



Underwritten by Sterling Insurance Company Limited

Introduction

Thank you for insuring your business with Sterling Insurance Company Limited.
Please keep this policy in a safe place since it contains important information about your insurance protection.
You should check the policy schedule carefully. It shows those sections under which you are covered. We will issue a replacement schedule if you change your cover in the future.

Disclosure

It is most important that you tell us of any material change in your circumstances which may affect this insurance cover. Material facts can have an effect on what you are covered for and how much you pay. If you are not sure whether something is important, please tell us anyway, since a failure to disclose a material fact relevant to this insurance could result in your cover being invalid. We recommend that you keep a copy or a record of all information you give to us.

Confidentiality

We promise complete confidentiality and security in all matters relating to your insurance arrangements.

Financial Services Authority

Sterling Insurance Company Limited is authorised and regulated by the Financial Services Authority. It appears on the Financial Services Authority's register under number 202012.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Further information is available from the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN. Telephone: 0207 892 7300 or at www.fscs.org.uk

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Basis of the Contract

Your policy is evidence of the contract which you have made with us.

What forms your contract of insurance?

- the application for insurance completed by you or on your behalf (proposal form or Statement of Fact);
- any declaration signed by you in connection with the above;
- any written information supplied by you supplementary to the proposal form, Statement of Fact or electronic application;
- any quotation or confirmation of cover letter;
- any document issued by us setting out any conditions that will apply to your policy;
- any document stating that this policy of insurance has been issued subject to certain outstanding items and/or actions by you or us;
- the policy, schedule, memoranda, endorsements and warranties.

Please refer to the "Definitions" in the policy. These will tell you what words or expressions have specific meanings wherever they appear in bold throughout the policy.

Where a statute is referred to in this policy, this will also include any later amendments or replacements of it.

This policy, schedule and any endorsements should be read together as one document.

We will insure you in accordance with the policy terms, conditions, endorsements and memoranda in respect of the operative sections or sub-sections as shown in the schedule against loss, damage or legal liability occurring during any period of insurance for which you have paid or agreed to pay a premium.



John Blundell
Managing Director
Sterling Insurance Company Limited
Registered in England and Wales No. 00498605
Registered Office: Ambassador House, Paradise Road, Richmond upon Thames, Surrey TW9 1SQ

Assistance

Helplines

These Helpline services are provided 24 hours a day, seven days a week by DAS Legal Expenses Insurance Company Limited. To help check and improve service standards, all calls will be recorded.

EUROLAW COMMERCIAL LEGAL ADVICE

This will give you confidential legal advice over the phone on any commercial legal problem affecting your business, under the laws of the member countries of the European Union, the Isle of Man, the Channel Islands, Switzerland and Norway.

TAX ADVICE

This will give you confidential advice over the phone on any tax matters affecting your business, under the laws of the United Kingdom.

BUSINESS ASSISTANCE

In the event of an unforeseen emergency affecting your premises which causes damage or potential danger, we will contact a suitable repairer or contractor and arrange assistance on your behalf. All costs of assistance provided are your responsibility.

- **To contact the above services, `phone 0117 934 0192 quoting your policy number.**

COUNSELLING

This will provide all your employees (including any members of their immediate family who permanently live with them) with a confidential counselling service over the `phone including, where appropriate, onward referral to relevant voluntary and/or professional services.

- **To contact the counselling helpline, `phone 0117 934 2121. These calls are not recorded.**

DAS will not accept responsibility if the Helpline Services fail for reasons they cannot control. Please do not `phone these numbers to report a general insurance claim.

EMPLOYMENT MANUAL

The DAS Employment Manual offers comprehensive, up to date guidance on rapidly changing employment law. To view it, please visit www.das.co.uk. From the Home Page click on the Employment Manual icon. All the sections of this web-based document can be printed off for your own use. Contact DAS at employmentmanual@das.co.uk with your email address, quoting your policy number and they will contact you by email to inform you of future updates to the information.

DASBUSINESSLAW

At www.dasbusinesslaw.co.uk you will find a wide range of letters, articles and reference information, as well as interactive document builders, designed to help you run your business.

The service also provides useful tools and information on matters such as new legislation, employment issues, property law and taxation all regularly updated by legal experts to help you keep your business one step ahead. Details of how to access DASbusinesslaw will be included with your policy documentation.

GLASS BREAKAGE

0800 47 47 47

A 24 hour Helpline operated by Solaglas Windowcare by utilising their nationwide fleet of mobile glaziers to provide a glass and frame replacement/repair service. Provided this is covered by your policy, the cost will be paid direct by us less the excess.

Assistance

Claims Procedure

If you need to make a claim under this policy please contact 1st Sure Limited on 0845 370 2842 or call us on 0845 272 3488

To ensure we maintain a high quality service, we may monitor or record telephone calls.

From the moment you call, we will take full responsibility for dealing with your claim. When you telephone please ensure you have your policy number and details of the claim to hand.

We will:

- confirm whether the event is insured
- if necessary, arrange for a loss adjuster to contact you
- give you advice on how your claim will be dealt with and any excess you may have to pay.

In most cases you will need to complete a claim form.

If we cannot settle immediately, your claim will be under the personal control of a nominated claims handler who will manage the whole claim and will act as your point of contact. We will give you regular progress reports and settle your claim as fairly and promptly as possible.

Advice and Services

Customers with a disability

In accordance with the Disability Discrimination Act 1995 we are able to provide, upon request, a textphone facility, audio tapes, large print and Braille documentation. Please advise us if you require any of these services to be provided so that we can communicate in an appropriate manner.

Risk Management

Our experienced Risk Management Surveyors are available to visit your business to give you help and guidance on suitable security measures. They can also give you advice on practical steps to protect your premises from fire, extreme weather conditions and many other aspects including health and safety.

Our surveyors are direct employees of Sterling and they will ensure that confidentiality of all matters discussed is maintained at all times.

