

Introduction

Thank you for choosing Norwich Union as Your Insurer.

This is Your Engineering policy, setting out Your insurance protection in detail.

Your premium has been based upon the information shown in The Schedule and recorded in the written application You have signed and/or declaration You have made. Please read it carefully to make sure that it meets Your requirements and that the details on The Schedule are correct.

If after reading Your policy You have any questions, please contact Your insurance adviser.

Your insurance adviser's details are:

Your Norwich Union branch office

Contents - a guide to Your policy

This policy booklet consists of individual Sections. It should be read in conjunction with The Schedule which indicates both the Sections You are insured under and gives precise details of the extent of Your insurance protection.

The Contract of Insurance

Our Service to You

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Sections which comprise Your policy

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Your Policy Schedule

The Contract of Insurance

The policy, the application form and/or declaration made by You and The Schedule should be read together and form the contract of insurance between You, The Policyholder and Us, Norwich Union.

In return for You having paid or agreed to pay the premium for the Period of Insurance, We will indemnify You by payment or, at Our option, by reinstatement or repair, in respect of loss, liability, destruction, damage, accident or injury to the extent of and subject to the terms contained in or endorsed on the policy.

On behalf of Norwich Union Insurance.



Igal Mayer
Chief Executive, Norwich Union Insurance

IMPORTANT

This policy is a legal contract. You must tell Us about any facts or changes which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

If You are not sure whether certain facts are relevant please ask Your adviser or local Norwich Union Insurance office. If You do not tell Us about relevant changes, Your policy may not be valid or the policy may not cover You fully.

You should keep a written record (including copies of letters) of any information You give Us or Your insurance adviser when You renew this policy.

Choice of Law

The appropriate law as set out below will apply unless We agree with You otherwise

- (1) The law applying in that part of the United Kingdom, Channel Islands or Isle of Man in which You normally live or (if applicable) the first named policyholder normally lives
or
- (2) In the case of a business, the law applying in that part of the United Kingdom, Channel Islands or Isle of Man where You have Your principal place of business
or
- (3) Should neither of the above be applicable, the law of England and Wales.



Aviva Insurance Limited
General Insurance PO Box 6, Surrey Street Norwich NR1 3NS
Registered in Scotland No.2116
Registered Office: Pitheavlis, Perth, Scotland PH2 0NH
A member of the Aviva group.
Authorised and regulated by the Financial Services Authority.

Our Service to You

Our goal is to give excellent service to all Our customers but We recognise that things do go wrong occasionally. We take all complaints We receive seriously and aim to resolve all Our customers' problems promptly. To ensure that We provide the kind of service You expect We welcome Your feedback. We will record and analyse Your comments to make sure We continually improve the service We offer.

What will happen if You complain?

- We will acknowledge Your complaint within 2 working days of receipt
- We aim to resolve complaints within 5 working days
- Once an assessment and full investigation of Your concern has been made, We will respond with a decision

Most of Our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, We will contact You with an update and give You an expected date of response. This will not be beyond 20 working days from when You first made Your complaint.

If You remain unhappy with the decision You receive from the local branch You may write to the Chief Executive. If You are dissatisfied with Our final decision, You can refer the matter to the Financial Ombudsman Service (FOS).

The FOS will only consider Your complaint if You have given Us the opportunity to resolve it and You are a private policyholder, a business with a group annual turnover of less than £1 million, a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million. Please follow the steps below. If, however, We do not resolve Your complaint within 40 working days, the FOS will accept a direct referral.

Whilst We are bound by the decision of the FOS, You are not. Following the complaint procedure does not affect Your right to take legal action.

What should I do?

The steps You should take if dissatisfied

Step 1 Seek resolution by Your insurance adviser or usual Norwich Union point of contact

If You are disappointed with any aspect

of the handling of Your insurance We would encourage You, in the first instance, to contact the manager concerned. You can write or telephone, whichever suits You, and ask Your contact to review the problem.

Step 2 Refer Your complaint to Our Chief Executive

If You remain unhappy with the decision You receive, please write with full details including policy number and/or claim number, to:

The Chief Executive
Norwich Union Insurance
Surrey Street
Norwich
NR1 3NS

A review of the matter will then be carried out at a senior level and a final decision given.

