

Competition Law Compliance:

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**SPECIAL PERILS – (Including Limited Engineering Perils) –
BUSINESS INTERRUPTION**

**SUB-SECTION 1 – SPECIAL PERILS
(other than as provided for in SUB-SECTION 2)**

Notes: The following wordings are designed for use with the Standard Fire Policy (Appendix 4). When used with earlier versions of the Standard Fire Policy

1. the following addition should be made at the head of the extension

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Note: The words “CONSEQUENTIAL LOSS” in capital letters, shall mean loss resulting from interruption or interference with the Business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

2. omit “Exclusions and” from Part A.

Use Part A of the Master Wording and incorporate the Special Conditions from Part B as indicated in Part C. Special Condition 4 should also be included where a deductible applies under the Material Damage insurance.

For insurances covering special peril(s) only the use of the Standard Fire and Special Perils Policy (Appendix 5) is recommended.

MASTER WORDING

Part A

The insurance by (item(s)...of) this policy shall subject to all the Exclusions and Conditions of the Policy (except in so far as they may be hereby expressly varied) and the Special Conditions set out below extend to include:-

Here insert the wording(s) from the boxes in Part C appropriate to the perils(s) selected

Part B

SPECIAL CONDITIONS

1. The liability of the Insurer shall in no case under this extension and the policy exceed the liability of the Insurer stated in the policy.

Note: If a lower limit of liability applies in respect of specific perils the wording should be amended.

2. This insurance does not cover

- (a) CONSEQUENTIAL LOSS occasioned by
- (i) riot or civil commotion (except to the extent they may be specifically insured hereby)
 - (ii) war, invasion of foreign enemy hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power
- (b) loss, destruction or damage occasioned by or happening through or occasioning loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) the radioactive toxic explosion or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- (c) CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through
- (i) civil commotion
 - (iii) any unlawful wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

For this purpose of this Condition –

“unlawful association” means any organisation which is engaged in terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973

“terrorism” means the use of violence for political ends and includes any use of violence for the purpose of putting the public in fear.

In any action, suit or other proceedings where the Insurer alleges that by reason of the provisions of this Condition any CONSEQUENTIAL LOSS is not covered by this policy the burden of proving that such CONSEQUENTIAL LOSS is covered shall be upon the Insured.

- (d) loss resulting from pollution or contamination but this shall not exclude loss from destruction of or damage to property used by the Insured at the Premises for the purpose of the Business, not otherwise excluded, caused by
 - (i) pollution or contamination at the Premises which itself results from a peril hereby insured against
 - (ii) any peril hereby insured against which itself results from pollution or contamination
- 3. The Insured shall at his own expense deliver to the Insurer within 7 days of its happening full details of loss, destruction or damage caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons.
- 4. It shall not be a condition precedent to liability in respect of CONSEQUENTIAL LOSS that payment shall have been made or liability admitted under the insurance covering the interest of the Insured in the property at the Premises against such loss destruction or damage if no payment shall have been made nor liability admitted solely owing to the operation of a proviso in that insurance excluding liability for losses below a specified amount.
- 5. For the purpose of peril(s) (15 to 20) only:-
 - (a) EXPLOSION shall mean the sudden and violent rending of the permanent structure of the plant by force of internal steam pressure causing bodily displacement of any part of the structure together with forcible ejection of the contents.

The undernoted defects do not themselves constitute explosion even though repair or replacement may be necessary but explosion arising from any such defect is not excluded.
 - (b) COLLAPSE shall mean the sudden and dangerous distortion (whether or not attended by rupture) of any part of the plant caused by crushing stress by force of steam gas air or liquid pressure.

The defects referred to above are:
 - (i) wearing away or wasting of the material of the plant by leaking corrosion action of fuel or otherwise

- (ii) slowing developing deformation or distortion of any part of the plant
 - (iii) cracks fractures blisters laminations flaws or grooving even when accompanied by leakage
 - (iv) failure of joints
- (c) OVERHEATING shall mean the sudden and accidental damage to any part of the plant caused by overheating consequent upon general deficiency of water therein and which immediately prevents or makes unsafe its continued use.
6. It shall not be a condition precedent to liability arising from loss, destruction or damage caused by explosion or collapse of steam pipes that there shall be in force an insurance covering the interest of the Insured in the property at the Premises against the loss, destruction or damage giving rise to the claim.
7. In so far as this insurance relates to CONSEQUENTIAL LOSS caused by SUBSIDENCE, GROUND HEAVE or LANDSLIP
- (a) The Insured shall notify the Insurer immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site:
 - (b) The Insured shall then have the right to vary the terms or cancel this cover.

