

Computer Section

Definitions

Territorial Limits

Great Britain Northern Ireland the Isle of Man and the Channel Islands in connection with the Business conducted by the Insured from Premises within the Defined Territories.

Premises

The buildings at the address or addresses shown in the Schedule, including their grounds, all within the boundaries for which the Insured are responsible and being, unless more specifically described in the Schedule, occupied by the Insured for the purpose of the Business.

Property Insured

Property Insured is limited to property belonging to the Insured or leased hired rented or licensed to the Insured and includes:

Computer Equipment

Equipment used for the electronic processing communication and storage of data consisting of:

A Installed Computer Equipment

Mainframes servers personal computers and other installed equipment including

- i fixed discs interconnecting wiring and telecommunications equipment
 - ii printers scanners and other peripheral computer equipment
- solely for use with other insured Installed Computer Equipment
excluding equipment controlling any manufacturing process.

B Portable Computer Equipment

Equipment that is designed to be carried on or by a person consisting of

- i laptops palmtops notebooks and tablet personal computers
- ii personal digital assistants and smart phones
- iii removable vehicle satellite navigation systems and digital cameras
- iv printers projectors broadband modems and other devices which connect to other
Portable Computer Equipment

but excluding mobile devices where the sole or primary function of the item is to
make/send and receive telephone calls and SMS messages.

Auxiliary Equipment

Auxiliary equipment solely for use with Computer Equipment comprising temperature and environmental control equipment power supply voltage regulation and protective devices.

Computer Media

- a data carrying materials of all types
 - b software programs or data
- other than paper records or paper licences.

Insurer

Allianz Engineering

(Allianz Engineering is a trading name used by Allianz Insurance plc).

Indemnity Period

The period beginning with the occurrence of the Accident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be effected in consequence of an Accident.

Maximum Indemnity Period

The period shown in the Schedule.

Accident

- a Loss of or damage to Property Insured under Cover One or Two i. of this Section.
- b The failure of any telecommunications system used in connection with the Property Insured caused by accidental physical loss or destruction of or damage occurring within the Territorial Limits.
- c The accidental failure or fluctuation of the supply of electricity to the Property Insured.
- d Denial of access to or use of the Property Insured by the Insured due to
 - i loss or destruction of or damage to other property at or in the vicinity of the Premises shown in the Schedule or
 - ii the exercise by any public or Police authority of its powers for the sole purpose of safeguarding life or property.
- e Corruption.

Corruption

Loss distortion corruption or erasure of software programs or data forming part of Computer Media.

Breakdown

The actual breaking or failure of any part of the item while in use causing stoppage of its function and necessitating immediate repair or replacement of the item before it can resume normal working arising from

- a a mechanical or electrical defect in the item
- b an occurrence external to the item (other than damage resulting from impact) which causes or results in mechanical or electrical failure of the item.

Additional Expenditure

The additional expenditure necessarily and reasonably incurred in order to minimise any interruption or interference with the Business during the Indemnity Period.

Virus or Similar Mechanism

Program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self replication or not. This includes but is not limited to viruses Trojan horses worms and logic bombs.

Hacking

Unauthorised access to any computer or other equipment or component or system or item whether part of the Property Insured or not which processes stores transmits or retrieves data.

Maintenance Agreement

A maintenance rental hire or lease agreement providing at an inclusive cost on-call remedial maintenance with free repair or replacement in the event of Breakdown arising out of normal use.

Loss of Interest

Interest that the Insured

- i would have earned on money that would have been received and/or
 - ii would not have incurred
- had the Accident not occurred.

Defined Territories

The United Kingdom or any other country specified in the Schedule.

Cover

Cover One – Material Damage

Option A – All Risks including Breakdown

The Insurer will indemnify the Insured for loss or destruction of or damage to Computer Equipment or Auxiliary Equipment used by the Insured for the purpose of the Business during the Period of Insurance while at any Premises shown in the Schedule within the Territorial Limits.

Option B - Breakdown

The Insurer will indemnify the Insured for damage caused by Breakdown to Computer Equipment or Auxiliary Equipment used by the Insured for the purpose of the Business during the Period of Insurance while at any Premises shown in the Schedule within the Territorial Limits.

Cover Two - Computer Media

The Insurer will indemnify the Insured for loss or destruction of or damage to data carrying materials used by the Insured for the purpose of the Business during the Period of Insurance in respect of the cost necessarily and reasonably incurred by the Insured in

- i recompilation of software programs or data from other records
- ii repurchase of proprietary software

following Corruption anywhere in the World.