Assistance

Complaints Procedure

We are committed to giving you a first class service at all times and will make every effort to meet the high standards we have set. If you feel we have not attained the standard of service you would expect or you are dissatisfied in any other way, then this is procedure that you should follow:

If you have a complaint under this policy then you should in the first instance refer it to 1st Sure at:

1st Sure Limited
5 Martinbridge Estate
Lincoln Road
Enfield
EN1 1SP

Or telephone on: 0845 370 2842

Or e-mail on: info@1stsure.com

If the complaint remains unresolved then (other than for Legal Expenses Insurance) you should contact us at:

The Customer Services Manager
Sterling Insurance Company Limited
50 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JX

or telephone us on: **0845 271 1290**

or e-mail us on: info@sterlinginsurancegroup.com

If you remain dissatisfied you may, under certain circumstances, refer your complaint to:

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

Telephone: **0845 080 1800**

Website: www.financial-ombudsman.org.uk

Please note the Financial Ombudsman Service will only normally consider a complaint once we have issued a final decision.

Following this procedure will not affect your legal rights.

Definitions

Any words or expressions listed below will carry the same meaning wherever they appear in the policy unless stated otherwise. These words or expressions will be shown in bold wherever they appear.

act of terrorism

an act or threatened act 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 any government and

- involves a violent or an unlawful use of force or an unlawful act dangerous to human life, property or infrastructure, or threat thereof and
- is or appears to be intended to intimidate or coerce a civilian population or disrupt any segment of the economy of any government, state or country or overthrow, influence or affect the conduct or policy of any government by intimidation or coercion or affect the control of any government by mass destruction, assassination, kidnapping or hostage taking and
- is committed for political, religious, ideological or other similar purposes

bodily injury

death, injury, illness, disease or shock

business

property owners of flats

damage

loss, destruction or damage not otherwise excluded

employee

in connection with your business any

- person under a contract of service or apprenticeship to you
- labour master or labour only sub contractor or person supplied by them
- self employed person providing labour only
- trainee or person undergoing work experience, training, study or exchange scheme
- person hired to or borrowed by you
- voluntary workers

period of insurance

the period stated in the schedule

schedule

this provides details of you, the period of insurance, the operative sections of the policy and the sums insured and limits which apply and specifies any endorsements which amend the standard policy wording

unoccupied

empty, vacant or not in use

we, us, our

Sterling Insurance Company Limited

you, your, yours

the person, persons or company named as the Insured in the schedule.

General Conditions

Applicable to all sections

Avoidance of policy

This policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material fact by you.

Cancellation

You may cancel this policy by giving written instructions to us.

We may cancel this policy or any section by sending a recorded delivery letter to your last known address, giving 30 days notice.

In the event of cancellation, we will refund a pro rata proportion of the premium paid in respect of the unexpired term of this policy unless a claim or an incident likely to give rise to a claim has occurred during the current period of insurance.

If you are paying by monthly instalments we

- will stop applying for your monthly premium
- may exercise our right to collect the balance of any outstanding premium in the event of a claim.

If you have agreed to pay the premiums by instalments and fail to pay any of those instalments, we reserve the right to cancel the policy.

Change in risk

You must give immediate notice to us of any change in circumstances which may increase the possibility of loss, destruction, damage, accidental bodily injury or liability covered by this policy, including (but not limited to)

- your interest ceasing other than by death or
- the business being wound up or carried on by a liquidator or receiver or permanently discontinued or
- any alteration being made either in the business or in the premises or in any property or in any other circumstances.

This policy will become voidable unless we agree otherwise in writing.

Claims

It is a condition precedent to our liability that in the event of a claim or possible claim you must

- advise the Police as soon as reasonably possible if there has been a theft, attempted theft, riot damage, vandalism or any malicious act or if any insured property has been lost outside the premises
- advise us as soon as reasonably possible
- not admit or repudiate liability without our written consent
- inform us immediately of any claim being made, or of any impending prosecution, inquest or fatal accident inquiry. All documentation relating to any accident, claim, prosecution or court proceedings must be sent to us immediately, unacknowledged
- provide at your own expense all details and evidence we may reasonably require
- take all reasonable steps to mitigate the extent of any loss or damage.

Contracts (Rights of Third Parties) Act 1999

No person, persons, company or other party who is not named as the insured in this policy shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms or conditions of this policy. This shall not affect any right or remedy of a third party that exists or is available apart from that Act.

Death of the Insured

In the event of your death we will in respect of liability or loss incurred by you indemnify your personal representatives in the terms of and subject to the limitations of this policy, provided that such personal representatives shall as though they were you observe, fulfil and be subject to the terms and conditions of the policy as far as they can apply.

General Conditions

Applicable to all sections

Excess clause

Where stated in the schedule you will be responsible for paying an excess in relation to each and every claim made by you under this policy.

If a claim is made for damage under more than one section resulting from the same cause and at the same time, you will only pay one excess and if different excesses apply, you will pay the higher amount.

Fraud

If any claim is fraudulent in any respect or fraudulent means are used to obtain benefit under this policy or if any damage is caused by you or anyone acting on your behalf resulting from a wilful act or with your or their connivance all benefits under this policy will be forfeited from the date of the incident or circumstances in respect of which the fraudulent claim is made.

For the purposes of this Fraud Condition, the definition of 'you, your' shall also include:

- any Director or Partner of the company
- any spouse or partner of any Director or Partner of the company
- any spouse or partner of any person

named as the Insured in the schedule.

Law applicable

Under United Kingdom law the parties to the contract have the right to choose the law which should apply. In the absence of any agreement to the contrary, English law will apply.

Other insurance

We will not pay for any loss, damage, legal liability or other event giving rise to a claim covered under this policy if **you** are entitled to be paid by any other insurance which covers the same loss, damage, legal liability or other event.

Other interests (to be declared)

The financial interest of any mortgagee(s), freeholder(s), leaseholder(s) or other party having a similar financial interest, as declared to **us**, is deemed to be noted in the insurance provided under the relevant section of this policy.