Part C

1. EXPLOSION

CONSEQUENTIAL LOSS caused by EXPLOSION excluding	
(a)	CONSEQUENTIAL LOSS caused by the bursting by steam pressure of any vessel machine or apparatus (not being a boiler or economiser on the Premises) in which internal pressure is due to steam only and belonging to or under the control of the Insured.
(b)	CONSEQUENTIAL LOSS by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

and Special Condition 1 (or 1 and 2 if written on earlier Standard Fire Policy form).

Note: Where the FIRE risk is not covered by the same policy, add the following exclusions –

- “(c) CONSEQUENTIAL LOSS caused by fire resulting from explosion
- (d) CONSEQUENTIAL LOSS caused by explosion
 - (i) of boilers used for domestic purposes only
 - (ii) of any other boilers or economisers on the Premises

(iii) of gas used for domestic purposes only

2. AIRCRAFT

CONSEQUENTIAL LOSS (by fire or otherwise) caused by AIRCRAFT or other aerial devices or articles dropped therefrom excluding CONSEQUENTIAL LOSS by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

and Special Condition 1 (or 1 and 2 if written on earlier Standard Fire Policy form).

Note: Where the FIRE risk is not covered by the same policy, amend the words in brackets to “(other than by fire)”.

3. RIOT

CONSEQUENTIAL LOSS (by fire or otherwise including explosion) caused by RIOT CIVIL COMMOTION STRIKERS LOCKED OUT WORKERS or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding CONSEQUENTIAL LOSS

- (a) arising from confiscation requisition or destruction by order of the government or any public authority
- (b) arising from cessation of work
- (c) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software.

and Special Condition 1 and 3 (or 1, 2 and 3 if written on earlier Standard Fire Policy form)

Note: Where the FIRE risk is not covered by the same policy add the following exclusion:

“(d) by fire caused by Strikers, Locked-out Workers or persons taking part in labour disturbances or malicious persons”.

4. RIOT (FIRE ONLY)

CONSEQUENTIAL LOSS (by fire only) caused by RIOT CIVIL COMMOTION excluding CONSEQUENTIAL LOSS arising from

- (a) confiscation requisition or destruction by order of the government or any public authority

(b) cessation of work

and Special Conditions 1 and 3 (or 1, 2 and 3 if written on earlier Standard Fire Policy form).

5. RIOT AND MALICIOUS DAMAGE

CONSEQUENTIAL LOSS caused by RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding CONSEQUENTIAL LOSS

- (a) arising from confiscation requisition or destruction by order of the government or any public authority
- (b) arising from cessation of work
- (c) caused (other than by fire or explosion) by Malicious Persons (not acting on behalf of or in connection with any political organisation
- (d) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software

and Special Conditions 1, 3 and 4 (or 1, 2, 3 and 4 if written on earlier Standard Fire Policy form).

Note: Where the FIRE risk is not covered by the same policy add “if insured hereby” to the words in brackets in exclusion

(c) and the following exclusion

“(e) by fire caused by Strikers Locked-out Workers or persons taking part in labour disturbances or Malicious Persons.”

6. (a) EARTHQUAKE – FIRE RISK ONLY

CONSEQUENTIAL LOSS (by fire only) caused by EARTHQUAKE

(b) EARTHQUAKE – SHOCK RISK ONLY

CONSEQUENTIAL LOSS caused by EARTHQUAKE (other than by fire)

(c) EARTHQUAKE – FIRE AND SHOCK RISKS

CONSEQUENTIAL LOSS caused by EARTHQUAKE

and Special Condition 1 (or 1 and 2 if written on earlier Standard Fire Policy form).

7. **SUBTERRANEAN FIRE**

CONSEQUENTIAL LOSS caused by SUBTERRANEAN FIRE

8. **SPONTANEOUS FERMENTATION**

CONSEQUENTIAL LOSS (by fire only) resulting from the property's own SPONTANEOUS FERMENTATION or HEATING

and Special Condition 1 (or 1 and 2 if written on earlier Standard Fire Policy form).

9. **STORM**

CONSEQUENTIAL LOSS caused by STORM excluding CONSEQUENTIAL LOSS

- (a) (i) caused by the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
- (ii) caused by inundation from the sea whether resulting from storm or otherwise
- (b) attributable solely to change in the water table level
- (c) caused by frost subsidence ground heave or landslip
- (d) in respect of movable property in the open, fences and gates

and Special Conditions 1 and 4 (or 1, 2 and 4 if written on earlier Standard Fire Policy form)

Note: Where the FIRE risk is not covered by the same policy "lightning" should be added to exclusion (c)

10. **STORM AND FLOOD**

CONSEQUENTIAL LOSS caused by STORM or FLOOD excluding CONSEQUENTIAL LOSS

- (a) attributable solely to change in the water table level
- (b) caused by frost subsidence ground heave or landslip
- (c) in respect of movable property in the open, fences and gates

and Special Conditions 1 and 4 (or 1, 2 and 4 if written on earlier Standard Fire Policy form).

