

Section Five – Business Interruption

Definitions

Words with special meanings in this section are highlighted in bold (or in capital letters in the Schedule) and are either defined below or defined in the General Definitions. Where words or phrases are not highlighted in this manner the everyday meaning will apply.

Building(s) means the main structure(s) at the Risk Address(es) including

- (a) landlords fixtures and fittings
- (b) outbuildings, garages, swimming pools and tennis courts
- (c) walls, gates, fences, hedges, paths, patios, terraces, drives, yards, car parks, car ports, roads, pavements, fixed signs, cess pits and septic tanks but excluding bridges unless they are specifically mentioned on the Schedule
- (d) underground pipes, cables and wires
- (e) telecommunication, television and radio aerials, satellite dishes, aerial fittings and masts
- (f) fixed video, audio and building management and security systems and equipment
- (g) all fixed glass including shop fronts
- (h) fixed signs and sanitary fixtures provided they are within the boundaries of the land for which **You** are responsible
- (i) solar panels fixed to the main structure.

Customers means those companies, organisations or individuals, with whom at the time of the **Damage You** have contracts or trading relationships to supply goods or services.

Damage means physical loss, destruction or damage.

Estimated Gross Profit means **Your** estimate of the **Gross Profit** which **Your Business** will earn during the period of insurance (proportionately increased where the Maximum Indemnity Period is more than 12 months).

Estimated Gross Revenue means **Your** estimate of the **Gross Revenue** which **Your Business** will earn during the period of insurance (proportionately increased where the Maximum Indemnity Period is more than 12 months).

Gross Profit means **Turnover** less **Uninsured Working Expenses**.

Gross Revenue means the money paid or payable to **You** for goods and services supplied in the course of the **Business** at the **Premises**.

Human Disease means: Acute Encephalitis, Acute Infectious Hepatitis, Acute Poliomyelitis, Anthrax, Cholera, Diphtheria, Enteric Fever (Typhoid or Paratyphoid Fever), Infectious Bloody Diarrhoea, Legionnaires Disease, Leprosy, Malaria, Measles, Meningococcal Septicaemia, Mumps, Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhus, Whooping Cough and Yellow Fever.

In Transit means whilst being loaded on to or unloaded from any vehicle or trailer owned or operated by **You**, whilst on the vehicle until unloaded at the final destination and whilst temporarily housed for up to 48 hours when in course of transit.

Indemnity Period means the period, beginning with the occurrence of the **Damage** and extending no longer than the Maximum Indemnity Period shown in the Schedule, during which the results of the **Business** at the **Premises** are affected because of the **Damage**.

Insured Peril(s) means any cause of **Damage** listed as a Peril in the Schedule and described in the Property Damage section of this policy wording.

Neighbouring Property means property in the vicinity of the **Premises**, **Damage** to which will prevent or hinder the use of or access to the **Premises**.

Pollution means all pollution or contamination of **Property Insured** or of water or land or the atmosphere

Premises means those parts of the **Buildings** occupied by **You** in connection with the **Business**.

Property at the Premises means property used by **You** at the **Premises** for the purpose of the **Business**.

Rate of Gross Profit means the rate of **Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the **Damage**.

Standard Gross Revenue means the **Gross Revenue** during that period in the 12 months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**, appropriately adjusted where the **Indemnity Period** exceeds 12 months.

Standard Turnover means the **Turnover** during that period in the 12 months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**, appropriately adjusted where the **Indemnity Period** exceeds 12 months.

Suppliers means suppliers to **You** of goods, materials or services other than electricity, gas, water or telecommunications services.

Turnover means the money paid or payable to **You** for goods sold and delivered and for services rendered in the course of the **Business** at the **Premises**, exclusive of Value Added Tax to the extent that **You** are accountable for it to the tax authorities.

Uninsured Working Expenses means, unless otherwise amended by policy endorsement:

- (1) Purchases net of discounts received
- (2) Bad debts
- (3) Packaging, carriage and freight
- (4) Discounts allowed

For the purposes of this definition the terms used will have the meaning usually attached to them in **Your** books and accounts.

Sub-Section One: Loss of Gross Profit

What IS Insured	What IS NOT Insured
<p>(1) Loss of Gross Profit</p> <p>(a) Loss of Gross Profit resulting from the Business at the Premises being interrupted or interfered with as a result of Damage, caused by an Insured Peril, of or to:</p> <p>(i) Property at the Premises, provided that payment has been made or liability admitted for the Damage under the Property Damage Section of this Policy.</p> <p>(ii) Landlord's Buildings where You are not responsible for insuring the Buildings and payment has been made or liability admitted for the Damage under an insurance policy covering the interest of the Landlord and liability would have been admitted for the Damage under the Property Damage section of this Policy had the Buildings been insured under this Policy.</p> <p>(iii) Neighbouring Property (whether the Premises or their contents are damaged or not), provided that liability would have been admitted for the Damage under the Property Damage section of this Policy had the Damage occurred to Property at the</p>	<p>(a) Loss resulting from Pollution unless resulting from Damage to Property at the Premises or Neighbouring Property (not otherwise excluded), caused by:</p> <p>(i) Pollution which itself results from an Insured Peril</p> <p>(ii) an Insured Peril which itself results from Pollution</p> <p>(b) Loss resulting from any human, contagious or communicable disease. This includes the fear or threat of such disease or any steps taken to control or prevent the spread or transmission of such actual, feared or threatened disease. However, this does not apply to the cover under What IS Insured Paragraph (8) Food or Drink Poisoning and Human Disease Extension.</p> <p>We will not pay more than 133.33% of the Estimated Gross Profit shown in the Schedule in respect of any one event.</p>