Step 3 Refer Your complaint to the Financial Ombudsman Service

If after making a complaint to Us You are still unhappy and You feel the matter has not been resolved to Your satisfaction please contact the FOS at:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations, you may be entitled to compensation from this scheme, depending on the type of insurance and the circumstances of the claim.

You are covered for 100% of the first £2,000 and 90% of the remainder of the claim without any upper limit. However, for compulsory classes of insurance, you are covered for 100% of the claim without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

Policy Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the policy.

Each Section of the policy contains definitions. They must be read in conjunction with the following Policy Definitions.

Damage

Loss, destruction or damage.

Europe

The member countries of the European Union and the European Free Trade Association.

Period of Insurance

From the effective date until the expiry date (both shown in The Schedule) or any subsequent period for which We accept payment for renewal of this policy.

The Business

Activities directly connected with the business specified in The Schedule.

The Excess

The amount or amounts shown in Your policy or The Schedule which We will deduct from each and every claim. If applicable, the amount deducted will be after the application of Average.

You will repay any such amount paid by Us.

The Premises

The premises specified in The Schedule.

The Schedule

The document which specifies details of The Policyholder, The Premises, Property Insured and any Excesses, Endorsements and Conditions applying to the policy.

We/Us/Our/NU/Norwich Union Insurance

Aviva Insurance Limited.

You/Your/The Policyholder

The persons, companies, partnerships or unincorporated associations named in The Schedule as The Policyholder.



Machinery Damage Section

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Section and shall keep the same meaning wherever they appear in the Section unless an alternative definition is stated to apply.

Accidental Damage

Accidental damage to Plant or Machinery by any external cause not otherwise excluded.

Accidental Damage does not include Breakdown, Collapse or Explosion.

However, We will indemnify You in respect of any consequent Damage caused by Breakdown, Collapse or Explosion which is not otherwise excluded.

Breakdown

- (1) The breaking, distortion or burning out of any part of the Plant or Machinery which occurs while the Plant or Machinery is being used normally, arising from
 - (a) any mechanical or electrical defect in the Plant or Machinery
 - (b) any sudden and unforeseen failure of any insured boiler or pressure plant
- (2) The complete severance of a rope
- (3) The fracturing or distortion of any part of the Plant or Machinery by frost

including any resultant loss of cooling, lubricating or insulating oil, refrigerant or brine.

Collapse

The sudden and dangerous distortion of any part of the Plant or Machinery caused by crushing stress by force of steam or fluid pressure.

Collapse does not include distortion by pressure or ignition of flue gases.

Explosion

The sudden and violent rending of Plant or Machinery by force of internal steam or fluid pressure.

Explosion does not include

- (a) pressure of chemical action.
- (b) ignition of the contents of the Plant or Machinery.
- (c) the pressure or ignition of flue gases.

Plant or Machinery

All parts of the Property Insured stated in The Schedule. Any item described in The Schedule as a boiler includes the firing apparatus, motors, pumps, fans and dedicated controls.

Plant or Machinery does not include

- (a) non-metallic or refractory linings.
- (b) (i) cutting edges or extrusion heads
(ii) moulds, patterns or dyes
(iii) heating elements
(iv) cables, ropes, belts or chains.

unless these require replacement as a result of Damage for which We have admitted liability
- (c) supporting or enclosing structures, foundations, masonry or brickwork
- (d) any power unit, used only for road or site mobility, where Damage is caused solely by Breakdown
- (e) (i) office equipment
(ii) spare parts

unless specified in The Schedule.



Cover

We will indemnify You in respect of Damage occurring during the Period of Insurance to the Plant or Machinery at The Premises by the following Contingencies, if the letter set against it appears on The Schedule.

The maximum We will pay in respect of any one claim will not exceed

- (1) the Limit of Liability on each item
or
- (2) the Maximum Limit of Liability
or
- (3) any other maximum amount payable or Limit of Liability specified in The Schedule.

Contingencies

A Sudden and Unforeseen Damage

Sudden and unforeseen Damage including

- (1) Breakdown
- (2) Explosion
- (3) Collapse
- (4) Accidental Damage

to Plant or Machinery at The Premises, which requires repair or replacement before normal working of the Plant or Machinery can resume.

