (iii) drought
 - (iv) other atmospheric or weather conditions, but this shall not exclude failure due to damage to equipment caused by such conditions

- (c) loss resulting from:
 - (i) failure of any satellite
 - (ii) interference with transmissions to and from satellites resulting from any cause
 - (iii) failure due to the transfer of **Your** satellite facility to another party
- (d) any failure originating from outside the **Territorial Limits**.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

G. Homeworkers

Interruption of or interference with the **Business** in consequence of **Damage** to **Contents** at the homes of **Your** principals, partners, directors or **Employees** anywhere within the **Territorial Limits**.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

H. Key Employees

Additional expenditure necessarily and reasonably incurred by **You** during the **Period of Insurance** as a consequence of:

- (a) the death of any of **Your** principals, directors or partners; or
- (b) total and permanent disablement of any of **Your** principals, directors or partners which prevents them from carrying out their usual employment or occupation

due to injury caused by accidental and violent means.

We will only pay the additional expenditure that **You** necessarily and reasonably incur solely in order to minimise any interruption or interference with the **Business**, during the **Indemnity Period**, which but for such additional expenditure would have taken place.

Provided that:

- (a) the **Maximum Indemnity Period** shall not exceed 12 months
- (b) **Our** liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

I. National Lottery

For the purpose of this Extension **Employee** shall mean: Any person while working for **You** in connection with the **Business** who is under a contract of service or apprenticeship with **You**.

Interruption of or interference with the **Business** at the **Premises** in consequence of an **Employee** or **Employees** terminating their employment with **You** as a direct result of a confirmed win on the National Lottery in the United Kingdom.

Provided that the **Maximum Indemnity Period** under this Extension shall not exceed 3 months from the date of the confirmed win on the National Lottery.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

J. Property in Transit

Interruption of or interference with the **Business** in consequence of **Damage** to property whilst in transit by road, rail or inland waterway within the **Territorial Limits**.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

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K. Research and Development Costs

Interruption of or interference with the **Business** in consequence of **Damage** to research and development records contained within the **Premises**.

We will pay the reasonable and necessary costs incurred by **You** during the **Indemnity Period** solely to re-constitute records and re-work projects and to restore research and development projects to a state substantially similar to that which existed before the **Damage** provided that:

- (a) the **Maximum Indemnity Period** in respect of this Extension will not exceed 12 months
- (b) **Our** liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

L. Unspecified Contract Sites

Interruption of or interference with the **Business** in consequence of **Damage** at any location not shown in the **Schedule** at which **You** are contracted to undertake work anywhere within the **Territorial Limits**.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

M. Unspecified Customers

Interruption of or interference with the **Business** in consequence of **Damage** at the premises of **Your** direct customers anywhere within the **Territorial Limits**.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

N. Unspecified Storage Sites

Interruption of or interference with the **Business** in consequence of **Damage** at any premise within the **Territorial Limits** not owned or occupied by **You** where **Your** property is stored.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

O. Unspecified Suppliers

Interruption of or interference with the **Business** in consequence of **Damage** at the premises of **Your** direct suppliers, manufacturers or processors of components, goods or materials anywhere within the **Territorial Limits**.

Our liability in respect of any one occurrence will not exceed the amount stated in the **Schedule**.

Clauses

The following Clauses apply to this Section.

Alternative Trading

If during the **Indemnity Period** goods shall be sold or services shall be rendered elsewhere than at the **Premises** for the benefit of the **Business** either by **You** or by others on **Your** behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the **Gross Revenue** or **Gross Rent Receivable** during the **Indemnity Period**.

Payments on Account

Payments on account will be made to **You** during the **Indemnity Period** if desired.

Professional Accountants

We will pay under this Section the reasonable charges payable by **You** to professional accountants for producing any particulars or details or any other proofs, information or evidence as may be required by **Us** and reporting that such particulars or details are in accordance with **Your** books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under the Section will in no case exceed the maximum amount payable.

Separate Departments

If the **Business** is conducted in departments, the independent trading results of which are ascertainable, the provisions of the Basis of Cover sub-paragraphs (a) and (b) of any item on **Gross Revenue** or **Gross Rent Receivable** as appropriate will apply separately to each department affected by the **Damage**.

Trends and Variations

Adjustments will be made for trends of the **Business** and for variations and other circumstances affecting the **Business** either before or after the **Damage**, and which would have affected the **Business** had the **Damage** not occurred, so that the amount paid represents as closely as possible the results which would have been expected if the **Damage** had not occurred.

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Exclusions

The following Exclusions apply to this Section in addition to the General Exclusions at the front of this policy.