Cover Three - Additional Expenditure

The Insurer will indemnify the Insured for Additional Expenditure necessarily and reasonably incurred by the Insured during the Indemnity Period to prevent or minimise interruption of or interference with the operations of the Business carried out by the Computer Equipment in consequence of an Accident which occurs during the Period of Insurance.

Basis of Settlement

Cover One

Option A – All Risks including Breakdown

The Insurer will pay the Insured the value of the Computer Equipment or Auxiliary Equipment at the time of its loss or destruction, or the amount of the loss destruction or damage, or at the Insurer's option will reinstate or replace such Property Insured or any part of such Property Insured.

Option B - Breakdown

The Insurer will pay the Insured the value of the Computer Equipment at the time of its loss or destruction, or the amount of the loss destruction or damage, or at the Insurer's option will reinstate or replace such Property Insured or any part of such Property Insured.

Cover Two

The Insurer will indemnify the Insured in respect of the cost necessarily and reasonably incurred by the Insured in

- i recompilation of software programs or data from other records to the stage reached immediately before the occurrence of Corruption
- ii repurchase of proprietary software and data carrying materials.

Cover Three

The Insurer will indemnify the Insured for the Additional Expenditure necessarily and reasonably incurred by the Insured.

Limit of Indemnity

The most the Insurer will pay for any one Accident or series of Accidents arising from one occurrence of loss destruction or damage is

- A** the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section whichever is the less at the time of loss destruction or damage
- B** the amount of the Sum Insured or Limit of Liability remaining after deduction for any other loss destruction or damage occurring during the same Period of Insurance, unless the Insurer agrees to reinstate any such Sum Insured or Limit of Liability.

Irrespective of the number of insured parties the total liability of the Insurer to all of the insured parties collectively in respect of the insurance provided by this Section shall not exceed the Total Sum Insured or in respect of any item its Sum Insured or any other stated Limit of Liability.

Any payment or payments by the Insurer to any one or more insured party shall reduce to the extent of that payment the liability of the Insurer to all parties arising from any one Accident giving rise to a claim under this Section.

Basis of Settlement Adjustments

In calculating the most the Insurer will pay for any one occurrence, adjustments shall be made in accordance with the following clauses.

1 Underinsurance (Average)

The Sums Insured by

- a any items of Property Insured under Cover One Options A or B, where the Reinstatement (Day One Basis) clause applies are declared to be separately subject to Underinsurance (Average) as described in Special Condition 2 of such clause
- b any items of Property Insured under Cover One Options A or B, where the Standard Reinstatement Basis clause applies, are declared to be separately subject to Underinsurance (Average) as described in Special Condition 3 of such clause.

2 Contribution and Underinsurance (Average)

If at the time of loss destruction or damage any other insurance has been effected by or on behalf of the Insured covering any of the Property Insured lost destroyed or damaged, the Insurer's liability under this Section shall be limited to the Insurer's rateable proportion of such loss destruction or damage.

If such other insurance is subject to Underinsurance (Average), this Section if not already subject to Underinsurance (Average) shall be subject to Underinsurance (Average) in like manner.

If such other insurance is subject to any provision which excludes it from ranking concurrently with this Section, either in whole or in part, or from contributing rateably, the liability of the Insurer under this Section shall be limited to that proportion of the loss destruction or damage which the Sum Insured for this Section bears to the value of the Property Insured.

3 Reinstatement (Day One Basis)

- A The Reinstatement (Day One Basis) clause applies where a Declared Value is specified in the Schedule for Computer Equipment or Auxiliary Equipment, and subject to the Special Conditions set out below, the basis on which the amount payable, is to be calculated will be the reinstatement of the Property Insured lost, destroyed or damaged.

For this purpose "reinstatement" means the carrying out of the work mentioned below, namely:

- i where property is lost or destroyed, its replacement by similar property in a condition equal to but not better or more extensive than its condition when new
- ii where property is damaged, the repair of the damage and the restoration of the damaged portion of the Property Insured to a condition substantially the same as but not better or more extensive than its condition when new

In the event that the Property Insured has suffered loss, destruction or damage to the extent that repair is impractical and replacement by similar property in a condition equal to but not better or more extensive than when new is impossible then the Insured may replace repair or restore the Property Insured with equivalent property which employs current technology (or failing that having the nearest higher performance and/or capacity to the item lost or damaged) and replacement repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new.

Cover also extends to include the cost of replacement or modification of undamaged Computer Equipment insofar as it is necessary to adapt it to operate in conjunction with lost destroyed or damaged Property Insured which has been replaced repaired or restored

Provided that

- a** the total liability of the Insurer is not increased beyond the amount that would otherwise have been payable for the replacement repair or restoration of the property lost destroyed or damaged in its original form
 - b** the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the loss, destruction or damage
- B** The Declared Value (shown in brackets below the Sum Insured), having been stated in writing by the Insured, has been used to calculate the premium.

