

**STANDARD FIRE AND SPECIAL PERILS POLICY  
(MATERIAL DAMAGE)**

Competition Law Compliance:

This document has been produced by the ABI to assist members in their handling of a particular matter. Adoption by members of any terms, standards, guidance, recommendations or similar statement contained in this document is voluntary and entirely at the discretion of each individual member.

The following Guidance was introduced by the ABI and has not been updated to reflect the Competition Law Compliance statement above. It is entirely voluntary in nature and should be construed as such.

The Insurer agrees (subject to the terms, definition, exclusions, provisions and conditions of this policy) that if after payment of the first premium any of the Property Insured described in the Schedule be lost destroyed or damaged by any of the perils specified in the Schedule during the period of insurance (or any subsequent period for which the Insurer accepts a renewal premium) the Insurer will pay to Insured the value of the property at the time of its loss or destruction or the amount of the damage or at the Insurer's option reinstate or replace such property or any part of it

Provided that the liability of the Insurer under this policy shall not exceed

- (i) in the whole the total sum insured or in respect of any item its sum insured at the time of the loss destruction or damage
- (ii) the sum insured remaining after deduction for any other loss destruction or damage occurring during the same period of insurance, unless the Insurer shall have agreed to reinstate any such sum insured

This policy incorporates the Schedule, Specification and Endorsements which shall be read together as one contract. Words and expressions to which specific meaning is given in any part of this policy shall have the same meaning wherever they appear.

Signed on behalf of the Insurer

**DEFINITION**

The word "DAMAGE", in capital letters, shall mean loss or destruction of or damage to the Property Insured.

**PERILS**

A. **FIRE** but excluding DAMAGE caused by

- (a) explosion resulting from fire
- (b) earthquake or subterranean fire
- (c) (i) its own spontaneous fermentation or heating, or  
(ii) its undergoing any heating process or any process involving the application of heat

LIGHTING

EXPLOSION

- (i) of boilers
- (ii) of gas

used for domestic purposes only but excluding DAMAGE caused by earthquake or subterranean fire

B EXPLOSION excluding DAMAGE

- (a) caused by or consisting of the bursting by steam pressure of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured
- (b) in respect of and originating in any vessel machinery or apparatus, or its contents, belonging to or under the control of the Insured which requires to be examined to comply with any Statutory Regulations unless such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service
- (c) by fire resulting from explosion
- (d) by explosion
  - (i) of boilers
  - (ii) of gas

used for domestic purposes only

- (e) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

C AIRCRAFT or other aerial devices or articles dropped therefrom excluding DAMAGE

- (a) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- (b) by fire

- D 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 DAMAGE
- (a) arising from confiscation requisition or destruction by order of the government or any public authority
  - (b) arising from cessation of work
  - (c) by fire caused by Strikers Locked-out Workers or persons taking part in labour disturbances or Malicious Persons
- E RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding
- (a) DAMAGE arising from confiscation requisition or destruction by order of the government or any public authority
  - (b) DAMAGE arising from cessation of work
  - (c) DAMAGE by fire caused by Strikers Locked-out Workers or persons taking part in labour disturbances or Malicious Persons
  - (d) As regards of DAMAGE (other than by fire or explosion) directly caused by Malicious Persons not acting on behalf of or in connection with any political organisation
    - (i) DAMAGE by theft or attempted theft
    - (ii) DAMAGE in respect of any building which is empty or not in use
    - (iii) The first £ of each and every loss as ascertained after the application of any condition of Average (Underinsurance)
- F RIOT OR CIVIL COMMOTION in respect of DAMAGE caused by fire only, excluding DAMAGE arising from
- (a) confiscation requisition or destruction by order of the government or any public authority
  - (b) cessation of work
- G EARTHQUAKE
- H EARTHQUAKE in respect of DAMAGE caused by fire only
- J EARTHQUAKE excluding DAMAGE caused by fire
- K SUBTERRANEAN FIRE
- L Fire only resulting from the property's own SPONTANEOUS FERMENTATION OR HEATING
- M STORM excluding
- (a) DAMAGE by
    - (i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
    - (ii) inundation from the sea

whether resulting from storm or otherwise

- (b) DAMAGE attributable solely to change in the water table level
- (c) DAMAGE by lightning frost subsidence ground heave or landslip
- (d) DAMAGE in respect of movable property in the open, fences and gates
- (e) The first £ of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average (Underinsurance)