This Section does not cover loss arising from any interruption of or interference with the **Business**:

1. In respect of:
 - (a) water, air, runways, railway lines, dams, reservoirs, storage lakes, canals, rigs, wells, tunnels, docks, piers, jetties, excavations, wharfs, mines, and off-shore property
 - (b) animals and growing crops
 - (c) vehicles required to be licensed for road use (including accessories thereon), caravans, trailers, railway locomotives or rolling stock, watercraft, aircraft or spacecraft (including but not limited to satellites)
 - (d) property or structures in the course of demolition, construction or erection and materials, equipment or supplies in connection therewith unless specifically mentioned as insured by the Property Damage Section
2. as a result of **Damage** to:
 - (a) moveable property in the open, fences, gates, vegetation, lawns and shrubs caused by wind, rain, hail, sleet, snow, flood, dust or falling trees
 - (b) property from a garden, yard, open space or any open fronted or open sided building therein by theft or any attempt thereat or malicious damage
 - (c) **Property Insured** at any **Vacant or Unoccupied Buildings** unless agreed by **Us**
 - (d) property stored in any outbuildings or basement caused by storm, flood, leakage of oil or water following bursting or overflowing of oil or water tanks, apparatus or pipes or from any automatic sprinkler installation, unless such property is raised at least 100mm above the ground floor level of the outbuilding or the floor level of the basement
 - (e) any electrical machine or apparatus or component thereof occasioned by its over-running, excessive pressure, short-circuiting or self-heating not resulting in fire
3. caused by or consisting of the bursting of any boiler, economiser (other than a boiler or economiser on the **Premises** or boiler used for domestic purposes only) vessel, machine or apparatus in which internal pressure is due to steam only and belonging to **You** or under **Your** control but this shall not exclude subsequent **Damage** which itself results from a cause not otherwise excluded
4. Explosion in respect of and originating in any vessel machinery or apparatus or its contents, belonging to **You** or under **Your** control which requires to be examined to comply with any statutory regulations unless such vessel, machinery or apparatus is the subject of a policy or other contract providing the required inspection service
5. arising solely from a change in the water table level (i.e. the level below which the ground is saturated with water)
6. caused by:
 - (a) by falling trees caused by felling or lopping carried out by **You** or on **Your** behalf
 - (b) subsidence, ground heave or landslip. This exclusion does not apply where Subsidence under the Property Damage Section is shown as being operative in the **Schedule**, however, **We** will not be liable under this Section for any consequential loss resulting from **Damage**:
 - (i) to yards, forecourts, terraces, drives, roads, pavements, walls, gates and fences unless a Building at the same **Premises** is damaged by the same cause at the same time
 - (ii) caused by or consisting of bedding down of new structures or by the settlement or movement of made up ground or by coastal or river erosion
 - (iii) occurring whilst the whole or part of the **Property Insured** is in the course of erection, structural alterations or repair or demolition
 - (iv) caused by defective design or workmanship or defective materials
 - (v) which commenced prior to the inception of the cover under this Extension
 - (vi) caused by or consisting of fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
7. **Damage to Property Insured**:
 - (a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - (b) (other than fire or explosion) resulting from its undergoing any process of production, packaging, treatment, testing, commissioning, servicing or repair
8. caused by or arising from or consisting of:
 - (a) collapse or cracking of **Buildings**
 - (b) marring, scratching, denting or mechanical or electrical defect, failure, breakdown or derangement
 - (c) gradually operating causes, including but not limited to atmospheric or climatic conditions, wet or dry rot,
 - (d) fungus, rust, corrosion, woodworm, moths, insects, vermin or pests
 - (e) any process involving drying, cleaning, dyeing, staining, repairing, restoring, renovating, fitting, installation, alteration or maintenance of any property
 - (f) use of any article contrary to manufacturers' instructions
 - (g) change in temperature, colour, flavour or finish but this shall not exclude:

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- such **Damage** not otherwise excluded which itself results from a **Defined Peril**
- subsequent **Damage** which itself results from a cause not otherwise excluded

- (h) inherent vice, latent defect, defective design, plan or specification or the use of faulty materials
- (i) wear, tear or depreciation or diminution in value
- (j) faulty or defective workmanship operational error or omission by **You** or any of **Your Employees** but this shall not exclude subsequent **Damage** which results from a cause not otherwise excluded

9. insured by the Equipment Breakdown Section
10. theft or attempted theft where **You** or any director, partner or **Employee** of **Yours** or any member of **Your** family or household be concerned as principal or accessory
11. caused by theft or attempted unless:
 - (a) involving forcible and violent entry to or exit from a Building at the **Premises**
 - (b) involving assault or violence or threat thereof to **You** or any of **Your Employees**
 - (c) as provided for under Property Damage Section Extension Theft of Fixed Fabric of the Building

This Exclusion shall not apply in respect of the period during which **You** or any partner, director or **Employee** of **Yours** is on the **Premises** for the purposes of the **Business**

12. caused by or arising from or consisting of:
 - (a) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons
 - (b) other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **Defined Peril** in so far as it is not otherwise excluded
13. not caused by **Damage** other than as described in Extensions – B. Compulsory Closure, H. Key Employee and I. National Lottery
14. if **Your** interest ceases other than by death or the **Business** is:
 - (a) wound up or carried on by a liquidator or receiver or
 - (b) permanently discontinuedunless **We** agree otherwise in writing.