B Breakdown, Explosion or Collapse

Breakdown, Explosion or Collapse of Plant or Machinery at The Premises which requires repair or replacement before normal working of the Plant or Machinery can resume.

C Accidental Damage

Accidental Damage.

Exceptions

The following exceptions apply to this Section.

(Also refer to the Policy Exceptions at the back of this policy booklet).

We will not indemnify You in respect of

- (1) Damage caused by or consisting of
 - (a) fire, lightning or explosion (except Explosion as defined in this Section)
 - (b) aircraft or aerial devices or articles dropped from them
 - (c) storm, flood or inundation from the sea
 - (d) escape of water from any tank apparatus or pipe
 - (e) subsidence, ground heave or landslip
 - (f) theft or attempted theft.regardless of any other contributory cause.
- (2) the cost of remedying or repairing
 - (a) gradual deterioration or wear and tear
 - (b) gradually developing defects, flaws, deformation, distortion, cracks or partial fractures
 - (c) loose parts or defective joints or seams unless caused directly by overheating brought about by shortage of water in Plant or Machinery which is subject to steam or fluid pressure.However We will indemnify You for any consequent Damage to Plant or Machinery insured under this Section.
- (3) the cost of any maintenance work.
- (4) Damage caused by the use of one or more cranes unless the lifting operation complies fully with the requirements of BS7121 or any other British or International standard which may replace it.



- (5) any penalty
 - (a) for delay or detention
 - (b) in connection with guarantees of performance or efficiency
 - (c) for liquidated damages or consequential loss
 - (d) for liability not specifically provided for by this Section.
- (6) tyres damaged by
 - (a) the application of brakes
 - (b) cuts, punctures or bursts.
- (7) Damage caused by Your wilful act or wilful neglect.
- (8) Damage to experimental or prototype Plant or Machinery.
- (9) Damage caused by the chipping of painted surfaces or scratching of any surfaces.
- (10) The Excess stated in The Schedule.

We will deduct the Excess in respect of any claim or all claims arising out of one cause.

If more than one Excess is stated in The Schedule the highest amount will apply.

Conditions

The following condition applies to this Section.

(Also refer to the Policy Conditions at the back of this policy booklet).

If in relation to any claim You have failed to fulfil the following condition You will lose Your right to indemnity or payment for the claim.

(1) Maintenance

You must maintain all Plant or Machinery in accordance with the manufacturers recommendations.

Clauses

The following clauses apply to this Section.

Additional Plant or Machinery

We will indemnify You in respect of Damage to additional Plant or Machinery of a similar type to that specified in The Schedule subject to the Limit of Liability provided that You

- (a) tell Us of any additional Plant or Machinery before the end of the Period of Insurance in which it was installed and ready for use and pay an agreed additional premium.
- (b) comply with current law for examination and certification of Plant or Machinery before it is used.

- We will not indemnify You in respect of
- (a) Plant or Machinery that is unsuitable for its purpose
 - (b) material defects that You are aware of in the additional Plant or Machinery.

Basis of Settlement - Reinstatement

The basis upon which We will calculate the amount We will pay for any claim will be the reinstatement of the Plant or Machinery or other property insured by this Section subject to the following conditions

- (1) if Plant or Machinery or other property insured is destroyed We will pay for its replacement by similar Plant or Machinery or property insured in a condition as good as but not better or more extensive than its condition when new. If Plant or Machinery or other property insured is damaged We will pay the cost of repairs but will not pay more than We would have if the Plant or Machinery or other property insured had been completely destroyed.
- (2) the Plant or Machinery or other property insured may be replaced on another site in a manner suitable to Your needs but this must not increase Our liability.



(3) all work must begin and be carried out as quickly as possible.

We will not indemnify You under this clause if

- (a) the parts necessary for repairs are not available at the manufacturers listed prices in which case We will pay for the cost of an equivalent repair to similar property for which parts are available at manufacturers listed prices.
- (b) (i) the normal working environment of the Plant or Machinery is a yard, an open sided building, a compound or other open space unless for the purpose of providing effluent, electricity, gas, heating, water or other building services for The Premises
- (ii) the other property is insured by the Lifted Goods Endorsement or is stock in trade or is in the process of manufacture

in which case the basis of settlement will be indemnity.

