

## Theft Section

### Definitions

#### Premises

The **Buildings** at the address or addresses shown in the **Schedule**, for which **the Insured** are responsible and being, unless more specifically described in the **Schedule**, occupied solely by **the Insured** for the purpose of the **Business**.

#### Property/Property Insured

**Contents, Stock** and other items shown and/or described in the **Schedule**.

**The Insurer** agrees to accept the heading under which any **Property** or other item has been entered in the books of **the Insured**.

#### Contents

Machinery, plant and all other contents belonging to **the Insured** or held by **the Insured** in trust and for which **the Insured** are responsible (other than landlord's fixtures and fittings, **Stock** and other **Property** specifically described in the **Schedule**) whilst in the **Buildings**, including

- tenants' improvements, alterations and decorations
  - deeds, documents, manuscripts and business books, but only for the cost of the materials and clerical labour expended in reproducing such records
  - computer systems records, but only for the cost of the materials and of clerical labour and computer time expended in reproducing such records, for an amount not exceeding £25,000 in total,
  - patterns, models, moulds, plans or designs
- and so far as they are not otherwise insured
- employees', directors' and visitors' personal effects of every description (other than motor vehicles), for an amount not exceeding £500 for any one person.

#### Stock

Stock and materials in trade belonging to **the Insured** or held by **the Insured** in trust and for which **the Insured** are responsible, whilst in the **Buildings**.

#### Money

Cash, bank and currency notes, cheques, crossed bankers drafts, postal orders, luncheon vouchers, current postage stamps, trading stamps, National Insurance stamps, Holiday with Pay stamps, National Savings stamps, National Savings certificates, Premium Bonds, credit sales vouchers or receipts, VAT purchase invoices, unexpired units in franking machines, gift tokens and consumer redemption vouchers belonging to **the Insured** or for which **the Insured** are responsible.

#### Damage

Loss of or damage to the **Property Insured** whilst at the **Premises** caused by theft or attempted theft involving entry to or exit from a building at the **Premises** by forcible and violent means or hold-up by violence or threat of violence to **the Insured** or any partner, director or employee of **the Insured** or any other person who has a legal right to be on the **Premises**.

## Cover

The Insurer will pay the Insured for Damage to Property insured at the Premises shown in the Schedule, excluding

1. loss or damage
  - a. by fire or explosion as insured by any property damage policy or property damage section of any policy
  - b. expedited or in any way brought about by **the Insured** or any partner, director or employee of **the Insured** or any other person who has a legal right to be on the **Premises**
  - c. to **Money**, deeds, securities, jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books, but The Insurer will pay for such property specifically described in the **Schedule**
  - d. to property in the open or in open fronted buildings or in buildings not on permanent foundations
  - e. whilst the **Premises** are closed for **Business** to customers or callers or are left unattended unless all points of access are closed and secured by all the locks and other protections fitted to them
  - f. due to or in consequence of riot or civil commotion.
  - g. to any property more specifically insured by or on behalf of **the Insured**.
2. consequential loss or damage of any kind or description.
3. the amount of the **Excess** specified in the **Schedule**.

## Basis of Settlement

The Insurer will pay the Insured the value of the Property Insured at the time of Damage, or at the Insurer's option will reinstate, replace or repair such Property or any part of such Property.

The most The Insurer will pay for any one claim 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 Damage
- B. the amount of the Sum Insured or limit of liability remaining after deduction for any other Damage occurring during the same Period of Insurance, unless the Insurer agrees to reinstate any such Sum Insured or limit of liability.

## Basis of Settlement Adjustments

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

### 1. Index Linking

Sums insured and/or Declared Values will be adjusted to take into account movements in the appropriate index and renewal premiums will be based on the adjusted Sums Insured and/or Declared Values.

For Contents and other Property specifically described in the Schedule (other than Stock), the Retail Price Index (or some other suitable index the Insurer decides upon) will be used.

The above percentage changes will continue to be applied between the date of any Damage and the date when replacement or repair has been completed.

### 2. Average (Underinsurance)

The Sums Insured by

- a. any items for Contents subject to the Reinstatement (Day One Basis) clause are declared to be separately subject to Average as described in Special Condition 2 of such clause
- b. any other items of Property Insured are declared to be separately subject to Average. This means if at the time of Damage the Sum Insured for any item is less than the value of the item covered by such Sum Insured, the amount payable by the Insurer will be proportionately reduced.

### 3. Contribution and Average

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

If such other insurance is subject to Average (Underinsurance), this Section if not already subject to Average shall be subject to 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 Damage which the Sum Insured for this Section bears to the value of the Property.

#### 4. Reinstatement (Day One Basis)

A. Subject to the Special Conditions set out below, the basis on which the amount payable for **Contents** is to be calculated will be the reinstatement of the **Property** lost, destroyed or damaged.

For this purpose "reinstatement" means

- i. the replacement of **Property** 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** 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.

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 A.i. 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, bye-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 **Damage** the Declared Value of the **Property** 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 **Property** damaged in part only shall not exceed the amount which would have been payable if such **Property** had been wholly destroyed.
4. No payment beyond the amount **the Insurer** would have paid in the absence of this basis of settlement 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 **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.

