

Competition Law Compliance:

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DEDUCTIBLES
(MATERIAL DAMAGE AND BUSINESS INTERRUPTION)

A DEDUCTIBLES NOT SUBJECT TO AN ANNUAL AGGREGATE LIMIT –
wordings for use with Appendices 1, 2, 4 and 5

1. **Material Damage**

(i) For insurances against Standard Fire Policy perils, Explosion, Aircraft, Riot and Civil Commotion, Malicious Damage, Earthquake, Subterranean Fire and Spontaneous Fermentation –

In respect of DAMAGE by Fire, Lightning, Explosion, Aircraft and other aerial devices or articles dropped therefrom, Riot, Civil Commotion, Strikers, Locked-Out Workers or persons taking part in Labour Disturbances, Malicious Persons, Earthquake, Subterranean Fire and Spontaneous Fermentation, the Insurer shall not be liable for the first £..... (insert amount of deductible) of each and every loss as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy.

Notes 1 Delete the perils not insured or not subject to the deductible.

(a) “Explosion” should not be deleted when Standard Fire Policy perils are included.

(b) “Malicious persons” should not be deleted when Riot and Civil Commotion is included bearing in mind the limited cover still applicable.

2 When used with earlier versions of policy forms substitute

“destruction or damage” or “loss destruction or damage” for “DAMAGE” as appropriate.

3 When the Standard Fire and Special Perils Policy form (Appendix 2) is used substitute “Peril(s)” For “Fire

....
Spontaneous Fermentation”.

- 4 When more than one deductible applies the wording should be suitable adapted.

(ii) For insurances against Storm, Flood, Escape of Water, Sprinkler Leakage and Impact –

- (a) where a deductible is applied to each and every loss at each separate premises (or only one premises is involved) –

The Insurer shall not be liable for the first £..... (insert amount of deductible) of each and every loss at each separate premises arising separately from

- (i) Storm and Flood
- (ii) Escape of Water from Tanks Apparatus or Pipes
- (iii) Sprinkler Leakage or
- (iv) Impact

as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy

- (b) where a deductible is applied over the whole policy –

The Insurer shall not be liable for the first £..... (insert amount of deductible) of the total of all losses [as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy arising separately from

- (i) Storm and Flood
- (ii) Escape of Water from Tanks Apparatus or Pipes
- (iii) Sprinkler Leakage

occurring within each and every separate period of 72 consecutive hours during the currency of this policy

or

- (iv) Impact

Note applicable to (ii) (a) and (b):

- Where (i) more than one deductible applies
(ii) the insurance is on a first loss basis
(iii) not all the above perils are insured

the wording should be suitable adapted.

2. Business Interruption

The Insurer shall not be liable for the first £..... (insert amount of deductible)

of each and every loss as ascertained after the application of all other terms definitions exclusions provisions and conditions of this policy.

Note: Where more than one deductible applies the wording should be suitable adapted.

B DEDUCTIBLES SUBJECT TO AN ANNUAL AGGREGATE LIMIT –

wordings for use with Appendices 1, 2, 4 and 5

1 Material Damage

(i) **For insurances against Standard Fire Policy perils, Explosions, Aircraft, Riot and Civil Commotion, Malicious Damage, Earth-quake, Subterranean Fire and Spontaneous Fermentation –**
In respect of DAMAGE by Fire, Lightning, Explosion, Aircraft and other aerial devices or articles dropped therefrom, Riot, Civil Commotion, Strikers, Locked-Out Workers or persons taking part in Labour Disturbances, Malicious Persons, Earthquake, Subterranean Fire and Spontaneous Fermentation, the Insurer shall not be liable for the first £..... (insert amount of deductible) of each and every loss as ascertained after the application of any condition of Average (Underinsurance) and all other terms definition exclusions provisions and conditions of this policy.