Reasonable care

It is a condition precedent to our liability that you must at all times

- take all reasonable precautions to prevent loss, destruction, damage, accident or bodily injury
- keep the premises, buildings and other maintainable property which is insured by this policy in a satisfactory state of repair
- comply with all relevant statutory requirements and other regulations imposed by any authority and manufacturers' recommendations all relating to the use inspection and safety of property and the safety of persons
- as soon as possible after discovery, cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be effected as the circumstances may require
- exercise due care in the selection and supervision of employees.

Reinstatement of sum insured

We shall in the event of damage under this policy automatically reinstate the sum insured unless there is written notice by us to the contrary, provided that

- you undertake to pay the appropriate additional premium
- you immediately implement any recommendations we make to prevent further damage and effect all repair or replacement work without delay.

General Conditions

Applicable to all sections

Rights

We are entitled to enter any building where loss or damage to property insured by this policy has occurred and to take possession of and deal with any salvage in a reasonable manner. No property may be abandoned to us.

Subrogation

We may take over and deal with, in your name, the defence or settlement of any claim. We will pay any costs and expenses involved. We may also start proceedings in your name to recover, for our benefit, the amount of any payment we have made or are likely to make under this policy.

Underinsurance

If at the time of any loss, destruction or damage the sum insured is less than the actual reinstatement cost of the property insured including any additional costs for removal of debris and architects' and surveyors' fees where applicable, you will be considered as being your own insurer for the difference and shall bear a proportionate share of the loss.

Warranty

Every warranty shall, from the time the warranty attaches, apply and continue to be in force during each subsequent period of insurance. Non-compliance with any such warranty in so far as it increases the risk of damage or accidental bodily injury shall be a bar to any claim for such damage or accidental bodily injury.

General Exclusions

What you are not covered for

1. Applicable to all Sections

We will not pay for loss, destruction or damage to property, any cost, expense, legal liability or bodily injury directly or indirectly caused by, contributed to by, resulting from or arising out of 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

Radioactive Contamination

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component
- c) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

War Risks

War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power

Sonic Bangs

Pressure waves caused by aircraft or other aerospace devices travelling at sonic or supersonic speeds

Confiscation

Confiscation, nationalisation or requisition by order of any government or public, municipal, local or customs authority

Electronic Failure

- a) erasure, loss, distortion or corruption of information on, or reduction in the functionality, availability or operation of any electronic equipment, whether belonging to you or not, caused by the malicious introduction or incursion of any unauthorised, unintended, undesired or unexpected program, instruction or command or any other computer or electronic virus
- b) the failure of any electronic equipment to recognise, accept, respond to or process any data or instruction. However, subsequent loss or damage which is otherwise covered by your policy is nevertheless insured

2. Applicable to all Sections other than Liability

We will not pay for loss, destruction or damage to the property insured resulting from or arising out of 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

Act of Terrorism

An act of terrorism or any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to an act of terrorism.

If we allege that by reason of this exclusion any loss, destruction, damage, cost or expense is not covered by this policy the burden of proving the contrary shall be upon you

Pollution or Contamination

- a) to property caused by pollution or contamination unless it is caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during the period of insurance
- b) in addition, we will not pay for any loss under the Business Interruption Section of this policy resulting from pollution or contamination other than loss resulting from damage at the premises to property used by you for the purpose of the business caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during not more than one period of insurance

Unexplained Losses

Caused by disappearance, unexplained loss, inventory shortage, misfiling or misplacing of information

Gradually Operating Causes

Caused by wear, tear or any gradually operating cause

General Exclusions

What you are not covered for

3. Applicable to all Liability Sections

We will not pay for legal liability directly or indirectly caused by, contributed to by, resulting from or arising out of 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

Pollution or Contamination

Any liability for

- a) bodily injury (other than bodily injury to an employee arising out of and in the course of employment in the business) or financial loss of, damage to or loss of use of property directly or indirectly arising out of the discharge, dispersal, release or escape of pollutants
- b) the cost of removing, nullifying or cleaning up pollutants unless caused by a sudden, identifiable, unintended and unexpected event which occurs in its entirety at a specific time and place during not more than one period of insurance

Asbestos

- a) any liability arising directly or indirectly out of exposure to inhalation of, or fears of the consequences of exposure to, or inhalation of asbestos, asbestos fibres or any derivatives of asbestos
- b) the cost of cleaning up, or removal of, or damage to property or any product arising out of any asbestos, asbestos fibres or any derivatives of asbestos (except as stated in this policy).

Property Damage - Buildings

Definition of buildings

(a) The block of flats garages domestic outbuildings swimming pools hard courts terraces patios drives and footpaths walls fences gates hedges television aerials satellite dishes external lighting closed circuit television installations solar panels and wind turbines

(b) Landlords fixtures and fittings (including fitted carpets in the common parts)

all situated as stated in the schedule

Cover Definition

A The building(s)

All risks – ie accidental damage of or to the building(s) by

1 fire explosion lightning earthquake

2 smoke

Exclusion to cover 2:

any gradually operating cause

3 storm and flood

Exclusion to cover 3:

damage - by frost or

- attributable solely to a change in the water table level or
- to fences gates and hedges

4 escape of water from water tanks pipes or apparatus or fixed heating installations

5 freezing of water in tanks apparatus or pipes

Exclusion to cover 4/5:

in respect of each occurrence the first £500 of any amount payable in respect of damage to the block of flats or to any flat occurring when it has been left insufficiently furnished for normal habitation for more than 30 days

damage caused by the action of chemicals on or the reaction of chemicals with any materials which form part of the buildings

6 theft or attempted theft

Exclusion to cover 6:

in respect of each occurrence the first £500 of any amount payable in respect of damage to the block of flats or to any flat occurring when it has been left insufficiently furnished for normal habitation for more than 30 days

damage caused by you any member of your family or any of your directors or employees or any occupier to the flat in which they reside

7 riot civil commotion strikers or persons taking part in labour and political disturbances

8 malicious persons or vandals

Exclusion to cover 7/8:

in respect of each occurrence the first £500 of any amount payable in respect of damage to the block of flats or to any flat occurring when it has been left insufficiently furnished for normal habitation for more than 30 days

damage caused by you any member of your family or any of your directors or employees or any occupier to the flat in which they reside