## 5. Alterations and Additions

To the extent that they are not otherwise insured **Contents** items include

- A. alterations, additions and improvements (but not appreciation in value in excess of sums insured) to machinery and plant
- B. any newly acquired or newly erected machinery or plant within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, for no more than 10% of the **Sum Insured** for each item covered, or £500,000 in total, whichever is the less, at any one **Premises** or at any one newly acquired address elsewhere than at the **Premises**, provided that **the Insured** shall give details of such alterations and additions to **the Insurer** within 90 days of the commencement date of **the Insured's** responsibility, effect specific cover retrospective to such date and pay the appropriate additional premium.

## 6. Contract Price

In respect only of goods sold but not delivered, for which **the Insured** remain responsible under the terms of a contract of sale, where such contract of sale is cancelled following **Damage** by reason of its conditions, either wholly or to the extent of the **Damage**, cover will be based on the contract price.

For the purpose of this clause the value of all goods to which this basis of settlement could apply in the event of **Damage** will also be ascertained on this basis.

## 7. Customers Goods

If **the Insured** have represented to customers that they will accept responsibility for **Damage** to the goods of customers or to goods for which such customers may be legally responsible, **the Insurer** agrees that all such goods in the **Premises** will be covered as **Stock**, except in so far as they are more specifically insured.

## 8. Dismantling and Re-erection Costs

Cover includes the cost of dismantling, re-erection, fitting and fixing of **Contents** following **Damage**.

## 9. Locks and Keys

**The Insurer** will pay the cost of replacing locks and keys necessary to keep the **Premises** secure, if keys are stolen using force and violence, up to an amount of £1,000 any one claim.

## 10. Damage to the premises

In the event that buildings at the **Premises** are not covered by the **Property Damage Events Section** of this **Policy**, the **Insurer** will pay costs for which the **Insured** are responsible, necessarily and reasonably incurred by the **Insured** to repair damage to the **Premises** in consequence of theft or attempted theft (as insured by this Section).

## 11. Interested Parties

**The Insurer** agrees to note the interest of any party notifying their interest in any of the **Property Insured** in writing, the nature and extent of such interest to be disclosed in the event of **Damage**.

## Section Conditions

### 1. Precautions

**The Insured** must

- a. keep the **Premises** secure and in a good state of repair
- b. install any additional protections asked for by **the Insurer**
- c. remove all keys including duplicate keys relative to the security of the **Premises** and to any safe or strongroom on the **Premises** from such secured **Premises**, when they are closed for **Business** or are left unattended.

### 2. Alteration

Unless **the Insurer** agrees in writing, cover under this **Section** shall be avoided for any of the **Property Insured** in regard to which there is any alteration after the commencement of this **Section**

- a. by removal
- b. which increases the risk of **Damage**
- c. which results in the interest of **the Insured** ceasing other than by will or operation of law.

### 3. Non Invalidation

This **Section** shall not be invalidated by any act or omission or by any alteration unknown to or beyond the control of **the Insured** by which the risk of **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 alteration.

### 4. Conditions Precedent to Liability

Every condition applied to this **Section** or to any item of this **Section** (whether a General, Section or Special Condition) shall apply from the time the condition attaches and continue to be in force during the whole currency of this **Section**.

Failure to comply with any such condition, to the extent that it increases the risk of **Damage**, shall be a bar to any claim in respect of such **Damage**.

### 5. Additional Claims Conditions

In the event of **Damage**, **the Insured** shall at their own expense deliver to **the Insurer**

- a. within 7 days after such **Damage** or such further time as **the Insurer** may allow in writing
  - i. full information in writing of the **Property Insured Damaged**, and the amount of **Damage**
  - ii. details of any other insurances on the **Property Insured** covered by this **Section**
- b. all such proof and information relating to the claim as may reasonably be required
- c. if required, a statutory declaration of the truth of the claim and of any matters connected with it.

### 6. Reinstatement

If any property is to be reinstated or replaced by **the Insurer**, **the Insured** shall at their own expense provide all plans, documents, books and information as may reasonably be required.

**The Insurer** shall not be bound to reinstate exactly, but only as circumstances permit, and in a reasonably sufficient manner, and shall not in any case be bound to expend for any one item of this **Section** more than its **Sum Insured**.

## 7. The Insurer's Rights following a Claim

In respect of **Damage** for which a claim is made, **the Insurer** and any person authorised by **the Insurer** may without incurring any liability or diminishing any of **the Insurer's** rights in respect of the cover under this **Section**, enter take or keep possession of the **Premises** where such **Damage** has occurred, and take possession of or require to be delivered to **the Insurer** any **Property insured**, and to deal with such **Property** for all reasonable purposes and in any reasonable manner.

No **Property** may be abandoned to **the Insurer**, whether taken possession of by **the Insurer** or not.

**The Insurer will not pay for any claim unless the terms of this condition have been complied with.**

## 8. 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 company standing in relation of parent to subsidiary (or subsidiary to parent) to **the Insured** or against any company which is a subsidiary of a parent company of which **the Insured** are themselves a subsidiary, in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order current at the time of the **Damage**.

## 9. Arbitration

If any difference arises as to the amount to be paid under this **Section** (liability being otherwise admitted by **the Insurer**), such difference shall be referred to an arbitrator to be appointed by **the Insured** and **the Insurer** in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against **the Insurer**.

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