

APPENDIX 6

Standard "All Risks" 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, definitions, 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 accidentally lost destroyed or damaged during the period of insurance (or any subsequent period for which the Insurer accepts a renewal premium) and in consequence the business carried on 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 or any other limit of liability stated in the Schedule at the time of the loss destruction or damage
  - (ii) the sum insured (or limit) 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 (or limit).

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

## DEFINITIONS

- 1 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
- 2 The words "Defined Peril" shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal.

## EXCLUSIONS

This policy does not cover

- 1 CONSEQUENTIAL LOSS caused by or consisting of
  - 1.1 inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials
  - 1.2 the bursting by steam pressure of any vessel machine or apparatus (not being a boiler or economiser on the Premises or a boiler used for domestic purpose only) in which internal pressure is due to steam only and belonging to or under the control of the Insured
  - 1.3 pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

but this shall not exclude CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded

- 2 CONSEQUENTIAL LOSS caused by or consisting of:
  - 2.1 Faulty or defective workmanship, operational error or omission, on the part of the Insured or any of his employees  
But this shall not exclude
    - (a) such CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril
    - (b) subsequent CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded
  - 2.2 acts of fraud or dishonesty by the Insured's employees

but this shall not exclude such CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril

- 3 CONSEQUENTIAL LOSS

- 3.1 caused by or consisting of corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- 3.2 caused by or consisting of change in temperature colour flavour texture or finish
- 3.3 arising directly from theft or attempted theft
- 3.4 consisting of joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
- 3.5 consisting of mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- 3.6 caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services

but this shall not exclude

- (a) such CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril or from any other accidental loss destruction or damage
  - (b) subsequent CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded
- 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 of the purpose of the Business, not otherwise excluded, caused by
- (a) pollution or contamination at the Premises which itself from a Defined Peril
  - (b) a Defined Peril which itself results from pollution or contamination
- 5 CONSEQUENTIAL LOSS caused by or consisting of
- 5.1 Subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
  - 5.2 normal settlement or bedding down of new structures

CONSEQUENTIAL LOSS arising directly or indirectly from

- 5.3 disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- 5.4 (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 commotions 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

- 6 loss resulting from destruction of or damage to a building or structure used by the Insured at the Premises caused by its own collapse or cracking unless resulting from a Defined Peril in so far as it is not otherwise excluded
- 7 CONSEQUENTIAL LOSS in respect of movable property in the open, fences and gates caused by wind rain hail sleet snow flood or dust
- 8 CONSEQUENTIAL LOSS
  - 8.1 Caused by fire resulting from its undergoing any heating process or any process involving the application of heat
  - 8.2 (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
- 9 CONSEQUENTIAL LOSS
  - 9.1 Caused by freezing
  - 9.2 caused by escape of water from any tank apparatus or pipe
  - 9.3 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
- 10 CONSEQUENTIAL LOSS in respect of
  - 10.1 Fixed glass
  - 10.2 Glass (other than fixed glass) china earthenware marble or other fragile or brittle objects
  - 10.3 Computers or data processing equipment
  - 10.4 Vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
  - 10.5 Property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
  - 10.6 Land roads pavements piers jetties bridges culverts or excavations
  - 10.7 Livestock growing crops or trees

Other than in respect of such CONSEQUENTIAL LOSS caused by a Defined Peril in so far as it is not otherwise excluded
- 11 CONSEQUENTIAL LOSS occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power nationalisation confiscation requisition seizure or destruction by the government or any public authority
- 12 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 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

13 CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through

- (a) riot civil commotion and (except in respect of CONSEQUENTIAL LOSS by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons
- (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 CONSEQUENTIAL LOSS is not covered by this policy the burden of proving that such CONSEQUENTIAL LOSS is covered shall be upon the Insured.

## DEDUCTIBLES

This policy does not cover the amounts of the deductibles stated in the Schedule in respect of each and every loss as ascertained after the application of all other terms and conditions of the policy.

## 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 or damage

(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 which in 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.

(b) 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 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 thereunder 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 award shall be a condition precedent to any right of action against the Insurer.

**Notes:** 1 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), Definition 1, Exclusion 3, 4.5 and 5, Claims Conditions 1(b) and 2 (line 2 only)

The words “for the purpose of the Business” in line 2 (front page), Definition 1, Exclusion 3 and 4.5, Claims Conditions 1(b) and 2

The words “at the Premises” in line 4 (front page) and in Exclusion 4.5 and 5

General Condition 2(c)

- 2 The deductible wording should be suitably amended if variations apply (see Appendix 23)
- 3 It is suggested that where CONSEQUENTIAL LOSS by Subsidence Ground Heave and Landslip is included the wording provided in Appendix 19 be used amended by the addition of the introductory phrase “Notwithstanding exclusions 4.1 and 4.2 of this policy this insurance is extended to include CONSEQUENTIAL LOSS caused by...”

**Policy No**

**THE SCHEDULE**

THE INSURER	
THE INSURED	
THE BUSINESS	
THE PREMISES	
ITEMS	As detailed in the attached Specification
TOTAL SPECIFICATION ESTIMATED GROSS PROFIT / SUM INSURED	£
LIMIT OF LIABILITY AND DEDUCTIBLE	LIMIT OF LIABILITY DEDUCTIBLE
In respect of:	
(i) CONSEQUENTIAL LOSS by fire Lighting explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons or earthquake	To sum insured or as Detailed in the Specification the first £
(ii) CONSEQUENTIAL LOSS by storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal	) ) ) £ ) )
(iii) other insured CONSEQUENTIAL LOSS	£ )
THE ESTIMATED GROSS PROFIT/SUM INSURED BY THIS POLICY	£ Being % of the total Specification Estimated gross profit/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 and this Schedule
PERIOD OF INSURANCE	From To
RENEWAL DATE	
FIRST PREMIUM	£
INSURANCE PREMIUM TAX TOTAL	£ _____ £ _____
ANNUAL PREMIUM	£
INSURANCE PREMIUM TAX TOTAL	£ _____ £ _____
AGENCY	

Note:

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