9 leakage of oil from a fixed heating installation

10 impact by aircraft or other aerial devices or articles falling from them

Property Damage - Buildings

11 impact by any road vehicle or animal or by goods falling from them

12 falling radio and television receiving aerials including satellite dishes their fittings and masts

13 falling trees (in part or otherwise)

14 subsidence and/or ground heave of any part of the site on which the building stands and/or landslip

Exclusion to cover 14:

- in respect of each occurrence the first £1000 of any amount payable in respect of each block of flats
- damage if any of the property on the site has to your reasonable knowledge previously suffered Damage by subsidence heave or landslip unless disclosed by you and accepted by us
- damage due to coastal or river erosion
- damage to solid floors caused by compaction of infill or the use of defective materials or faulty workmanship
- damage caused by or consisting of normal settlement bedding down of new structures the settlement or movement of made-up ground or shrinkage or by subsidence of newly made-up ground
- damage to the buildings caused by the action of chemicals on or the reaction of chemicals with any materials which form part of the building(s)

15 any other cause not otherwise excluded

General Exclusions to cover A

- damage arising from wear tear settlement or shrinkage wet or dry rot vermin insects fungus atmospheric climatic or weather conditions or any gradually operating cause
- damage arising from the use of defective materials defective design or faulty workmanship
- damage arising from any building work comprising of alterations renovations additions and repairs to the building
- the cost of maintenance or normal redecoration
- damage to unoccupied buildings unless notified to us within 14 days of becoming unoccupied, and cover agreed by us in writing.
- damage specifically excluded elsewhere in this policy

Excess applicable to cover A

Other than in respect of subsidence and/or ground heave the first £100 of any amount payable in respect of each occurrence in respect of each block of flats unless shown otherwise in the schedule or policy.

Basis of Claims Settlement for cover A

In the event of damage to the building by this section the basis upon which the amount payable will be calculated shall be the cost of repairing or reinstating the property equal to its condition when new provided that

- this is carried out without delay and in the most economical manner
- when the building is partially lost, destroyed or damaged our liability shall not exceed the estimated reinstatement cost which would have been payable had it been wholly lost or destroyed
- until reinstatement has been completed no payment shall be made for more than the amount which would be payable if an allowance had been made for wear, tear or depreciation.
- where for any reason no payment is to be made on the basis of repair or reinstatement as new (liability being otherwise admitted) then the Basis of claims settlement is restated to read as follows -

Following loss, destruction or damage insured by this section and subject to the adequacy of the sums insured and to the Limits of liability the Company will pay the value of the buildings at the time of the loss, destruction or damage, or the amount of such loss, destruction or damage as the case may be, after due allowance for wear, tear or depreciation or as its option replace, reinstate or repair the lost, destroyed or damaged property.

Maximum amount payable under cover A

The most **we** will pay in respect of any one occurrence will not exceed the sum insured stated against each item or the total of all sums insured stated against all items insured by this section as shown in the **schedule**.

Property Damage - Buildings

Extensions to cover A

When a claim is accepted under cover A cover also includes

- (i) professional fees – architects surveyors consulting engineers legal and other similar fees necessarily and reasonably incurred in reinstating the buildings

Exclusion to the Extensions to cover A

- (i) fees you incur when preparing any claim
- (ii) debris removal – the cost of
 - removing debris dismantling demolishing propping or shoring up damaged parts of the buildings
 - cleaning drains subject to a limit of £5000 in respect of any one claim necessarily and reasonably incurred with our written consent
- (iii) capital additions –
 - any newly acquired or newly erected buildings and
 - alterations additions and improvements to buildings anywhere in the United Kingdom Channel Islands and the Isle of Man up to a maximum of £500,000 on buildings at any one situation unless stated otherwise in your policyYou are required to give us particulars of such additions or alterations as soon as practicable (and at not less than quarterly intervals) and arrange specific insurance on them retrospectively from the operative date when your insurable interest commenced

When such specific insurance is effected the cover under this extension is fully reinstated

B Loss of rent cost of alternative accommodation and prevention of access

- (i) If any part of the building is damaged and rendered uninhabitable by any cause not otherwise excluded under cover A we will pay for loss of rent during the period necessary to restore such part to a habitable condition.
- (ii) If the block of flats is insured on behalf of individual owners or lessees and any flat is damaged and made uninhabitable by any cause not otherwise excluded under cover A we will pay the reasonable additional expenses necessarily incurred by such owner or lessee for alternative accommodation including those required for residents' pets during the period necessary to restore the flat to a habitable condition.
- (iii) In the event of Damage not otherwise excluded under cover A in the vicinity of the building which hinders or prevents access to use or habitation of the building or any flat within the building by individual owners or lessees we will pay the reasonable additional expenses incurred by such owner or lessee for alternative accommodation including those required for resident's pets during the period when access use or habitation is hindered or prevented

Exclusion to cover B

- (iii) loss arising from obstruction by snow rain or flood water

Maximum amount payable under cover B

The maximum amount payable under cover B is 33.3 % of the buildings sum(s) insured of the block of flats the subject of the claim in respect of each occurrence

The maximum amount payable in respect of each damaged flat will be based on its proportionate share of the total management charges and/or ground rent for the block of flats

C Damage to Services

Accidental Damage by external means to

- cables or underground pipes providing services to or from the building(s)
- septic tanks and drain inspection covers for which the Insured owner lessee or tenant of any flat forming part of the buildings is legally responsible

D Breakage of fixed glass and sanitary fixtures

Accidental breakage of fixed glass forming part of the building including glass in solar panel units and fixed baths shower trays shower screens bidets wash basins splashbacks pedestals sinks lavatory pans and cisterns (and their fixtures and fittings) in the buildings including the cost of temporary boarding up where necessary pending replacement

For the purposes of cover D the term glass includes polycarbonate and other synthetic substitutes

Property Damage - Buildings

Exclusion to cover D

Breakage in respect of the block of flats or flat occurring when it is not being lived in by you or your family or by an adult person with your permission for more than 30 consecutive days

E Trace and access and damage to drains

We will pay reasonable costs and expenses incurred with Our consent

- (1) in locating the actual source of damage and
- (2) for repairs directly arising from (1) caused by the escape of water from any tank, apparatus or pipe or leakage of fuel from any fixed oil heating installation, provided such Damage is insured by this Section.