(ii) **For insurances against Storm, Flood, Escape of Water, Sprinkler**

Leakage and Impact –

- (a) where a deductible is applied to each and every loss at each separate premises (or only one premises is involved) -
The Insurer shall not be liable for the first £..... (insert amount of deductible) of each and every loss at each separate premises arising separately from
- (i) Storm and Flood
 - (ii) Escape of Water from Tanks Apparatus or Pipe
 - (iii) Sprinkler Leakage or
 - (iv) Impact
- as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy.
- (b) where a deductible is applied over the whole policy -
The Insurer shall not be liable for the first £..... (insert amount of deductible) of the total of all losses [as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy arising separately from
- (i) Storm and Flood
 - (ii) Escape of Water from Tanks Apparatus or Pipe
 - (iii) Sprinkler Leakage

occurring within each and every separate period of 72 consecutive hours during the currency of this policy or

(iv) Impact

(iii) For all insurances –

If during the annual period of insurance the aggregate of the amount borne by the Insured under the terms of the foregoing (except for those which are not more than £.....) (insert 5% of the highest deductible) exceeds £..... (insert aggregate limit) such excess shall be payable hereunder, subjects as regards DAMAGE by

- (i) Malicious Persons (other than by Fire or Explosion)
- (ii) Storm and Flood
- (iii) Escape of Water from Tanks Apparatus or Pipes
- (iv) Sprinkler Leakage
- (v) Impact by any road vehicle or animal belonging to or under the control of the Insured or any occupier of the premises or their respective employees

to the exclusion in respect of each of the first £..... of each and every loss at each separate premises as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy.

All losses to be taken into account in computing the aggregate figure shall be notified to the Insurer in accordance with the Claims Condition 1 of this policy. The amounts of such losses shall be arrived at in accordance with the terms definitions exclusions provisions and conditions of this policy including any condition of Average (Underinsurance)

- Notes:**
- 1 Delete any perils not insured or not subject to the deductible.
 - (a) "Explosion" should not be deleted when Standard Fire
Policy perils are included
 - (b) "Malicious Persons" should not be deleted (from (a)) when Riot and Civil Commotion is included bearing in mind the limited cover still applicable.
 - 2 Where a deductible in respect of Storm, Flood, Escape of Water, Sprinkler Leakage and Impact is applied over the whole policy (b) should be amended accordingly (See A 1(ii) (b)).
 - 3 In the case of perils referred to in (b) where the insurance is on a first loss basis the wording should be suitably adapted.
 - 4 When used with earlier versions of policy forms substitute
 - (a) "destruction or damage" or "loss destruction or damage" for "DAMAGE" as appropriate.
 - (b) "Condition No.4" for "Claims Condition No.1".

- 5 When the Standard Fire and Special Perils Policy form (Appendix 2) is used substitute “Peril(s).....” for “Fire Spontaneous Fermentation”.
- 6 The second paragraph of (iii) should be adapted if more than one excess is to apply after the aggregate limit is reached. If an excess is to apply to the whole policy delete from “as regards” to “employees” and “in respect of each”.

2 Business Interruption

The Insurer shall not be liable for the first £..... (insert amount of deductible)
or each and every loss as ascertained after the application of all terms definitions exclusions provisions and conditions of this policy.
If during the annual period of insurance the aggregate of the amount borne by the Insured under the terms of the foregoing (except for those which are not more than £.....) (insert 5% of the deductible) exceeds £..... (insert aggregate limit) such excess shall be payable hereunder. All losses to be taken into account in computing the aggregate figures shall be notified to the Insurer in accordance with Claims Condition1 of this policy. The amounts of such losses shall be arrived at in accordance with the terms definitions exclusions provisions and conditions of this policy.

- Notes:**
- 1 Where more than one deductible applies the wording should be suitably adapted.
 - 2 Substitute “Condition 4” for “Claims Condition 1” when used
with the earlier version of Standard Fire Policy (Business Interruption).