“Declared Value” means the assessment by the Insured of the cost of reinstatement of Property Insured arrived at in accordance with paragraph Ai at the level of costs applying at inception of the Period of Insurance (ignoring inflationary factors which may subsequently operate), together with, to the extent that cover provides, due allowance for

- i** any additional cost of reinstatement to comply with Public Authorities regulations, by-laws or stipulations
- ii** professional fees
- iii** removal of debris costs.

Special Conditions

- 1** At inception of each Period of Insurance, the Insured shall notify the Insurer of the Declared Value of Property Insured. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the new Period of Insurance, appropriately adjusted if Index Linking applies.
- 2** If at the time of loss destruction or damage the Declared Value of the Property Insured is less than the cost of reinstatement (as defined in paragraph A i) at inception of the Period of Insurance, the amount payable by the Insurer will be proportionately reduced.
- 3** The Insurer’s liability for the repair or restoration of the Property Insured damaged in part only, shall not exceed the amount which would have been payable if such Property Insured had been wholly destroyed.
- 4** No payment beyond the amount the Insurer would have paid in the absence of this clause will be made
 - a** unless reinstatement commences and proceeds without unreasonable delay
 - b** until the cost of reinstatement has actually been incurred
 - c** where Property Insured at the time of loss or destruction or damage is covered by any other insurance effected by the Insured, or on behalf of the Insured, which is not on the same basis of reinstatement.
- 5** All the terms and conditions of this Section and the Policy shall apply
 - a** to any claim payable under the provisions of this clause, other than where they are expressly varied by the terms of this clause
 - b** where claims are payable as if this clause had not been incorporated, except that Sums Insured will be limited to 115% of Declared Values.

4 Standard Reinstatement Basis

Where a Declared Value is not specified in the Schedule for Computer Equipment or Auxiliary Equipment, then the basis on which the amount payable, for Computer Equipment or Auxiliary Equipment, is to be calculated will be the reinstatement of the Property Insured lost, destroyed or damaged subject to the Special Conditions set out below.

For this purpose “reinstatement” means

- i the rebuilding or replacement of Property Insured lost or destroyed which, provided the Insurer’s liability is not increased, may be carried out
 - a in any manner suitable to the requirements of the Insured
 - b on another site
 - ii the repair or restoration of Property Insured damaged
- in either case to a condition equivalent to, or substantially the same as, but no better or more extensive than its condition when new.

In the event that the Property Insured has suffered loss, destruction or damage to the extent that repair is impractical and replacement by similar property in a condition equal to but not better or more extensive than when new is impossible then the Insured may replace repair or restore the Property Insured with equivalent property which employs current technology (or failing that having the nearest higher performance and/or capacity to the item lost or damaged) and replacement repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new.

Cover also extends to include the cost of replacement or modification of undamaged Computer Equipment insofar as it is necessary to adapt it to operate in conjunction with lost destroyed or damaged Property Insured which has been replaced repaired or restored

Provided that

- a the total liability of the Insurer is not increased beyond the amount that would otherwise have been payable for the replacement repair or restoration of the Property Insured lost destroyed or damaged in its original form
- b the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the loss, destruction or damage

Special Conditions

- 1 The Insurer’s liability for the repair or restoration of Property Insured damaged in part only, shall not exceed the amount which would have been payable if such Property Insured had been wholly destroyed.
- 2 No payment beyond the amount the Insurer would have paid in the absence of this clause will be made
 - a unless reinstatement commences and proceeds without unreasonable delay
 - b until the cost of reinstatement has actually been incurred
 - c where Property Insured at the time of loss or destruction or damage is covered by any other insurance effected by the Insured, or on behalf of the Insured, which is not on the same basis of reinstatement.
- 3 Each item insured under this clause is declared to be separately subject to the following Underinsurance (Average) condition namely:

If, at the time of loss, destruction or damage, the Sum Insured represents less than 85% of the full reinstatement cost of the property covered within such Sum Insured, the Insurer shall pay only for that proportion of any loss, destruction or damage which the Sum Insured bears to such cost.

- 4 Where by reason of any of the above Special Conditions no payment is to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein, the terms and conditions of this Section, including any Underinsurance (Average) condition, shall apply as if this clause had not been incorporated.