We will not indemnify You for costs or expenses incurred where damage results solely from a change in the water table level.

The maximum We will pay in respect of any one claim is £50,000.

The Sum Insured for each Buildings and Machinery Item extends to include an amount necessarily and reasonably incurred by You, and which We agree to for cleaning and/or clearing of

- (1) drains
- (2) sewers
- (3) gutters

for which You are responsible, following damage insured by this Section.

F Replacement of locks

Expenses necessarily and reasonably incurred by you in the replacement of external door locks following the loss of keys by theft

all situated as stated in the schedule

The maximum We will pay in respect of any one claim is £2,500.

G Damage to Grounds including damage by emergency services

We will indemnify You in respect of reasonable costs and expenses necessarily incurred in reinstating or repairing landscaped gardens and grounds, belonging to You or for which You are responsible, following damage at The Premises.

We will not indemnify You in respect of

- (a) the cost of moving soil other than as necessary for surface preparation
- (b) the failure of trees, shrubs, plants or turf to become established
- (c) the failure of seeds to germinate
- (d) damage caused by disease, infection or application of chemicals.

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

H Tree Felling and Lopping

We will pay reasonable costs and expenses incurred by You with Our consent for the lopping or removal of trees for which You are responsible if such trees are considered to be an immediate threat to life or to the Property Insured.

We will not pay for

- (a) legal or local authority costs involved in removing trees
- (b) costs solely incurred to comply with a preservation order.

The maximum we will pay for any one claim is £500 and £2,500 in any one Period of Insurance.

Property Damage - Buildings

I Bees' and/or Wasps' Nests Removal

We will pay the cost of removing wasps' or bees' nests from buildings forming part of the Property Insured.

We will not pay for the cost of removing nests which were already in the buildings before the inception of this policy.

The maximum we will pay in respect of any one claim is £5,000.

J Fly Tipping

We will pay for the reasonable costs of clearing and removing any property illegally deposited in or around the buildings insured under this policy.

The maximum we will pay is £2,500 for any one claim.

K Loss of Metered Utilities

We will pay for charges for which You are responsible, if water, gas, oil or electricity is discharged from a metered system providing service to The Premises as a result of damage insured under this Section.

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

L Transfer of Interest

If at the time of damage to a building insured under this Section You have entered into a contract to sell Your interest in it but

- (1) the contract has not yet been completed and
- (2) the building has not yet been insured by or on behalf of the purchaser and
- (3) the purchase is subsequently completed.

We will indemnify the purchaser to the extent that this Section insures that building.

This will not affect either Your or Our rights and liabilities up to the date of completion of the purchase.

M European Union and Public Authorities including Undamaged Property

Following damage insured by this Section to any buildings, blocks of flats, furniture, machinery or tenants alterations Item described in The Schedule, We will pay the additional cost of reinstating the Property Insured including any undamaged portions necessary to comply with any

- (1) European Community legislation
- (2) Act of Parliament
- (3) Bye-Laws of any public authority.

We will not indemnify You in respect of

- (a) costs incurred in respect of damage not insured by this Section
 - i. where notice was served upon You before the damage occurred
 - ii. where an existing requirement must be completed within a stipulated period
 - iii. in respect of any building or contents which have not suffered damage insured by this Section
- (b) any charge or assessment arising from capital appreciation following compliance with any legislation or Bye-Law.

The reinstatement of the Property Insured

- (a) must begin and be carried out as quickly as possible
- (b) may be carried out on another site and in a manner suitable to Your needs but this must not increase Our liability. If Our liability under this Section is reduced by the application of any terms or conditions of this policy, Our liability under this clause will similarly be reduced.

The maximum We will pay under this Clause in respect of

- (a) Property Insured which has suffered damage is the Sum Insured
- (b) undamaged portions of property insured other than foundations is 15% of the amount We would have been liable to pay if the Property Insured by the item at the premises where damage occurred had been completely destroyed.

Property Damage - Buildings

N Non-invalidatation

The insurance by this Section will not be invalidated by any

- (1) act or
- (2) omission or
- (3) alteration

either unknown to You or beyond Your control which increases the risk of damage.

However, You must

- (a) notify Us immediately You become aware of any such act, omission or alteration and
- (b) pay any additional premium required.

O Contract Works

Where You have entered into a contract or agreement for the extension, alteration or refurbishment of any of the premises, the insurance by each Item on buildings is extended to include contract works (including unfixed materials on site) to the extent required by contract conditions and We note the interest of the contractor and subcontractors specified in the contract where such interests are required

Provided that

- (1) You give Us prior notification of any contract with a contract price in excess of £100,000 including details of
 - (a) the nature of the works to be carried out
 - (b) the contract conditions
 - (c) the contract period
 - (d) the contract price.
- (2) You pay Us the additional premium required in respect of each individual contract to which this extension applies.

We will not indemnify You

- (a) where a more specific insurance policy is in force
- (b) in respect of each separate contract for the first £500 in respect of Theft or Malicious Damage.

For the purposes of this Clause, contract works include temporary or permanent works completed or to be completed by or on behalf of You at the premises.

P Workmen

Repairs and minor structural alterations may be carried out at the remises without affecting the Cover.

Public Liability Section

Special Definition Insured

In this section the term 'Insured' means the Insured name in the schedule. In addition those individuals, bodies or organisations named below are also deemed to be the Insured provided they are not entitled to indemnity from any other source and they are also subject to the terms of the policy as far as they can apply.

- (a) the owner or lessee of any flat
- (b) the managing agents
- (c) the management company owned by the landlord and/or renting tenants and/or leasehold or freehold occupiers
- (d) the residents association
- (e) any director, partner or employee at the request of the Insured named in the schedule who will be considered to have been insured separately in the terms of this section.