C COMBINED MATERIAL DAMAGE AND BUSINESS INTERRUPTION

DEDUCTIBLES – wordings for use with Appendix 7

1 Deductibles not subject to an Annual Aggregate Limit

The Insurer shall not be liable for the first £..... (insert amount of combined deductible) of the total amount payable in respect of any one occurrence under either or both sections of this policy as ascertained after the application of the terms definitions exclusions provisions and conditions of this policy including any condition of Average (Underinsurance).

2 Deductibles subject to an Annual Aggregate Limit

The Insurer shall not be liable for the first £..... (insert amount of combined deductible) of the total amount payable in respect of any one occurrence under either or both sections of this policy as ascertained after the application of the terms definitions exclusions provisions and conditions of this policy including

any condition of Average (Underinsurance).

If during the annual period of insurance the aggregate of the amounts [except for those totalling not more than £..... (insert 5% of the deductible) in respect of any one occurrence] borne by the Insured under the terms of the foregoing exceeds £..... (insert aggregate limit), such excess shall be payable hereunder, subject as regards DAMAGE (under Section 1) by

- (i) Malicious Persons (other than by Fire or Explosion)
- (ii) Storm and Flood
- (iii) Escape of Water from Tanks Apparatus or Pipes
- (iv) Sprinkler Leakage
- (v) Impact by any road vehicle or animal belonging to or under the control of the Insured or any occupier of the premises or their respective employees

to the exclusion in respect of each of the first £..... of each and every loss at each separate premises as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy.

All losses to be taken into account in computing the aggregate figure shall be notified to the Insurer in accordance with Claims Condition 1 of this policy. The amounts of such losses shall be arrived at in accordance with other terms definitions exclusions provisions and conditions of this policy including any condition of Average (Underinsurance).

- Notes:**
- 1 When used with earlier versions of policy forms substitute
 - (a) "destruction or damage" of "DAMAGE"
 - (b) "Conditions 8 and 15" for "Claims Condition 1".
 - 2 The second paragraph should be adapted if more than one excess is to apply after the aggregate limit is reached. If an excess is to apply to the whole policy delete from "by" (line 4) to "employees" and "in respect of each".

1 **Deductibles not subject to an Annual Limit** – the policy forms make provision for such deductibles.

2 **Deductibles subject to an Annual Aggregate Limit**

(i) **Material Damage**

The Insurer shall not be liable for the first £..... (insert amount of deductible) of each and every loss as ascertained after the application of any condition of Average (Underinsurance) and all other terms conditions definitions exclusions and provisions of this policy.

If during the annual period of insurance the aggregate of the amounts borne by the Insured under the terms of the foregoing (except for those totalling not more than £.....) (insert 5% of the deductible) exceeds £..... (insert aggregate limit), such excess shall be payable hereunder, subject to the exclusion of the first £..... of each and every loss at each separate premises as ascertained after the application of any condition of Average (Underinsurance) and all other terms definitions exclusions provisions and conditions of this policy including any condition of Average (Underinsurance).

(ii) **Business Interruption**

Use wording B 2.

(iii) **Combined Material Damage and Business Interruption**

The Insurer shall not be liable for the first £..... (insert amount of deductible) of the total amount payable in respect of any one occurrence under either or both sections of this policy as ascertained after the application of the terms definitions provisions and conditions of this policy including any condition of Average (Underinsurance).

If during the annual period of insurance the aggregate of the amounts [except for those totalling not more than £..... (insert 5% of the deductible) in respect of any one occurrence] born by the Insured under the terms of the foregoing exceeds £..... (insert aggregate limit), such excess shall be payable hereunder, subject as regards DAMAGE (under Section1) to the exclusion of the first £..... of each and every loss at each separate premises as ascertained after the application of any condition of Average (Underinsurance) and all other terms conditions definitions exclusions provisions and conditions of this policy including any condition of Average (Underinsurance).

Notes: 1 The wordings in 2 above should be substitute for the deductible wording appearing in the policy.

2 The second paragraph of (i) and (iii) should be adapted if more

than one excess is to apply after the aggregate limit is reached.