Damage to Surrounding Property - boiler and pressure plant

We will indemnify You in respect of Damage to Plant or Machinery and other property belonging to You or in Your custody or control arising from Explosion or Collapse of boiler and pressure Plant or Machinery

The maximum We will pay in respect of any one claim is £250,000

Debris Removal

We will indemnify You in respect of costs and expenses incurred with Our consent, for

- (1) removal of debris
- (2) dismantling or demolishing
- (3) shoring or propping

of the Plant or Machinery or other property which has suffered Damage insured under this Section.

We will not indemnify You in respect of costs and expenses

- (a) incurred in removing debris from anywhere other than the site of the Damage and the area immediately adjacent to it.
- (b) arising from pollution or contamination of Plant or Machinery or other property not insured by this Section.
- (c) more specifically insured.

The maximum We will pay in respect of any one claim is £25,000.

European Union and Public Authorities

In the event of Damage We will pay the additional cost of reinstating the Plant or Machinery or other property insured by this Section necessary to comply with any

- (1) European Union Legislation
- (2) Act of Parliament
- (3) Bye-Laws of any Public Authority.

We will not indemnify You in respect of

- (a) costs incurred
 - (i) for Damage not insured by this Section
 - (ii) where notice was served on You before the Damage occurred
 - (iii) where an existing requirement must be completed within a stipulated period
 - (iv) in respect of Plant or Machinery or other property insured which has not suffered Damage.
- (b) any charge or assessment arising from capital appreciation following compliance with any legislation or Bye-Law.

Loss Avoidance Measures

We will indemnify You in respect of reasonable costs and expenses incurred by You to mitigate Damage to the Plant or Machinery which would otherwise be inevitable provided that

- (a) the impending Damage does not stem from any reasonably foreseeable or gradually developing cause and We are satisfied that Damage has been avoided or mitigated as a result of the measures taken

(b) the Policy terms, exceptions, clauses and conditions shall apply as if Damage had occurred.

We will not pay for Damage if You or anyone acting on Your behalf

- (i) do not comply with Our requirements
- (ii) hinder or obstruct Us.

You are not entitled to abandon property to Us.

The maximum We will pay in respect of any one claim is £25,000.

Supplementary Expenses

We will, at Our discretion, pay additional costs and expenses incurred as a result of

- (1) temporarily repairing Damage to Plant or Machinery
- and
- (2) ensuring the Damage to Plant or Machinery is repaired as soon as possible.

The maximum We will pay in respect of any one claim is £25,000.

Temporary Hire of Replacement Plant or Machinery

We will indemnify You in respect of costs and expenses incurred with Our consent for the temporary hire or rental of replacement Plant or Machinery following Damage which is insured under this Section.

We will not indemnify You in respect of any hire or rental costs incurred in the first 48 hours immediately following Damage.

The maximum We will pay in respect of any one claim is £25,000.

Temporary Removal

We will indemnify You in respect of Damage to Plant or Machinery whilst temporarily removed for a period not exceeding 6 months anywhere in the world including transit for the purposes of the Business or for cleaning, renovating or repair.

The maximum We will pay in respect of any one claim for Damage to Plant or Machinery during transit by sea or air is £100,000.

Exception (1) will not apply to this Clause.

Endorsements

This Section extends to include the following endorsement only if stated as applying in The Schedule.

901-Inspection Services

We will arrange for the inspection and issue of reports of examination by Our Inspection Service Provider in respect of the schedule of inspections agreed between Us and You or any Plant and Machinery described in the Schedule to which this Endorsement applies

Inspection will take place

- (1) at the frequencies
- and
- (2) whilst located at The Premises

specified by You at the inception of the policy or as subsequently amended by mutual agreement but in any event at least once every 12 months.

Our service provider for inspections is

Bureau Veritas Inspection Limited
Parklands
Wilmslow Road
Didsbury
Manchester
M20 2RE

Tel No 0845 603 7886

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Endorsement and shall keep the same meaning wherever they appear in the Endorsement, unless an alternative definition is stated to apply.

Inspection Service Provider

Bureau Veritas Inspection Limited
Parklands
Wilmslow Road
Didsbury
Manchester
M20 2RE

Exceptions

The following exceptions apply to this Endorsement

(Also refer to the Policy Exceptions at the back of this policy booklet).

