

**STANDARD FIRE AND SPECIAL PERILS POLICY
(BUSINESS INTERRUPTION)**

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 and conditions of this policy) that if after payment of the first premium any building or other property used by the Insured at the Premises for the purpose of the Business 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) and in consequence the business carried out by the Insured at the Premises be interrupted or interfered with then the Insurer will pay to the Insured in respect of each item in the Schedule the amount of loss resulting from such interruption or interference provided that

- 1 at the time of the happening of the loss destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the Premises against such loss destruction or damage and that
 - (i) payment shall have been made or liability admitted therefore, or
 - (ii) payment would have been made or liability admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount

- 2 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 interruption or interference consequent upon 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 words "CONSEQUENTIAL LOSS", in capital letters, shall mean loss resulting from interruption of 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.

PERILS

- A. FIRE but excluding CONSEQUENTIAL LOSS caused by
- (a) explosion resulting from fire
 - (b) earthquake or subterranean fire
 - (a) (i) its own spontaneous fermentation or heating, or
 - (ii) its undergoing any heating process or any process involving the application of heat

LIGHTNING

EXPLOSION

- (a) of boilers used for domestic purposes only
- (b) of any other boilers or economisers on the Premises
- (c) of gas used for domestic purposes only

but excluding CONSEQUENTIAL LOSS caused by earthquake or subterranean fire

- B. EXPLOSION excluding CONSEQUENTIAL LOSS
- (a) caused by the bursting by steam pressure or 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) caused by fire resulting from explosion
 - * (c) 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
 - (d) 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 CONSEQUENTIAL LOSS
- (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 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) by fire caused by Strikers Locked-out Workers or persons taking part in labour disturbances or Malicious Persons
- (d) caused (other than by fire or explosion) by Malicious Persons (not acting on behalf of or in connection with any political organisation) in respect of any building which is empty or not in use

E 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) by fire caused by Strikers Locked-out Workers or persons taking part in labour disturbances or Malicious Persons
- (d) caused (other than by fire or explosion) by Malicious Persons (not acting on behalf of or in connection with any political organisation) in respect of any building which is empty or not in use
- (e) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software

F RIOT OR CIVIL COMMOTION in respect of CONSEQUENTIAL LOSS caused by fire only, excluding CONSEQUENTIAL LOSS 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 CONSEQUENTIAL LOSS caused by fire only

J EARTHQUAKE excluding CONSEQUENTIAL LOSS caused by fire

K SUBTERRANEAN FIRE

L Fire only resulting from the property's own SPONTANEOUS FERMENTATION OR HEATING

M STORM excluding CONSEQUENTIAL LOSS

- (a) caused 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) attributable solely to change in the water table level

- ** (c) caused by lightning frost subsidence ground heave or landslip
(d) in respect of movable property in the open, fences and gates
- N STORM OR FLOOD excluding CONSEQUENTIAL LOSS
(a) attributable solely to change in the water table level
** (b) caused by lightning frost subsidence ground heave or landslip
(c) in respect of movable property in the open, fences and gates
- P ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding CONSEQUENTIAL LOSS
(a) caused by water discharged or leaking from any automatic installation
(a) in respect of any building which is empty or not in use
- 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
- 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 EXPLOSION OR COLLAPSE OF STEAM PIPES at the Premises:
It shall not be a condition precedent to liability that there shall be in force an insurance covering the interest of the Insured in the property at the Premises against such destruction or damage
- U EXPLOSION OF VESSELS (other than boilers or economisers) under steam pressure at the Premises
- V EXPLOSION OF VESSELS (other than boilers or economisers) under steam pressure or COLLAPSE OF VESSELS (other than boilers or economisers) under steam gas air or liquid pressure at the Premises
- W COLLAPSE OF BOILERS OR ECONOMISERS at the Premises
- X OVERHEATING OF TUBES consequent upon general deficiency of water in boilers at the Premises
- Y OVERHEATING OF BOILERS OR ECONOMISERS at the Premises

For the purpose of Perils T U V W X and Y only:-

- (a) EXPLOSION shall mean the sudden and violent rending of the permanent structure or 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 undernoted defects do not themselves constitute collapse even though repair or replacement may be necessary but collapse arising from any such defect is not excluded.