5 Public Authorities

Subject to the Special Conditions set out below, cover for Property Insured includes an amount in respect of any additional cost of reinstatement which is incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament, with bye-laws of any public authority or to comply with the stipulations of European Union legislation, in consequence of loss destruction or damage, excluding

- a the cost incurred in complying with such regulations, bye-laws or stipulations
 - i in respect of loss destruction or damage occurring prior to the granting of this cover
 - ii in respect of loss destruction or damage not insured by this Section
 - iii under which notice has been served upon the Insured before the date of the loss destruction or damage
 - iv in respect of undamaged property or undamaged portions of property, other than foundations (unless specifically excluded) of that portion of the property damaged
- b the additional cost that would have been required to make good the Property Insured damaged to a condition equal to its condition when new, had the necessity to comply with such regulations, bye-laws or stipulations not arisen.
- c the amount of any charge or assessment arising out of capital appreciation, which may be payable in respect of the Property Insured, by reason of compliance with any such regulations, bye-laws or stipulations.

Special Conditions

- 1 The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the loss destruction or damage, or within such further time as the Insurer may allow, and may be carried out upon another site (if such regulations, bye-laws or stipulations so necessitate), subject to there being no resulting increase in the liability of the Insurer.
- 2 If the liability of the Insurer is reduced by the application of any of their terms and conditions of this Section or the Policy (other than as a result of this clause) the liability of the Insurer under this clause will be reduced in like proportion.
- 3 All the terms and conditions of this Section and the Policy shall apply to any claim payable under the provisions of this clause, other than where they are expressly varied by the terms of this clause.

6 Debris Removal

This Section is extended to cover the cost necessarily and reasonably incurred by the Insured in

- a removing debris
 - b dismantling and/or demolishing
 - c shoring up propping and/or protecting
- following damage insured by Cover One.

Provided that this Extension excludes cost associated with complying with The Waste Electrical and Electronic Equipment (WEEE) Regulations 2006 including any subsequent amendments and revisions.

7 Professional Fees

Sums Insured and/or Declared Values for Computer Equipment and Auxiliary Equipment include an amount in respect of architects', surveyors', legal and consulting engineers' fees, other than where an item covering such fees is specifically described in the Schedule.

Cover applies only to those fees necessarily and reasonably incurred in consequence of loss destruction or damage in the reinstatement or repair of Property Insured.

8 Dismantling and Re-erection Costs

This Section is extended to cover the cost of dismantling, re-erection, fitting and fixing of Computer Equipment or Auxiliary Equipment following loss destruction or damage.

9 Temporary Removal

This Section is extended to cover

- a Installed Computer Equipment
- b Auxiliary Equipment

insured under Cover One whilst temporarily removed from the Premises anywhere in the World.

Provided that the liability of the Insurer shall not exceed £50,000.

10 Portable Equipment

This Section is extended to cover Portable Computer Equipment insured under Cover One whilst removed from the Premises anywhere in the World.

Provided that the liability of the Insurer shall not exceed

- i £100,000 while in or while in transit between countries belonging to the European Union or the European Free Trade Association including the Isle of Man and the Channel Islands
- ii £50,000 while at any other situation in the World.

11 Expediting Cost

This Section is extended to cover the cost necessarily and reasonably incurred by the Insured with the consent of the Insurer in making temporary repairs to and/or the expediting of the repair reinstatement or replacement of the Property Insured following loss destruction or damage insured by this Section.

Provided that the liability of the Insurer shall not exceed £50,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

12 Investigation Cost

This Section is extended to cover the cost (including the cost of consultants fees) incurred with the prior consent of the Insurer in conducting investigations and tests in respect of possible repair or replacement options following loss destruction or damage insured by Cover One.

Provided that the liability of the Insurer shall not exceed £50,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

13 Additional Equipment

This Section is extended to cover additional items of Computer Equipment or Auxiliary Equipment

- a belonging to the Insured or leased hired rented or licensed to the Insured
- b on loan or trial for a continuous period not exceeding three months during the Period of Insurance.

Provided that

- i the value of equipment covered under this Extension shall not exceed 25% (twenty five percent) of the Sum Insured shown in the Schedule under Cover One or £350,000 whichever is less
- ii so far as the Insured is aware the additional equipment is free from any material defect
- iii the value of the equipment is declared to the Insurer at the expiry of the Period of Insurance.

14 Inadvertent Omissions

This Section is extended to cover Property Insured at any Premises owned or occupied by the Insured which has inadvertently not been declared to the Insurer by the Insured

Provided that

- a the value of Property Insured at the Premises does not exceed £50,000 and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other limit of liability in this Section.
- b the premium which should have been paid in respect of the Property Insured is calculated from the date that the declaration should have been made to the Insurer and paid by the Insured.

15 Recharging of Gas Reservoirs

This Section is extended to cover the cost of recharging gas reservoirs installed solely for the protection of the Property Insured following accidental discharge.