- (1) We do not include
 - (a) precommissioning inspections, laboratory services, consultation work, load testing, non-destructive testing, thermographic testing, checking of drawings or design inspection prior to sale or purchase unless agreed by Us in writing.
 - (b) visits in excess of those agreed at inception of this Section or inspections following repairs.
 - (c) liquidated damages, penalties for delay, detention or guarantees of performance or efficiency, or consequential loss.
 - (d) any additional fees levied by Our Inspection Service Provider for carrying out inspections on Saturdays, Sundays, Public Holidays or outside normal working hours where performed at Your request.
 - (e) the maintenance or repair of any item
- (2) We will not be liable for any failure of Our Inspection Service Provider to carry out inspections in accordance with this Endorsement

Conditions

The following conditions apply to this Endorsement.

(Also refer to the Policy Conditions at the back of this policy booklet).

(1) Calculation of Fees

The fees payable by You have been calculated in accordance with the details of plant provided by You at inception and are adjustable in the following circumstances.

(a) First Fee

Where no details of plant have been provided We may adjust the fee after inspection of the plant to reflect the amount of work undertaken.

(b) Renewal

The fee will be adjustable at the first and any subsequent renewal to take account of the plant to be inspected during the subsequent period.

(c) Annual Adjustment

Where there have been any additions to or deletions from the plant to be inspected during the previous Period of Insurance, an additional fee will be payable or a return fee allowed. This will be calculated at 50% of the difference between the fee paid at the beginning of the period and the fee calculated on the plant inspected during the period.

(d) VAT

Value added tax is chargeable on all fees.

(2) Notification of Changes

You will provide Us or Our Inspection Service Provider with details of

- (a) any additional plant
- (b) plant which has been permanently withdrawn from service

as soon as possible.

(3) Preparation of Plant

At the times agreed with Our Inspection Service Provider and at Your own expense, You will have the plant properly cleaned and prepared for examination and reassemble the plant afterwards unless We have specifically agreed otherwise.

(4) Provision of Assistance

You will provide all assistance reasonably required by Our Inspection Service Provider in carrying out the inspections.

(5) Responsibility for Statutory Inspections

Our agreement to arrange inspections does not relieve You of Your legal responsibility to ensure that all statutory inspections are carried out.

Policy Conditions

Each Section of the policy contains conditions. They must be read in conjunction with the following Policy Conditions which apply to all Sections unless otherwise stated.

(1) Alteration of Risk

We will at Our option avoid the policy from the inception of this insurance where

- (a) there has been any alteration to the Property Insured and/or The Premises and/or The Business after the effective date of this insurance which increases the risk of loss, liability, destruction, damage, accident or injury
- (b) Your interest ceases except by will or operation of law

unless We have accepted the alteration.

(2) Arbitration

If We accept liability but You disagree with the amount We offer to pay, the claim will be referred to an arbitrator who will be appointed in accordance with statutory provisions.

(3) Cancellation

We may cancel the policy

- (a) by sending You 30 days written notice to Your last known address.

We will refund a proportionate part of the premium paid for the unexpired period.

- (b) immediately if the premium has not been paid or if there has been a default under an instalment or linked credit agreement.

We will not refund any instalment paid.

(4) Claims Procedure

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) tell Us immediately of any event or occurrence which may result in a claim.

- (b) notify the police immediately of loss, destruction or damage caused by malicious persons or thieves.
- (c) at Your expense, provide Us with a written claim containing as much information as possible of the loss, liability, destruction, damage, accident or injury including the amount of the claim within
 - (i) 30 days or
 - (ii) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons

of You becoming aware of the event or occurrence, or such further time that We may allow.

- (d) provide Us with all information and help We require in respect of the claim.
- (e) pass to Us unanswered, immediately, all communications from third parties in relation to any event which may result in a claim under this policy.
- (f) not admit or repudiate liability, nor offer to settle, compromise, make payment which may result in a claim or pay any claim under this policy without Our written agreement.
- (g) allow Us to take over and conduct in Your name the defence or settlement of any claim. You will also allow Us to prosecute at Our own expense and for Our own benefit, any claim for indemnity or compensation against any other person and You must give Us all information and assistance required.