Note: Where the FIRE risk is not covered by the same policy “lightning” should be added to exclusion (b).

11. **ESCAPE OF WATER**

CONSEQUENTIAL LOSS caused by ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding CONSEQUENTIAL LOSS

- (a) caused by water discharged or leaking from any automatic sprinkler installation
- (b) in respect of any building which is empty or not in use

and Special Conditions 1 and 4 (or 1, 2 and 4 written on earlier Standard Fire Policy form).

12. **IMPACT (THIRD PARTY)**

CONSEQUENTIAL LOSS caused by IMPACT by any road vehicle or animal not belonging to or under the control of

- (a) the Insured or any occupier of the premises, or
- (b) their respective employees whilst acting in the course of their employment

and Special Condition 1 (or 1 and 2 if written on earlier Standard Fire Policy form).

13. **IMPACT (THIRD PARTY AND OWN VEHICLES)**

CONSEQUENTIAL LOSS caused by IMPACT by any road vehicle or animal

and Special Conditions 1 and 4 (or 1, 2 and 4 if written on earlier Standard Fire Policy form).

14. **SPRINKLER LEAKAGE**

DAMAGE caused by ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION in the premises not caused by

- (a) freezing whilst the building in so far as it is in the Insured’s ownership or tenancy is empty or not in use

(b) explosion earthquake subterranean fire or heat caused by fire

and Special Condition 1 (or 1 and 2 if written on earlier Standard Fire Policy form).

15. EXPLOSION AND COLLAPSE OF STEAM PIPES

CONSEQUENTIAL LOSS caused by EXPLOSION OR COLLAPSE OF STEAM PIPES at the Premises

and Special Conditions 1, 5(a), 5(b) and 6 (or 1, 2, 5(a), 5(b) and 6 if written on earlier Standard Fire Policy form).

16. EXPLOSION OF VESSELS

CONSEQUENTIAL LOSS caused by EXPLOSION OF VESSELS (other than boilers or economisers) under steam pressure at the Premises

and Special Conditions 1 and 5(a) (or 1, 2 and 5(a) if written on earlier Standard Policy form).

17. EXPLOSION AND COLLAPSE OF VESSELS

CONSEQUENTIAL LOSS caused by EXPLOSION OF VESSELS (other than boilers and economisers) under steam pressure or COLLAPSE of VESSELS (other than boilers or economisers) under steam gas air or liquid pressure at the Premises

and Special Conditions 1, 5(a) and 5(b) (or 1, 2, 5(a) and 5(b) if written on earlier Standard Policy form).

18. COLLAPSE OF BOILERS

CONSEQUENTIAL LOSS caused by COLLAPSE OF BOILERS OR ECONOMISERS at the Premises

and Special Conditions 1 and 5(b) (or 1, 2 and 5(b) if written on earlier Standard Fire Policy form).

19. OVERHEATING OF TUBES

CONSEQUENTIAL LOSS caused by OVERHEATING OF TUBES consequent upon general deficiency of water in the boilers at the Premises

and Special Conditions 1 and 5(c) (or 1, 2 and 5(c) if written on earlier Standard Fire Policy form).

20. OVERHEATING OF BOILERS AND ECONOMISERS

CONSEQUENTIAL LOSS caused by OVERHEATING OF BOILERS OR ECONOMISERS at the Premises

and Special Conditions 1 and 5(c) (or 1, 2 and 5(c) if written on earlier Standard Fire Policy form).

21. SUBSIDENCE GROUND HEAVE, LANDSLIP

CONSEQUENTIAL LOSS caused by SUBSIDENCE or GROUND HEAVE of any part of the site on which the property stands or LANDSLIP excluding

(a) CONSEQUENTIAL LOSS in respect of yards car-parks roads pavements walls gates and fences unless a building at the same premises used by the Insured for the purpose of the Business is also damaged thereby

(b) CONSEQUENTIAL LOSS caused by or consisting of

- (i) the normal settlement or bedding down of new structures
- (ii) the settlement or movement of made-up ground
- (iii) coastal or river erosion
- (iv) defective design or workmanship or the use of defective materials
- (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe

(c) loss resulting from destruction or damage which originated prior to the inception of this cover

(d) CONSEQUENTIAL LOSS resulting from

- (i) demolition construction structural alteration or repair of any property or
- (ii) groundworks or excavation

at the same premises

SUB-SECTION 2 – NOTIFIABLE DISEASE, VERMIN, DEFECTIVE SANITARY ARRANGEMENTS, MURDER AND SUICIDE

Note: The following wordings are designed solely for use with the Standard Fire Policy (Appendix 4). When used with earlier versions of the Standard Fire Policy omit “Exclusions and” from Part A, and add Special Conditions 2(a), (b) and (c) from Part B of Sub-Section 1 substituting “loss” for “Consequential Loss”.