Provided that the liability of the Insurer shall not exceed £50,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

16 Damage to Security Devices

This Section is extended to cover the cost incurred in repairing or replacing

- a security devices for the physical protection of the Computer Equipment
- b any table desk or trolley or other working surface to which entrapment devices and lockdown plates have been secured

lost or damaged by theft or attempted theft insured under Cover One of this Section.

Provided that

- i the liability of the Insurer shall not exceed £50,000 or 10% of the Cover One Sum Insured whichever is less.
- ii the security devices were installed as a measure taken to directly protect the Property Insured.

17 Additional Lease or Rental Cost

This Section is extended to cover the cost of additional lease or rental charges arising out of the replacement of a lease or rental agreement in respect of the Computer Equipment by a new agreement for similar equipment in consequence of loss destruction or damage insured under Cover One.

Provided that

- a the period in respect of which additional charges shall be paid shall commence immediately after the occurrence of loss destruction or damage and shall end not more than two years later or on expiry of the original agreement whichever is earlier and
- b the liability of the Insurer shall not exceed £50,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

18 Accountants Fees – Cover Three

This Section is extended to cover professional accountants or auditors fees necessarily and reasonably incurred by the Insured for producing particulars and any other proofs information or evidence required by the Insurer in connection with Additional Expenditure for which indemnity is provided under Cover Three and certifying that the particulars and details are in accordance with the Insured's' books of accounts or other business books.

Provided that the liability of the Insurer shall not exceed £50,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

19 Avoidance of Impending Damage

This Section is extended to cover the cost incurred by the Insured in taking reasonable but exceptional measures to avoid or mitigate impending loss destruction or damage which would have resulted in a claim under this Section.

Provided that

- a the impending loss destruction or damage did not arise from any defect in the Property Insured
- b the impending loss destruction or damage did not arise from a reasonably foreseeable cause
- c the loss destruction or damage would have been the natural outcome to be expected in the absence of the measures taken
- d the Insurer is satisfied that loss destruction or damage which would have been insured under this Section has been avoided or reduced in consequence of the measures taken
- e the liability of the Insurer shall not exceed the cost which would have been incurred had the measures not been taken and loss destruction or damage insured by this Section had occurred.

20 Incompatibility of Computer Media

This Section is extended to cover the cost of the replacement restoration or recompilation of Computer Media in the event that the indemnifiable loss destruction of or damage to Computer Equipment has resulted in undamaged Computer Media being unavoidably incompatible with replacement equipment.

Provided that the liability of the Insurer shall not exceed £50,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

21 Research and Development Cost

This Section is extended to cover the cost of re-writing any data processing research or development project (including the cost of recollection of data and digital images that do not exist in other records) following an Accident insured under Cover Two to the stage reached immediately prior to the occurrence of the Accident but excluding any benefit to the Insured which would have been obtained from the completion of the project had the Accident not occurred.

Provided that

- a the liability of the Insurer shall not exceed 20% of the Cover Two Limit of Liability or £25,000 whichever is less in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.
- b Section Condition 1 is complied with in full
- c Cover Two is insured.

22 Payments on Account

This Section is extended to cover payments as agreed between the Insured and the Insurer in advance of final settlement of a claim under this Section where the Insurer has admitted liability.

23 Security Guard Cost

This Section is extended to cover the additional cost incurred in employing temporary professional security guards following an insured loss at a Premises by theft or malicious damage (including arson) under Cover One Option A of this Section.

Provided that

- a the agreement of the Insurer has been obtained for employment of security guards for more than four days
- b the Insurer is satisfied that the employment of guards is necessary solely for the protection of Property Insured
- c the liability of the Insurer shall not exceed £10,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

24 Loss of Interest

This Section is extended to cover Loss of Interest during the Indemnity Period solely in consequence of the occurrence of an Accident during the Period of Insurance.

Provided that

- a Cover Three is insured
- b the liability of the Insurer in respect of any one Period of Insurance shall not exceed 10% of the Limit of Liability shown in the Schedule under Cover Three in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.
- c Loss of Interest relates solely to identifiable transactions carried out or would but for the Accident have been carried out by the Computer Equipment.

25 Waste Disposal Cost

This Section is extended to cover the cost necessarily and reasonably incurred with the consent of the Insurer in complying with The Waste Electrical and Electronic Equipment (WEEE) Regulations 2006 including any subsequent amendments and revisions following loss destruction or damage insured under Cover One.