The defects referred to above are:

- (i) wearing away or wasting of the material of the plant by leakage
corrosion
action of fuel or otherwise
- (ii) slowly 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

Z 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 or any property or
 - (ii) groundworks or excavation
at the same premises

SPECIAL CONDITION

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 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 "lightning" may be deleted where Peril A is covered.

GENERAL EXCLUSIONS

This policy does not cover

- 1 CONSEQUENTIAL LOSS 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 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
 - (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 CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through
 - (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 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 CONSEQUENTIAL LOSS is not covered by this policy the burden of proving that such CONSEQUENTIAL LOSS is covered shall be upon the Insured

- 4 loss resulting from pollution or contamination but this shall not exclude loss resulting 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

- (a) pollution or contamination at the Premises which itself results from a peril hereby insured against
- (b) any peril hereby insured against which itself results from pollution or contamination.

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 if after the commencement of this insurance

- (a) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued or
 - (b) the interest of the Insured ceases other than by death or
 - (c) any alteration be made either in the Business or in the Premises or property therein whereby the risk of loss, destruction or damage is increased
- unless admitted by the Insurer in writing

CLAIMS CONDITIONS

1 Action by the Insured

(a) In the event of any loss, destruction or damage in consequence of which a claim is or may be made under this policy, the Insured shall

- notify the Insurer immediately
- deliver to the Insurer at the Insured's expense 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
- with due diligence carry out and permit to be taken any action which may reasonably be practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss

(b) In the event of a claim being made under this policy, the Insured at his own expense shall

- not later than 30 days after the expiry of the Indemnity Period or within such further time as the Insurer may allow, deliver to the Insurer in writing particulars of his claim together with details of all other insurances covering property used by the Insured at the Premises for the purpose of the Business or any part of it or any resulting consequential loss
- deliver to the Insurer such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Insurer for the purpose of investigating or verifying the claim together with, if demanded, a

statutory declaration of the truth of the claim and of any matters connected with it.

- (c) If the terms of this condition have not been complied with
- no claim under this policy shall be payable and
 - any payment on account of the claim already made shall be repaid to the Insurer forthwith.

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 loss destruction or damage to property used by the Insured at the Premises for the purpose of the Business is caused by the wilful act or with the connivance of the Insured all benefit under this policy shall be forfeited

3 **Contribution**

If at the time of any loss destruction or damage resulting in a loss under this policy there be any other insurance effected by or on behalf of the Insured covering such loss or any part of it the liability of the Insurer hereunder shall be limited to its rateable proportion of such loss

4 **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.

5 **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: for an insurance relating solely to premises not in the occupation of the Insured the following should be omitted:-

The words "used by the Insured" in line 2 (front page), the Definition, General Exclusion 4, Claims Conditions 1(b) and 2 (line 2 only).

The words "for the purpose of the Business" in line 2 (front page), the Definition, General Exclusion 4, Claims Conditions 1(b) and 2.

The words "at the Premises" in line 4 (front page)

General Condition 2(c)

Policy No

THE SCHEDULE

THE INSURER	
THE INSURED	
THE BUSINESS	
THE PREMISES	
PERILS	*Perils..... Are operative
ITEMS	As detailed in the attached Specification
TOTAL SPECIFICATION ESTIMATED GROSS PROFIT/SUM INSURED	£
THE ESTIMATED GROSS PROFIT/SUM INSURED BY THIS POLICY	£ Being % of the total Specification sum Insured
INSURERS 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
RENEWAL DATE	To
FIRST PREMIUM	£
INSURANCE PREMIUM TAX TOTAL	£ _____ £ _____
ANNUAL PREMIUM	£
INSURANCE PREMIUM TAX TOTAL	£ _____ £ _____
AGENCY	

Note:

1 *Where only the wording of those perils insured appears in the Specification this may be amended to read – “As detailed in the attached Specification”

2 For insurances solely on a Sum Insured basis references to Estimated Gross Profit should be deleted.