The cover

- 1 We will pay you for all amounts which you shall become legally liable to pay as damages in respect of
 - a) accidental bodily injury to any person
 - b) accidental loss or destruction of or accidental damage to material property
 - c) accidental obstruction, accidental trespass or accidental nuisance resulting in interference with or loss of enjoyment of material property occurring during the period of insurance and arising out of the ownership of the premises.
 - d) any block of flats (including its garages and domestic outbuildings) formerly owned or leased by the Insured named in the schedule and occupied solely for private residential purposes or any private dwelling previously owned or leased by the owner or lessee of any flat and incurred by reason of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975.
In the event of the buildings section of this policy being cancelled or expiring the indemnity will continue for a period of 7 years in respect of any block of flats insured by this section prior to such cancellation or expiry.

2 Contingent motor liability (non-owned vehicles)

We will pay you for all amounts you become legally liable for the use of any motor vehicle in the course of the business anywhere within the territorial limits.

Provided we will not be liable

- a) for loss of or destruction of or damage to such vehicle or to goods being carried
- b) for bodily injury to any person or loss of property arising while the vehicle is being driven by you or by any person who to your knowledge does not hold a licence to drive such vehicle
- c) in respect of liability more specifically insured under any other insurance
- d) in respect of liability arising outside the territorial limits.

3 Cross liabilities

Where there is more than one person named as the Insured in the schedule this section shall apply separately to each named person as if each is insured by a separate policy, provided always that our maximum liability during any one period of insurance for damages to all parties insured shall not exceed the maximum amount payable shown in the schedule.

4 Data Protection Act 1998

We will pay you any amount which you become legally liable to pay under Section 13 of the Data Protection Act 1998 in connection with personal data (as defined in the act) held by you provided that we shall not be liable for

- a) the payment of fines and penalties
- b) the cost of replacing, reinstating, rectifying or erasing any personal data.

5 Defective Premises Act 1972

We will pay you any amount for which you shall become legally liable to pay during the period of insurance under the terms of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any business premises or land which have been disposed of by you.

We will not be liable

- a) if at the date of their disposal by you such buildings were not insured by this policy or any other policies in respect of which this policy has been issued in substitution
- b) for the cost of repairing or rectifying any defect or alleged defect in such buildings
- c) if you are entitled to payment under any other policy.

Public Liability Section

6 Indemnity to other persons

We will pay at your request

- a) any of your directors, partners or employees
- b) any officer, committee member or other person employed by your catering, social, sports, educational or welfare organisations or first-aid, medical, ambulance, fire or security services
- c) any bona fide member of your organisation
- d) any director, partner or official for whom with your consent an employee is undertaking private work
- e) any principal or public or local authority as far as is necessary to meet the requirements of any contract or agreement entered into by you for the performance of work
- f) the owner of plant hired by you but only to the extent of the conditions of hire
- g) any legal representative of any of the above in the event of their death

for amounts which they are legally liable in respect of which you would have been entitled to payment under this policy if the claim had been made against you.

Provided that

- i) any person is not entitled to be paid under any other insurance
- ii) any person shall observe, fulfil and be subject to the terms and conditions of the policy as far as they can apply
- iii) we shall retain the sole conduct and control of any claim
- iv) the total amount we will pay in the aggregate for any one occurrence for damages to you and any such persons shall not exceed the maximum amount payable shown in the schedule.

7 Overseas Personal Liability

We will pay you or at your request any director or partner or any employee or spouse of such person in respect of any amount for which they shall be legally liable incurred in a personal capacity whilst temporarily outside the territorial limits in connection with the business.

This shall not apply in respect of

- a) ownership or occupation of land and buildings
- b) any person referred to above is entitled to payment under any other policy.

Basis of Claims Settlement

The maximum amount payable under this section for any occurrence giving rise to any one claim or series of claims arising out of one cause will not exceed the amount shown in the schedule.

We will also pay

- a) all legal costs recoverable from you by the claimant.
- b) any other costs and expenses of litigation incurred with our written consent
- c) solicitors' and counsels' fees for legal representation at any coroner's inquest or fatal accident inquiry
- d) the costs incurred, with our written consent, for defending in a Court of Summary Jurisdiction any proceedings arising out of any alleged breach of statutory duty in respect of any cause which may be the subject of indemnity under this sub-section of the policy.

Public Liability Section

What you are not covered for

We will not pay for your legal liability in respect of

1. bodily injury to any employee arising out of and in the course of their employment in the business
2.
 - a) loss or destruction of or damage to property
 - b) bodily injury sustained by any person arising from the ownership, possession or use by you or on your behalf of:
 - i) any aircraft, aerospace device, hovercraft or watercraft other than hand propelled watercraft and other watercraft not exceeding 7 metres in length
 - ii) any lift, elevator, hoist, crane, steam boiler or other apparatus operating under steam pressure, for which a statutory inspection certificate is required but which is not in force
 - iii) any mechanically propelled vehicle or plant or trailer attached in circumstances in respect of which insurance or security is necessary to meet the requirements of road traffic legislation other than as insured under Cover 3 - Contingent Motor Liability of this section
3. loss or destruction of or damage to
 - a) property owned by or leased, hired or rented to you
 - b) property belonging to you or held in your care, custody or control other than
 - i) personal property of directors, partners or employees
 - ii) the property of customers or visitors temporarily on or about the premises
4. liability arising from or caused by
 - a) the provision of advice or any plan, design, formula or specification given separately for a fee or for which a fee is normally charged
 - b) loss or destruction of or damage to property, buildings or land caused by vibration or by the removal or weakening of support
5. products other than food or drink sold or supplied for consumption by your directors, partners, employees or visitors
6. loss or destruction of or damage to products nor the cost of making good or recalling such products nor the cost of rectifying defective work
7. loss or destruction of or damage to property which you or any of your employees are or have been working on
8. fines, penalties or liquidated, punitive or exemplary damages
9. the first £250 in respect of each and every claim for accidental loss or destruction of or accidental damage to material property.
10. Liability arising directly or indirectly out of the execution of structural alterations structural repairs (other than the normal upkeep and normal making good) or redevelopment of the premises
11. Liability of any resident incurred solely as occupier (not as owner) of the flat in which they reside

Special Conditions

1. We may at any time pay to you in connection with any claim or series of claims
 - a) the maximum amount payable shown in the schedule less any amount already paid
 - b) any lesser amount for which such claim or claims can be settledwe shall then cease to have the conduct and control of any negotiations, actions or proceedings and be under no further liability for the claim other than for costs and expenses incurred prior to the date of final payment.

