

**STANDARD ALL RISK POLICY
(MATERIAL DAMAGE AND 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, provisions and conditions of this policy) that if after payment of the first premium

- 1 any of the Property Insured described in the Schedule
- 2 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) the Insurer will pay to the Insured

- 1 in respect of Section 1 of the Specification 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
- 2 in respect of Section 2 of the Specification the amount of the loss resulting from interruption of or interference with the business carried on by the Insured at the Premises consequent upon loss or destruction of or damage to property used by the Insured at the Premises

provided that

- A in respect of the insurance under Section 1 –
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 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)
- B in respect of the insurance under Section 2 –
 - (a) at the same 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
- (b) 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 word "DAMAGE", in capital letters, shall mean loss or destruction of or damage to the Property Insured.
- 2 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.
- 3 The words "Defined Peril" shall mean fire, lightning, explosion, aircraft or other aerial or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons (other than thieves in respect of the insurance under Section 1), 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 DAMAGE or 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 a boiler economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured other than
 - in respect of Section 1 – a boiler used for domestic purposes only
 - in respect of Section 2 – any boiler or economiser on the Premises or a boiler used for domestic purposes only
- 1.3 pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

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

2 DAMAGE or 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 DAMAGE or CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril
- (b) subsequent DAMAGE or 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 DAMAGE or CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril

3 DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of

- 3.1 Corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects

- 3.2 Change in temperature colour flavour texture or finish

DAMAGE caused by or consisting of or CONSEQUENTIAL LOSS arising directly from

- 3.3 theft or attempted theft

DAMAGE or CONSEQUENTIAL LOSS consisting of

- 3.4 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 mechanical or electrical breakdown or derangement of the particular machine apparatus or equipment in which such breakdown or derangement originates

CONSEQUENTIAL LOSS caused by

- 3.6 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 DAMAGE or CONSEQUENTIAL LOSS not otherwise excluded which itself results from a Defined Peril or from any other accidental loss destruction or damage
- (b) subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded

4 in respect of Section 1

- 4.1 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 Defined Peril
 - (b) a Defined Peril which itself results from pollution or contamination

in respect of Section 2

- 4.2 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 Defined Peril
 - (b) a Defined Peril which itself results from pollution or contamination

5 DAMAGE or 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

DAMAGE caused by or consisting of or CONSEQUENTIAL LOSS arising directly or indirectly from

- 5.3 Disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- 5.4 in respect of Section 2 –
- (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 in respect of Section 1
 - 6.1 destruction of or damage to a building or structure caused by its own collapse or cracking in respect of Section 2
 - 6.2 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 crackingunless resulting from a Defined Peril in so far as it is not otherwise excluded
- 7 DAMAGE or CONSEQUENTIAL LOSS in respect of movable property in the open, fences and gates caused by wind rain hail sleet snow flood or dust
- 8 DAMAGE or 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 services or repair
- 9 DAMAGE or 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 organisationIn respect of any building which is empty or not in use
- 10 DAMAGE or 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 equipmentother than
 - (a) such DAMAGE caused by a Defined Peril
 - (b) such CONSEQUENTIAL LOSS resulting from loss or destruction of or damage to such property caused by a Defined Perilin so far as it is not otherwise excluded
- 11 DAMAGE in respect of
 - 11.1 Jewellery precious stones precious metals bullion furs curiosities works of art or rare books
 - 11.2 Property in transit
 - 11.3 Money cheques stamps bonds credit cards or securities of any description

Other than such DAMAGE caused by a Defined Peril in so far as it is not otherwise excluded