Provided that

- a the Insurer is satisfied that the Insured is liable for the cost of disposal
- b the Insured provide a copy of the certificate evidencing disposal
- c the consent of the Insurer has been gained to dispose of the Computer Equipment or Auxiliary Equipment
- d the liability of the Insurer for the cost of disposal shall not exceed £25,000 in respect of any one Accident or series of Accidents arising from one occurrence of loss destruction or damage, and such limit shall apply in addition to the Total Sum Insured, or for each item its individual Sum Insured, or any other Limit of Liability in this Section.

26 Automatic Reinstatement

The Sums Insured or Limits of Liability shall not be reduced by the amount of any claim following loss destruction or damage as insured under this Section provided that

- a the Insurer does not give written notice to the contrary within 30 days of the notification of any loss destruction or damage
- b the Insured pays the appropriate additional premium on the amount of the claim from the date of the loss destruction or damage to the expiry of the Period of Insurance
- c the Insured agrees to comply with any security recommendations or other measures the Insurer may require to reduce the risk of loss destruction or damage.

Exclusions

This Section does not cover

1 Excess

the amount stated in the Schedule as the Excess in respect of each and every occurrence for which the Insured is indemnified by this Section.

2 Breakdown or Derangement

loss of or damage to any item of Installed Computer Equipment (other than desk top personal computers) and Auxiliary Equipment caused by its own breakdown or derangement unless there is in force a Maintenance Agreement.

3 Exclusion Period If No Maintenance Or Other Agreement

Additional Expenditure incurred during the first 48 hours following the occurrence of an Accident to any item of the Property Insured for which a Maintenance Agreement is not in force.

4 Guarantee or Maintenance Agreement

loss destruction or damage recoverable under any guarantee or Maintenance Agreement.

5 Perils

loss destruction or damage by

- a fire however caused
- b fire extinguishing fluid
- c explosion
- d lightning earthquake storm tempest flood inundation water aircraft or other aerial devices or articles dropped therefrom
- e subsidence or other ground movement or displacement
- f theft or attempted theft
- g riot strike lockout and civil commotion
- h accidental damage more specifically insured elsewhere.

This Exclusion shall

- i only apply where Cover One Option B is shown in the Schedule
- ii not apply to Cover Two or Cover Three of this Section.

6 Property in Unattended Vehicle

loss destruction or damage or Additional Expenditure due to theft or attempted theft while the Property Insured is in an unattended vehicle unless

- a the doors of the vehicle are locked and all its windows and other openings are fully closed and properly fastened
- b the vehicle is in a locked garage or compound overnight
- c the Property Insured is concealed from view
 - i in a locked boot or covered luggage compartment in a motor car or
 - ii in an enclosed luggage area of a van or lorry
- d any alarm system fitted to the vehicle is activated.

Exclusions (continued)

This Section does not cover

7 Electricity Supply

Additional Expenditure in consequence of a failure or fluctuation of the supply of electricity directly or indirectly due to

- a a deliberate act not performed for the sole purpose of safeguarding life or protecting any part of the supply system
- b a scheme of rationing not necessitated by accidental damage to the generating or supply distribution equipment
- c the inability of the supplier to maintain the supply system due to industrial action.

8 Telecommunications Systems

Additional Expenditure in consequence of a failure of any telecommunications system directly or indirectly due to

- a the use by the Insured of equipment which is not approved by the telecommunications supplier
- b failure of any satellite before it has obtained its full operating function or when it is in or past the final year of its design life
- c atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
- d the deliberate act of any telecommunications supplier to withhold or restrict operation of the system or the inability of the supplier to maintain the system due to industrial action.

9 Unproven Software

any cost incurred in consequence of the use by the Insured of software programs on which development has not been finalised or which has not passed all testing procedures and has not been successfully proven.

10 Incorrect Storage of Computer Media

cost incurred in consequence of the failure of the Insured to comply with the manufacturers' recommendations relating to the storage of Computer Media.

11 Time Limitation

Additional Expenditure commencing more than 12 months after the date on which the Accident occurred.

12 Wear and Tear or Gradual Deterioration

the cost of rectification of wear and tear gradual deterioration due to atmospheric conditions or otherwise rust corrosion or oxidation.

13 The Value of Data

the value to the Insured of data stored on the Property Insured.

Exclusions (continued)

This Section does not cover

14 Programming Errors or Design Defects

the cost of rectifying programming errors or design defects in software and any Additional Expenditure in consequence of such errors or defects.

This Exclusion shall not apply to Additional Expenditure consequent on Corruption of other software caused by programming errors or design defects in any proprietary software.

15 Inventory Losses or Unidentifiable Occurrence

loss of the Property Insured cost or any Additional Expenditure in consequence of

- a disappearance or shortage only revealed when an inventory is made or
- b the Property Insured being stolen or otherwise missing unless such loss is identifiable by the Insured with a specific occurrence which has been the subject of notification under the terms of the Claims Conditions including reporting the matter to the Police.