Section 2A

Contents of the common parts furnished flats and landlords gardening equipment.

Definition of contents

Furniture carpets furnishings and all other property belonging to you or for which you are responsible including the costs and expenses necessarily incurred in the removal of debris of the portions of the property damaged by any insured cause up to

£25,000 in the common parts of flats and or apartments

£5,000 in an individual flat for which you are responsible

Our limit of liability is £1000 for any one article in respect of televisions radios recording and audio equipment clocks pictures works or art or curios unless stated otherwise in the schedule

Our limit of liability is £500 in respect of property in the open or in any garage or domestic outbuilding.

all situated as stated in the schedule

Exclusions to the definition of contents

- landlords fixtures and fittings
- articles of gold silver or other precious metal jewellery or furs clothing and personal effects money stamp coin and other collections certificates cheques securities or documents of any kind
- fitted carpets in the common parts
- motor vehicles caravans trailers watercraft hovercraft aircraft cycles and their accompanying accessories livestock and pets
- accidental loss destruction or damage occurring in any part of the block of flats used for trade or business purposes other than any occupation described in the schedule
- property insured by any other policy

Definition of landlords gardening equipment

Gardening equipment belonging to you or which you are legally responsible for damaged by any insured cause up to £10,000 any one occurrence.

all situated as stated in the schedule

Exclusions to the definition of Landlords Gardening Equipment

- any mechanically propelled vehicle where cover or security is required under any Road Traffic Act legislation
- theft of landlords gardening equipment other than from a securely locked building

Cover Definition

A The contents and landlords gardening equipment

All risks – ie accidental loss destruction or damage (referred to elsewhere as 'Damage') to contents in the common parts within the block of flats or in any individual furnished flat or situated at the location(s) stated in the schedule by

1 fire explosion lightning earthquake

2 smoke

Exclusion to cover 2:

any gradually operating cause

3 storm and flood

Exclusion to cover 3:

Damage attributable solely to a change in the water table level

4 escape of water from water tanks pipes or apparatus or fixed heating installations

5 theft or attempted

Section 2A

Exclusion to cover 5:

Theft by deception unless deception is used solely as a means to gain entry
Damage caused by you any member of your family or any of your directors or partners
Damage caused by any occupier to the contents of the flat in which they reside

6 riot civil commotion strikers or persons taking part in labour and political disturbances

7 malicious persons or vandals

Exclusion to cover 7:

Damage caused by you any member of your family or any of your directors or partners
Damage caused by any occupier to the contents of the flat in which they reside

8 leakage of oil from a fixed heating installation

9 impact by aircraft or other aerial devices or articles falling from them

10 impact by any road vehicle or animal or by goods falling from them

11 falling radio and television receiving aerials including satellite dishes their fittings and masts

12 falling trees (in part or otherwise)

13 subsidence and/or ground heave of any part of the site on which the building stands and/or landslip

Exclusion to cover 13:

Damage due to coastal or river erosion

14 any other cause not otherwise excluded

General exclusions to cover A

- Damage arising from wear tear settlement or shrinkage action of light wet or dry rot vermin insects fungus infestation damp rust atmospheric climatic or weather conditions or any gradually operating cause the process of cleaning repairing or restoring any article or mechanical breakdown or consequential loss
- Damage arising from the use of defective materials defective design or faulty workmanship
- Damage specifically excluded elsewhere in this policy

Excess applicable to cover A

Other than in respect of subsidence and/or ground heave the first £100 of any amount payable in respect of each occurrence in respect of each block of flats unless otherwise shown in the schedule or policy

B Damage to mirrors and glass

Accidental damage occurring in the block of flats to mirrors plate glass tops to furniture fixed glass in furniture and ceramic glass in cooker hobs or any polycarbonate or synthetic substitute

Exclusion to cover B

Damage to glass oven doors or ceramic glass in cooker hobs or any polycarbonate or synthetic substitute which is covered by any other policy

C Temporary Removal for Cleaning or Renovation

We will indemnify You in respect of Damage insured by this Section other than to Stock and Materials in Trade, while temporarily removed for cleaning, renovation or repair or similar purposes

(1) to another part of The Premises

(2) to any other premises in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man including whilst in transit by road, rail or inland waterway.

The maximum We will pay in respect of any one loss is £2,500.

Section 2A

General conditions applicable to

Sections 1A and 2A

Sum insured condition

(see also General conditions applicable to the policy)

The sum(s) insured represent(s) and will at all times be maintained by you at not less than the full cost of replacing the property insured. This calculation will not cater for wear tear and depreciation other than in respect of household linen

Claims settlement

In the event of Damage we will provide payment or at our option indemnify you by reinstatement replacement or repair in accordance with the basis of settlement below

Basis of settlement

In settling total loss claims or claims for Damage which is beyond economic repair we will not make a reduction for wear tear and depreciation except in respect of household linen. A deduction for wear tear and depreciation will be made in respect of property not belonging to you or your domestic servants unless you or they are legally responsible for the cost of replacement as new under the terms of a contract or agreement.

Limit of liability

Our liability in respect of Damage arising out of one occurrence will not exceed the amount stated against each item in the schedule

The sum(s) insured will not be reduced by the amount of any claim payment

Index linking

The sum(s) insured will be adjusted at monthly intervals during the period of insurance by a percentage determined by us based on nationally published indices or a suitable alternative index. The revised sum(s) insured and renewal premium will be shown on the renewal notice issued to you at each renewal date of your policy

Section 3A – Employers liability

Cover

- 1 We will pay all amounts which you shall become legally liable to pay as damages in respect of accidental bodily injury to any employee if such bodily injury arises out of and in the course of his employment by you in the business and occurring
- during the period of insurance
 - within the territorial limits

2 Compensation for court attendance

We will pay you for the costs of attendance at court to help defend or act as a witness in connection with any claim for which you are entitled to be paid under this section and with our agreement up to a maximum of £250.