N STORM OR FLOOD excluding

- (a) DAMAGE attributed solely to change in the water table level
- (b) DAMAGE by lightning frost subsidence ground heave or landslip
- (c) DAMAGE in respect of movable property in the open, fences and gates
- (d) The first £ of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average (Underinsurance)

P ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE

excluding

- (a) DAMAGE by water discharged or leaking from any automatic sprinkler installation
- (b) DAMAGE in respect of any building which is empty or not in use
- (c) The first £ of each and every loss in respect of each separate premises as ascertained after the application of any condition of Average (Underinsurance)

Q 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

R IMPACT by any road vehicle or animal, excluding in respect of DAMAGE caused by any road vehicle or animal 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

the first £ of each and every loss as ascertained after the application of any condition of Average (Underinsurance).

S 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

T SUBSIDENCE or GROUND HEAVE of any part of the site on which the property stands or LANDSLIP excluding

- (a) DAMAGE to yards, car-parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby

- (b) DAMAGE 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) DAMAGE which originated prior to the inception of this cover
- (d) DAMAGE resulting from
  - (i) demolition construction structural alteration or repair of any property or
  - (ii) groundworks or excavation at the same premises
  
- (e) The first £ of each and every loss at each separate premises as a ascertained after the application of any condition of Average (Underinsurance)

### **SPECIAL CONDITION**

In so far as this insurance relates to DAMAGE 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 Insurer shall then have the right to vary the terms or cancel this cover

\* These may be deleted where Peril A is covered

\*\* The word "lighting" may be deleted where Peril A is covered.

## GENERAL EXCLUSIONS

This policy does not cover

- 1 DAMAGE occasioned by
  - (a) riot or civil commotion unless these perils are specified in the Schedule and then only to the extent stated
  - (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 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
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any 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 thereof
  
- 3 DAMAGE in Northern Ireland occasioned by or happening through or in consequence of
  - (a) civil commotion
  - (b) 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 the purpose of this exclusion

“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 or any section of the public in fear

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

- 4 loss or destruction or damage caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Insured, not otherwise excluded, caused by
  - (a) pollution or contamination which itself results from a peril hereby insured against

- (b) any peril hereby insured against which itself results from pollution or contamination
- 5 property which at the time of the happening of DAMAGE is insured by or would but for the existence of this policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
- 6 any property more specifically insured by or on behalf of the Insured
- 7 consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this policy

## **GENERAL PROVISIONS**

### **Condition of Average (Underinsurance)**

The sum insured by each item (under each column) of this policy (other than those applying solely to fees, rent, removal of debris or private dwelling houses) is declared to be separately subject to Average.

Whenever a sum insured is declared to be subject to Average, if such sum shall at the commencement of any DAMAGE be less than the value of the property covered within such sum insured, the amount payable by the Insurer in respect of such DAMAGE shall be proportionately reduced.

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

If at the time of DAMAGE the Insured shall have contracted to sell his interest in any building hereby insured and the purchase shall not have been but shall be thereafter completed, the purchaser on completion of the purchase (if and so far as the property is not otherwise insured against such DAMAGE by him or on his behalf) shall be entitled to benefit under this policy without prejudice to the rights and liabilities of the Insured or the Insurer until completion.

## **GENERAL CONDITIONS**

### **1 Policy Voidable**

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

### **2 Alteration**

This policy shall be avoided with respect to any of the Property Insured in regard to which there be any alteration after the commencement of this insurance

(a) by removal or

(b) whereby the risk of DAMAGE is increased or

(c) whereby the interest of the Insured ceases except by will or operation law unless admitted by the Insurer in writing.