Use Part A of the Master Wording and incorporate the Special Conditions from Part B as indicated in Part C.

MASTER WORDING

Part A

The insurance by (item(s)... of) this policy shall subject to all the Exclusions and Conditions of the policy (except in so far as they may be hereby expressly varied) and the Special Conditions set out below extend to include loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of:-

Here insert the wording(s) from the boxes in Part C appropriate to the peril(s) selected

Part B

SPECIAL CONDITIONS

1. Notifiable Disease shall mean illness sustained by any person resulting from -

- (a) food or drink poisoning, or
- (b) any human infectious or human contagious disease [excluding Acquired Immune Deficiency Syndrome (AIDS)], an outbreak of which the competent local authority has stipulated shall be notified to them.

2. For the purpose of this memorandum

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident, beginning –

- (a) in the case of 1 and 4 above, with the date of the occurrence or discovery
 - (b) in the case of 2 and 3 above, with the date from which the restrictions on the Premises are applied
- and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean months

Premises shall mean not only those locations stated in the Premises definition; in the event that the policy includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this memorandum.

3. For the purpose of this memorandum

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident, beginning with the date from which the restrictions on the Premises are applied (or in the case of 4 above, with the date of the occurrence) and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean months.

Premises shall mean only those locations stated in the Premises definition; in the event that the policy includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this memorandum.

4. The Insurer shall not be liable under this memorandum for any costs incurred in the cleaning, repair, replacement, recall or checking of property.

5. The Insurer shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.

6. The Insurer's liability under this memorandum shall not exceed £..... in any one period of insurance, after the application of all other terms and conditions of the policy.

Part C

Hotels, Restaurants and Public Houses

- | | | |
|---|-----|---|
| 1 | (a) | any occurrence of a Notifiable Disease (as defined below) at the Premises or attributable to food or drink supplied from the Premises |
| | (b) | any discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease |
| | (c) | any occurrence of a Notifiable Disease (in the town/borough of...) (within a radius of 25 miles of the Premises) |
| 2 | | the discovery of vermin or pests at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority |

3 any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order of the competent local authority

4 any occurrence of murder or suicide at the Premises
and Special Conditions 1, 2, 4 and 5.

Schools, Private Hospitals etc.

1 (a) any occurrence of a Notifiable Disease (as defined below) at the Premises or attributable to food or drink supplied from the Premises

(b) any occurrence of an organism at the Premises likely to result in the occurrence of a Notifiable Disease

(c) any occurrence of a Notifiable Disease (in the town/borough of...) (within a radius of 25 miles of the Premises)

2 the discovery of vermin or pests at the Premises

3 any accident causing defects in the drains or other sanitary arrangements at the Premises

which causes restrictions on the use of the Premises on the order or advice of the competent local authority

4 any occurrence of murder or suicide at the Premises

and Special Conditions 1, 3, 4 and 5.

Food Processors and Distributors

1 (a) any occurrence of a Notifiable Disease (as defined below) at the Premises or attributable to food or drink supplied from the Premises

(b) any discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease

2 the discovery of vermin at the Premises

3 any accident causing defects in the drains or other sanitary arrangements at the Premises

which causes restrictions on the use of the Premises on the order or advice of the competent local authority

4 any occurrence of murder or suicide at the Premises

and Special Conditions 1, 3, 4 and 6

- Notes:**
- 1 Use only those parts of the wordings in the boxes as are appropriate
 - 2 Where cover is to be given for decontamination etc add the following memorandum:-

Notwithstanding Special Condition 4 the insurance by this memorandum extends to include the costs and expenses necessarily incurred with the consent of the Insurer in-

- (i) cleaning and decontamination of property used by the Insured for the purpose of the Business (other than stock in trade),
- (ii) removal and disposal of contaminated stock in trade.

at or from the Premises, the use of which has been restricted on the order or advice of the competent local authority solely in consequence of the loss as defined below, provided that the Insurer's liability in respect of (i) and (ii) above shall not exceed £..... in any one period of insurance after the application of all other terms and conditions of the policy.