16 Other Consequential Loss

liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any form of consequential loss not specifically insured by this Section.

17 Scratching

scratching of painted or polished surfaces unless accompanied by other indemnifiable damage to the item.

This Section does not cover loss destruction damage cost or Additional Expenditure consisting of or in consequence of:

18 E-Risks

loss destruction damage or Corruption directly or indirectly caused by or occasioned by or arising from or in consequence of Virus or Similar Mechanism or Hacking.

19 Pollution or Contamination

loss destruction damage or Corruption directly or indirectly caused by or contributed to by or arising from pollution or contamination.

This Exclusion shall not apply to cost arising from pollution or contamination of the Property Insured caused directly by an occurrence which is insured by this Section.

Exclusions (continued)

This Section does not cover loss destruction damage cost or Additional Expenditure consisting of or in consequence of:

20 Computer Date Recognition

loss destruction damage or Corruption directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not

- a correctly to recognise any date as its true calendar date
- b to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
- c to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date.

but this Exclusion shall not apply to subsequent loss destruction or damage arising from or caused 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 other than thieves earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal which would but for the application of this Exclusion be insured by this Section.

21 War and Kindred Risks

- a loss destruction damage or Corruption directly or indirectly caused by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power confiscation nationalisation requisition or destruction of or damage to property by order of the Government or any Public Municipal or Local Authority
- b in the case of Property Insured outside Great Britain Northern Ireland the Isle of Man and the Channel Islands loss destruction damage or Corruption directly or indirectly caused by warlike operations mutiny conspiracy martial law state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege riot civil commotion strike lock-out persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation.

22 Radioactive Contamination

loss destruction damage or Corruption directly or indirectly caused by or contributed to by or arising from:

- a ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- c any weapon or other device utilising radioactive material and/or matter and/or ionising radiation and/or atomic or nuclear fission and/or fusion or other like reaction.

Exclusions (continued)

This Section does not cover loss destruction damage cost consisting or Additional Expenditure of or in consequence of:

23 Terrorism

loss destruction damage or Corruption directly or indirectly caused by resulting from or in connection with

- a** in respect of England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987:
 - i** any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - ii** any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism

In respect of **a** above an act of Terrorism means:

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.

- b** in respect of territories other than those stated in **a** above:
 - i** any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - ii** any action taken in controlling preventing or suppressing or in any way relating to any act of Terrorism
 - iii** riot or civil commotion in Northern Ireland

In respect of **b** above an act of Terrorism means:

An act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put 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 this Exclusion any loss damage or liability is not covered by this Section (or is covered only up to a specified Limit of Liability) the burden of proving the contrary shall be on the Insured.

In the event any part of this Exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect.

Section Conditions

1 Duplicate Records

The Insured shall

- a back up data records and update the records no less frequently than once every seven days
- b where possible maintain up to date duplicate copies of software programs
- c store back up data records and up to date duplicate software programs away from the building where the original software programs and data is held
- d observe the manufacturer's and/or supplier's recommendations for the storage verification and security of Computer Media.

2 Subrogation

Any claimant under this Section shall, at the Insurer's request and expense, take or permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured, before or after the Insurer makes any payment.

The Insurer agrees to waive any such rights to which the Insurer might become entitled by subrogation against any parent company and/or subsidiary company whose activities are conducted and/or managed by the Insured in whole or in part and/or any shared time users of the Computer Equipment arising out of any payment made under this Section.

Provided that

- a the Insured does not receive any form of indemnity or damages or other compensation from such company and/or user and
- b any such company and/or user shall as though they were the Insured observe fulfil and be subject to the terms limitations and Conditions of this Section and the Policy.

3 Non Invalidation

This Section shall not be invalidated by

- a any act or omission or by any alteration unknown to or beyond the control of the Insured by which the risk of loss destruction or damage is increased, provided that the Insured shall give notice to the Insurer (and pay an additional premium if required) immediately they become aware of such act, omission or alteration.
- b workmen on the Premises carrying out repairs, general maintenance work or minor structural or other alterations.

4 Claims Condition

- A The Insurer shall not be liable for the cost of any repairs undertaken without their written consent except in urgent cases where it has been necessary to put minor repairs in hand

Provided that

- i the requirements of the General Claims Condition 3 of this Policy have been complied with
and
 - ii the repairs have been carried out to the satisfaction of the Insurer.
- B Where loss destruction or damage is confined to a part of a machine or structure the Insurer shall be liable for the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible.