### **3 Warranties**

Every warranty to which this policy 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 policy. Non-compliance with any such warranty in so far as it increases the risk of DAMAGE shall be a bar to any claim in respect of such DAMAGE provided that whenever this policy 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.

### **4 Reasonable Precautions**

The Insured shall take all reasonable precautions to prevent DAMAGE

## **CLAIMS CONDITIONS**

### **1 Action by the Insured**

(a) In the event of DAMAGE the Insured shall

- notify the Insurer immediately
- notify the Police Authority immediately it becomes evident that any DAMAGE has been caused by Malicious Persons
- carry out and permit to be taken any action which may be reasonably practicable to prevent further DAMAGE
- deliver to the Insurer at the Insured's expense
  - i. full information in writing of the property lost destroyed or damaged and of the amount of DAMAGE
  - ii. details of any other insurances on any property hereby insured within 30 days after such DAMAGE (7 days in the case of DAMAGE caused by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons) or such further time as the Insurer may allow
  - iii. all such proofs and information relating to the claim as may reasonably be required
  - iv. if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

(b) No claim under this policy shall be payable unless the terms of this condition have been complied with.

## **2 Fraud**

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

## **3 Reinstatement**

If any property is to be reinstated or replaced by the Insurer the Insured shall at his own expense provide all such plans documents books and information as may reasonably be required. The Insurer shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its sum insured.

## **4 Insurer's Rights following a Claim**

On the happening of DAMAGE in respect of which a claim is made the Insurer and any person authorised by the Insurer may without thereby incurring any liability or diminishing any of the Insurer's rights under this policy, enter take or keep possession of the premises where such DAMAGE has occurred and take possession of or require to be delivered to the Insurer any property insured and deal with such property for all reasonable purposes and in any reasonable manner. No claim under this policy shall be payable unless the terms of this condition have been complied with.

No property may be abandoned to the Insurer whether taken possession of by the Insurer or not.

## **5 Contribution and Average**

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 lost destroyed or damaged the liability of the Insurer hereunder shall be limited to its rateable proportion of such DAMAGE.

If any such other insurance shall be subject to any average (underinsurance) condition this policy if not already subject to any such condition of average shall be subject to average in like manner.

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 Insurer under this policy shall be limited to that proportion of the DAMAGE which the sum insured under this policy bears to the value of the property.

## **6 Subrogation**

Any claimant under this policy shall at the request and expense of the Insurer take and permit to be taken all necessary steps for enforcing rights

against any other party in the name of the Insured before or after any payment is made by the Insurer.

**7 Arbitration**

If any difference arises as to the amount to be paid under this policy (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 Insurer.

**Note:** Where the insurance for any peril is on a first loss basis the Declared Value Clause should be incorporated (see Appendix 10 [General Note 1] and Appendix 11).

**Policy No**

**THE SCHEDULE**

THE INSURER

THE INSURED

PERILS \*Perils .....  
Are operative

THE PROPERTY INSURED As detailed in the attached Specification

TOTAL SPECIFICATION SUM INSURED £

THE SUM INSURED BY THIS POLICY £  
Being % of the total Specification sum insured

INSURER'S LIABILITY The Insurer's liability under this policy is limited to % of the amount otherwise payable under the provisions of the Specification

PERIOD OF INSURANCE From  
To

RENEWAL DATE

FIRST PREMIUM £

INSURANCE PREMIUM TAX £\_\_\_\_\_

TOTAL £\_\_\_\_\_

ANNUAL PREMIUM £

INSURANCE PREMIUM TAX £\_\_\_\_\_

TOTAL £\_\_\_\_\_

AGENCY

**Note:**

\* Where only the wording of those perils insured appears in the Specification this may be amended to read – "As detailed in the attached Specification".