(5) Contribution

- (a) Where any loss, destruction, damage or liability covered by the policy is also covered by another policy, (or would be but for the existence of this policy), We will only pay a rateable share of the loss.

Policy Conditions

- (b) If the other insurance is subject to a condition of Average and this policy is not, this policy will become subject to the same condition of Average.
- (c) If the Property Insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment We make will be limited to the proportion of loss, destruction or damage as the Sum Insured bears to the value of the property.

(6) Discharge of Liability

We may at any time pay

- (a) the Limit of Indemnity

or

- (b) the Sum Insured

or

- (c) a smaller amount for which a claim can be settled

after deduction of any sum already paid.

We will not be liable for any further payment except for costs and expenses incurred prior to the payment of the claim or with Our consent.

(7) Fraud

We will at Our option avoid the policy from the inception of this insurance or from the date of the claim or alleged claim, or avoid the claim

- (a) if a claim made by You or anyone acting on Your behalf to obtain a policy benefit is fraudulent or intentionally exaggerated, whether ultimately material or not

or

- (b) a false declaration or statement is made or fraudulent device put forward in support of a claim.

(8) Identification

The policy and The Schedule will be read as one contract.

(9) Non Disclosure, Misrepresentation or Misdescription

The policy is voidable if there has been any misrepresentation, misdescription or failure to disclose any material fact by You or anyone acting for You.

(10) Option for Settlement

We may at Our option

- (a) repair, reinstate or replace any equipment damaged

or

- (b) pay the amount of the Damage.

We will not indemnify You in respect of

- (i) temporary repairs carried out without Our consent
- (ii) the cost of any alterations, additions, improvements or overhauls carried out when any repair is undertaken.

(11) Our Rights

If Damage occurs which may lead to a claim We may

- (a) enter the building or premises
- (b) take possession of, or require to be delivered to Us, equipment which We will deal with in a reasonable manner

without incurring liability or reducing Our rights.

We will not indemnify You if You or anyone acting on Your behalf

- (i) do not comply with Our requirements
- (ii) hinder or obstruct Us.

(12) Reasonable Precautions

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) maintain The Premises, machinery, plant and equipment in a satisfactory state of repair.

Policy Conditions

- (b) take all reasonable precautions to prevent
 - (i) loss or destruction of or damage to the Property Insured
 - (ii) accident or injury to any person or loss, destruction or damage to their property.
- (c) comply with all legal requirements and safety regulations and conduct The Business in a lawful manner.
- (d) keep books with a complete record of purchases and sales.

(13) Reinstatement

When We decide, or are required to reinstate or replace any property You will, at Your expense, provide any

- (a) plans
- (b) documents
- (c) books
- (d) information

which we require.

We will not be obliged to reinstate property exactly but only in a satisfactory manner as circumstances allow.

The maximum amount We will pay in respect of any one item is the Limit of Indemnity or the Sum Insured for that item.

(14) Subrogation

Anyone making a claim under this policy must, at Our request and expense, do everything We reasonably require to

- (a) enforce a right or remedy
- or

- (b) obtain relief or indemnity

from other parties to which We will become entitled or subrogated because of payment for or making good loss, destruction, damage, accident or injury.

We may require You to carry out such actions before or after We make any admission of or payment of a claim.

(15) Suspension of Cover

We may suspend cover by notice in writing to You until any requirement We have stipulated has been completed by You. Cover will only be reinstated following written notice by Us.

If cover is suspended We will refund a proportionate part of the premium.

(16) Long Term Undertaking

Where a Section is stated in The Schedule to be subject to Long Term Undertaking a discount of 5% under that Section is allowed in consideration of You having provided an undertaking with effect from the date stated in The Schedule to offer annually for a period of three years the insurance under the Section on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premiums annually in advance, it being understood that:

- (a) We shall be under no obligation to accept an offer made in accordance with such an undertaking
- (b) the Sums Insured may be reduced at any time to correspond with any reduction in value or reduction in The Business.

The discount does not apply to any inspection fees charged under this policy.

The above mentioned undertaking applies to any policy which may be issued by Us in substitution for this policy and the same discount shall be allowed.

(17) Subjectivity

The policy, the application form, statement of fact and/or declaration made by You, and The Schedule, should be read together and form the contract of insurance between You (The Policyholder,) and Us (Norwich Union.)