3 Corporate Manslaughter

We will pay you in respect of

- legal costs and expenses incurred with our prior written consent and
- prosecution costs awarded against you

in the defence of criminal proceedings including an appeal against conviction arising from such proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007 as a result of any death happening in connection with the business during the period of insurance and which may be the subject of payment under this section

Provided that

- our liability shall not exceed the maximum amount payable shown in the schedule during any one period of insurance
- all amounts payable under this extension will form part of and not be in addition to the limit of indemnity stated in the schedule
- where we have already provided a payment in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against conviction arising from such proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007 arising out of the same occurrence which give rise to such proceedings any amount paid or payable by us will be deducted from the amount payable under this section
- we agreed in writing to the appointment of any solicitor or counsel who is to act on your behalf prior to their appointment.

We will not be liable for

- any fines or penalties or the cost of implementing any remedial order or publicity order
- an appeal against any fines penalties remedial order or publicity order
- any costs incurred which result from the failure to comply with any remedial order or publicity order
- costs and expenses in connection with any appeal unless advice has been obtained from solicitors or counsel approved by us that there are strong prospects of success
- costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by you or any other director partner or employee of yours.
- costs and expenses provided by any other source or any other insurance or where but for the existence of this extension would have been provided by such source or insurance
- costs and expenses in connection with the defence of any criminal proceedings unless such proceedings are brought against you in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

4 Cross liabilities

Where there is more than one person named as the Insured in the schedule this section shall apply separately to each named person as if each is insured by a separate policy, provided always that our maximum liability in the aggregate for damages to all parties insured shall not exceed the maximum amount payable as shown in the schedule.

Section 3A – Employers liability

5 Health and Safety at Work etc. Act 1974

We will pay you and, at your request, any director, partner or employee against legal costs and expenses incurred, with our written consent, in the defence of any criminal proceedings brought in respect of a breach of the Health and Safety at Work etc. Act 1974 committed or alleged to have been committed during the period of insurance, including legal costs and expenses incurred with our written consent in an appeal against conviction arising from such proceedings.

We will not be liable for

- a) any fines or penalties or the cost of implementing any remedial order or publicity order
- b) an appeal against any fines, penalties, remedial order or publicity order
- c) costs and expenses provided by any other source or any other insurance or, which but for the existence of this extension, would have been provided by such source or insurance
- d) proceedings arising out of any deliberate act or omission by you.

6 Indemnity to other persons

We will pay at your request

- a) any of your directors, partners or employees
- b) any officer, committee member or other person employed by your catering, social, sports, educational or welfare organisations or first-aid, medical, ambulance, fire or security services
- c) any director, partner or official for whom with your consent an employee is undertaking private work
- d) any principal or public or local authority as far as is necessary to meet the requirements of any contract or agreement entered into by you for the performance of work
- e) the owner of plant hired by you but only to the extent of the conditions of hire
- f) any legal representative of any of the above in the event of their death

for amounts which they are legally liable in respect of which you would have been entitled to payment under this policy if the claim had been made against you.

Provided that

- i) any person is not entitled to be paid under any other insurance
- ii) any person shall observe, fulfil and be subject to the terms and conditions of the policy as far as they can apply
- iii) we shall retain the sole conduct and control of any claim
- iv) the total amount we will pay for damages to you and any such persons shall not exceed the maximum amount payable shown in the schedule.

7 Unsatisfied Court Judgements

In the event of a judgement for damages being obtained by any employee or the personal representatives of any employee in respect of bodily injury caused to the employee during the period of insurance and happening in connection with the business against any person or company operating from a premises within the territorial limits in any court within the territorial limits and remaining unsatisfied in whole or in part six months after the judgement we will at your request pay to the employee or the personal representatives of the employee the amount of damages and any awarded costs that remain unsatisfied

Provided that

- a) there is no appeal outstanding
- b) if any payment is made under the terms of this clause the employee or the personal representatives of the employee shall assign the judgement to us.

Section 3A – Employers liability

Basis of Claims Settlement

The maximum amount payable in respect of

- a) accidental bodily injury to employees
- b) all legal costs recoverable from you by any claimant
- c) any other costs and expenses of litigation incurred with our written consent
- d) solicitors' and counsels' fees for legal representation at any coroner's inquest or fatal accident inquiry
- e) the costs incurred, with our written consent, for defending in a Court of Summary Jurisdiction any proceedings arising out of any alleged breach of statutory duty in respect of any cause which may be the subject of payment under this section of the policy arising out of and in the course of employment in the business will not exceed
 - i) the maximum amount payable shown in the schedule for bodily injury which is directly or indirectly caused by, contributed to by, results from or arises out of or in connection with any act of terrorism or any action taken in controlling, preventing, suppressing, retaliating against responding to or in any way relating to any act of terrorism
 - ii) the amount stated in the schedule as regards any other bodily injury

in respect of any one claim against you or series of claims against you arising out of one cause.

What you are not covered for

We will not pay for claims made under this section of the Policy in respect of:

1. liability for bodily injury to any employee arising out of the ownership possession or use by or on your behalf of any mechanically propelled vehicle or trailer if liability is required by any road traffic legislation to be the subject of compulsory insurance or other security
2. liability arising from bodily injury or any employee working in or on any offshore installation or any support vessel for any offshore installation or whilst in transit to or from any offshore installation or support vessel.

Special Conditions

1. The insurance provided by this section is deemed to be in accordance with any law relating to compulsory insurance or liability to employees whilst employed in the territorial limits but you shall repay to us all sums paid by us which we would not have been liable to pay but for the provisions of such law.
2. We may at any time pay to you the amount of the maximum amount payable shown on the schedule less any amount already paid, or any lesser amount for which any claim or claims can be settled and shall then cease to have the conduct and control of the negotiations, actions or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred prior to the date of such payment.
3. If this policy or this section is cancelled then any Certificate of Employers' Liability insurance issued by us is deemed to be cancelled at the same time.