5 Declaration Condition

The Insured shall furnish the Insurer with such information as the Insurer may require at the expiry of each Period of Insurance, within the period specified by the Insurer. The premium shall be adjusted annually and any difference shall be paid by or returned to the Insured subject to any agreed minimum or deposit premium specified in the Schedule.

If the premium or part of any premium is calculated on estimates supplied to the Insurer by or on behalf of the Insured the Insured shall keep a record of all such relevant particulars and the value of such equipment and shall allow the Insurer to inspect such records at any reasonable time.

6 Intruder Alarm Condition

It is a condition precedent to the liability of the Insurer that where the buildings or any part of the buildings are protected by an Intruder Alarm Installation

- 1 such Intruder Alarm Installation
 - a must not be altered or amended in any way, unless such alteration or amendment has been approved in writing by the Insurer
 - b must be maintained under contract with the installers, or as otherwise approved in writing by the Insurer
- 2 all keys to the Intruder Alarm Installation must be removed from the Premises when the Premises are unattended
- 3 the Insured must
 - a maintain the secrecy of codes for the operation of the Intruder Alarm Installation and no details of such codes must be left on the Premises when the Premises are unattended
 - b immediately notify the Insurer upon receipt of any communication giving notice that the level of response to the Intruder Alarm Installation has been or will be reduced or delayed
 - c appoint at least two Keyholders and lodge written details (which must be kept up to date) with the alarm company and alarm receiving centre, and with the Police and/or the local authority if they so require
- 4 in the event of notification of
 - a activation of the Intruder Alarm Installation
 - b any fault in the Intruder Alarm Installation
 - c interruption of the means to transmit or receive signals to or from the Intruder Alarm installation

during any period that the Intruder Alarm Installation is set, a Keyholder must attend the Premises as soon as possible in order to confirm the security of the buildings and the Premises and reset the Intruder Alarm System in its entirety.

If the Intruder Alarm System cannot be reset in its entirety or all the means of communication used to transmit signals are not in full operation, a Keyholder must remain at the Premises unless the Insurer agrees otherwise in writing.

- 5 the Premises must not be left without at least one Responsible Person in attendance without the agreement of the Insurer
 - a unless the Intruder Alarm Installation is set in its entirety and with the means to transmit or receive signals (including the signalling path or paths) in full and effective operation
 - b where the police have withdrawn their response to
 - i an alarm activation where the Intruder Alarm Installation does not include confirmed alarm activation technology
 - ii a confirmed alarm activation, where the Intruder Alarm Installation includes confirmed alarm activation technology.

For the purposes of this Condition the following definitions apply:

“Intruder Alarm Installation” shall mean all the component parts detailed in the alarm specification, and include the devices used to transmit and receive signals.

“Keyholder” shall mean the Insured or any person or keyholding company authorised by the Insured who

- A** is available at all times to
 - i** accept notification of alarm signals or faults relating to the Intruder Alarm Installation
 - ii** attend and allow access to the Premises and the buildings
- B** has been fully trained in the operation of the Intruder Alarm Installation, including but not limited to the setting/unsetting of the installation.

“Responsible Person” shall mean the Insured or any person authorised by the Insured to be responsible for the security of the buildings and the Premises.

7 VAT

To the extent that the Insured are accountable to the tax authorities for Value Added tax the insurance provided by Cover 3 shall be exclusive of such tax.

8 Alteration

The Insured must notify the Insurer as soon as possible if during the Period of Insurance there is any alteration in the ownership of the Insured, or any alteration in or to the Business or the Premises or the Plant

- a** due to the Business being wound up or carried on by a liquidator or receiver or permanently discontinued
- b** in respect of which the interest of the Insured ceases other than by death
- c** to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by the Insured to the Insurer at inception, renewal or variation of the Policy which materially increases the risk of loss, damage or liability as insured by this Section.

Upon being notified of any such alteration, the Insurer may, at its absolute discretion

- a** continue to provide cover under this Section on the same terms
- b** restrict the cover provided by this Section
- c** impose additional terms
- d** alter the premium
- e** cancel this Section and the Policy.

If the Insured fails to notify the Insurer of any such alteration, the Insurer may

- a** treat this Section and the Policy as if it had come to an end as at the date of the alteration of the risk, returning a proportionate amount of the premium for the unexpired Period of Insurance, if the Insurer would have cancelled this Section and the Policy had it known of the increase in risk
- b** treat this Section and the Policy as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as the Insurer would have applied had it known of the increase in risk
- c** reduce proportionately the amount paid or payable on any claim, the proportion for which the Insurer is liable being calculated by comparing the premium actually charged as a percentage of the premium which the Insurer would have charged had it known of the increase in risk.