- (a) We will clearly state in The Schedule if the Cover provided by the policy is subject to You:
 - (i) providing Us with any additional information requested by the required date(s),

Policy Conditions

- (ii) completing any actions agreed between You and Us by the required date(s),
 - (iii) allowing Us to complete any actions agreed between You and Us.
- (b) If required by Us, You must allow us access to The Premises, Your Contract Sites and/or The Business, to carry out survey(s), within 60 days of the inception or renewal date, unless We agree otherwise in writing.

The above conditions do not affect Our right to void the policy if We discover information material to Our acceptance of the risk. Please refer to the **IMPORTANT** note within The Contract of Insurance page of Your policy booklet.

Upon completion of these requirements (or if they are not completed by the required dates), We may, at our option:

- (i) modify Your premium,
- (ii) issue a mid-term amendment to Your policy or Section terms and conditions,
- (iii) require You to make alterations to the Premises insured by the required date(s),
- (iv) exercise Our right to cancel Your policy,
- (v) leave the policy or Section terms and conditions, and Your premium, unaltered.

We will contact You with Our decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by You and/or any decision by Us will take effect.

Our requirements and decisions will take effect from the date(s) specified unless and until We agree otherwise in writing. If You disagree with Our requirements and/or decisions, We will consider Your comments and where We consider appropriate, will continue to negotiate with You to resolve the matter to Your and Our satisfaction. In the event that the matter cannot be resolved:

- (i) You have the right to cancel this policy from a date agreed by You and Us and, providing no claims have been made, We will refund a proportionate part of the premium paid for the unexpired period of cover.
- (ii) We may, at Our option, exercise Our right under Policy Condition **(3) Cancellation**.

Except where stated all other policy and Section terms and conditions will continue to apply.

Policy Exceptions

Each Section of the policy contains exceptions. They must be read in conjunction with the following Policy Exceptions which apply to all Sections unless otherwise stated.

We will not provide indemnity in respect of

- (1) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following, regardless of any other contributory cause or event
 - (a) war, invasion, act of a foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power
 - (b) nationalisation, confiscation, requisition, seizure or destruction by any government or any public authority
 - (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

However, exceptions 1 (a) (b) and (c) do not apply to the Terrorism Section, when insured by this policy.
- (2) death or disablement, loss or destruction of or damage to any property, any loss or expense whatsoever, any consequential loss or any legal liability
 - (a) directly or indirectly caused by or contributed to by or arising from
 - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
 - (b) directly or indirectly caused by or contributed to by or arising from the use of or threatened use of any weapon

- (i) dispersing radioactive material and/or ionising radiation or
- (ii) using atomic or nuclear fission and/or fusion or other like reaction.

However, exceptions 2 (a) and (b) do not apply to the Terrorism Section when insured by this policy.

- (3) loss or destruction of or damage to property, any loss or expense, any consequential loss or any legal liability, directly or indirectly caused by or contributed to or arising from
 - (a) any test, experiment or routine inspection
 - (b) the imposition of abnormal working conditions including intentional overloading unless occurring without Your knowledge or consent

However, exceptions 3 (a) and (b) do not apply to the Terrorism Section, when insured by this policy
- (4) any claim which arises directly or indirectly from or consists of the failure or inability of any
 - (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device
 - (b) media or systems used in connection with anything referred to in (a) above

whether Your property or not, at the time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date and this includes without any limitation the failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of

Policy Exceptions

- (i) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time
- (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) and (b) above.

However,

- (a) We shall not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which itself results from a Defined Contingency, but only to the extent that such claim would otherwise be insured by this policy.
- (b) Exceptions 4 (a) and (b) do not apply to the Terrorism Section, when insured by this policy

Definition

The following definition only applies to this exception

'Defined Contingency'

fire, lightning, explosion, aircraft and other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal, or theft.

- (5) any Damage whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (a) Terrorism
 - (b) Civil commotion in Northern Ireland
 - (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action, suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered under this Policy the burden of proving that any such Damage is covered under this Policy will be upon You.

- (6) Damage directly caused by pressure waves from aircraft or other aerial devices travelling at sonic or supersonic speeds.
- (7) Damage caused by or contributed to or arising from
 - (a) disappearance
 - (b) unexplained or inventory shortage