- 12 (a) in respect of Section 1 – unless specifically mentioned as insured
(c) in respect of Section 2 – unless CONSEQUENTIAL LOSS is caused by a Defined Peril in so far as it is not otherwise excluded
 - 12.1 vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - 12.2 property of structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - 12.3 land roads pavements piers jetties bridges culverts or excavations
 - 12.4 livestock growing crops or trees
- 13 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
- 14 any property more specifically insured by or on behalf of the Insured
- 15 DAMAGE or CONSEQUENTIAL LOSS occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power nationalisation confiscation requisition seizure or destruction by the government or any public authority
- 16 (a) in respect of Section 1 – loss or destruction of or damage or
(b) in respect of Section 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
- 17 DAMAGE or CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through
 - (a) Riot civil commotion and (except in respect of DAMAGE or 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 DAMAGE or CONSEQUENTIAL LOSS is not covered by this policy the burden of proving that such DAMAGE or CONSEQUENTIAL LOSS is covered shall be upon the Insured

18 In respect of Section 1 –

Consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under Section 1.

GENERAL PROVISIONS

1 Condition of Average (Underinsurance)

The sum insured by each item (under each column) of Section 1 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.

2 Explosion

In respect of 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 cover against destruction or damage thereto caused by an explosion originating therein is subject to the provision that such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service.

3 Deductibles

This policy does not cover the amount 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 including any condition of Average (Underinsurance).

4 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 Section 1 of 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

2.1 Section 1 of 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 of law

unless admitted by the Insurer in writing

2.2 Section 2 of 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.

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 under Section 1 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

- 1.1 (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 reasonably be 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 Section 1 of this policy shall be payable unless the terms of this condition have been complied with.

- 1.2 (a) In the event of any loss destruction or damage in consequence of which a claim is or may be made under Section 2 of 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 Section 2 of this policy the Insured at his own expense shall
- no 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 Section 2 of 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 or destruction of or damage to the Property Insured or 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 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 Section 1 of 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

5.1 In respect of Section 1 –

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

5.2 In respect of Section 2 -

If at the time of any loss destruction or damage resulting in a loss under Section 2 of 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.

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.

Notes: 1. The deductible wording should be suitably amended if variations apply (See Appendix 23)

2. For Business Interruption 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 4 (front page), Definition 2, Exclusion 3.2, 4.5 and 5.2, Claims Conditions 1.2(b) and 2 (line 3)

the words "for the purpose of the Business" in line 4 (front page), Definition 2, Exclusions 3.2, 4.5 and 5.2, Claims Conditions 1.2(b) and 2 (line 3 only)

the words "at the Premises" in line 11 (front page) and in Exclusions 4.5 and 5.2

General Condition 2.2(c)

3. It is suggested that where DAMAGE or CONSEQUENTIAL LOSS by Subsidence Ground Heave and Landslip is included, the wording provided in Appendix 7 be used, amended by the addition of -

SECTION 2
APPENDIX 8

- (a) the introductory phrase “notwithstanding exclusions 4.1 and 4.2 of this policy, this insurance is extended to include DAMAGE or CONSEQUENTIAL LOSS caused by...” and
- (b) the wordings under Special Conditions 1.3 and 5 in Part B of Appendix 10 and Special Conditions 1 and 4 of Appendix 19.

Policy No

THE SCHEDULE

THE INSURER

THE INSURED

THE BUSINESS

THE PREMISES

THE PROPERTY INSURED

As detailed in Section 1)
)
) of the attached Specification

ITEMS

(Business Interruption)

As detailed in Section 2)

Section 1
Material Damage
£

Section 2
Business Interruption
£

TOTAL SPECIFICATION
SUM INSURED AND/OR
ESTIMATED GROSS
PROFIT

LIMITS OF LIABILITY
AND DEDUCTIBLES

LIMIT OF
LIABILITY DEDUCTIBLE

LIMIT OF
LIABILITY DEDUCTIBLE

In respect of:

(i) Loss destruction or
Damage by 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 or
Earthquake

The sum the first
Insured £

The sum
Insured or
as detailed the first
in the £
Specification

(ii) Loss destruction or
Damage by storm flood
Escape of water from
Any tank apparatus or
Pipe or impact by any
Road vehicle or animal

£)
) the first
) £

£)
) the first
) £

(iii) other insured loss

£)

£)