What IS Insured	What IS NOT Insured
<p>Premises.</p> <p>(b) Reasonable charges incurred only with Our prior written consent payable by You to Your professional accountants for producing and certifying any information which We request in connection with a claim under this section.</p>	
<p>(2) Public Utilities Extension</p> <p>Loss of Gross Profit resulting from interruption of or interference with the Business as a result of the following:</p> <p>Damage caused by an Insured Peril at any</p> <p>(a) Generating station or sub-station of Your electricity supplier.</p> <p>(b) Land-based premises of Your gas supplier or any directly linked natural gas producer.</p> <p>(c) Water works or pumping station of Your water supplier.</p> <p>(d) Land-based premises of Your telecommunications service provider</p>	<p>We will not pay more than £100,000 in respect of any one event.</p>
<p>(3) Accidental Failure of Public Supply Extension</p> <p>Accidental failure at the terminal ends of the public supply undertakings' feed to the Premises of electricity, gas, water, telecommunications or internet services as a direct result of damage.</p>	<p>We will not pay more than £100,000 in respect of any one event.</p> <p>We will not pay for</p> <p>(a) any failure which does not involve a cessation of supply for at least 24 consecutive hours.</p> <p>(b) any cyber-attack carried out by any person who was, is or during the period of insurance becomes Your partner, director, trustee, in-house counsel or senior manager in actual control of Your operations.</p> <p>(c) any cyber-attack affecting any internet service provider, telecommunications provider, cloud provider but not including the hosting of hardware and software that You own, or other utility provider.</p> <p>(d) atmospheric, solar or lunar conditions causing temporary interference with transmission to or from any satellite.</p> <p>(e) total or partial failure of the public supply occasioned by strike or lock-out, total or partial withdrawal of labour or total or partial cessation of work.</p>
<p>(4) Suppliers Extension</p> <p>Loss of Gross Profit resulting from interruption of or interference with the Business as a result of damage caused by an Insured Peril at any of Your Suppliers premises.</p>	<p>We will not pay more than £100,000 in respect of any one event.</p>

What IS Insured	What IS NOT Insured
<p>(5) Customers Extension Loss of Gross Profit resulting from interruption of or interference with the Business as a result of Damage caused by an Insured Peril at any of Your Customers premises.</p>	<p>We will not pay more than £100,000 in respect of any one event.</p>
<p>(6) Book Debts Extension This sub-section is extended to cover loss in respect of the Policyholder's books of account or other business books or records at the Premises should there be Damage covered under the Property Damage section of this Policy and the Policyholder is as a result unable to trace or establish the outstanding debit balances in whole or in part due to them then We will pay:</p> <ul style="list-style-type: none"> (a) the difference between: <ul style="list-style-type: none"> (i) the outstanding debit balances, and (ii) the total of the amount received or traced in respect thereof (b) the additional costs necessarily and reasonably incurred with our prior consent in tracing and establishing the outstanding debit balances <p>Outstanding debit balances shall be adjusted for:</p> <ul style="list-style-type: none"> (a) bad debts (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of loss) to Customers' accounts in the period between the date to which the last statement relates and the date of the Damage and (c) any abnormal condition of trade which had or could have had a material effect on the Business so that the figure thus adjusted shall represent as nearly as reasonably practicable that which would have been obtained at the date of the Damage had the Damage not occurred. 	<p>We will not pay more than £25,000 in respect of any one event.</p>
<p>(7) Bomb Scares, Murder and Suicide Extension This sub-section is extended to cover loss of Gross Profit resulting from interruption of or interference with the Business as a result of the following:</p> <ul style="list-style-type: none"> (a) A bomb scare or bomb in or near the Premises which prevents or reduces access to the Premises for more than four hours (b) A murder or suicide at the Premises 	<p>We will not pay more than £50,000 in respect of any one event.</p>
<p>(8) Food or Drink Poisoning and Human Disease Extension This sub-section is extended to cover loss of</p>	<p>We will not pay more than £50,000 in respect of any one event.</p>

What IS Insured	What IS NOT Insured
<p>Gross Profit resulting from interruption of or interference with the Business solely and directly as a result of the following:</p> <p>(a) poisoning directly caused by the consumption of food or drink provided at the Premises, or</p> <p>(b) on occurrence of a Human Disease at the Premises.</p> <p>Provided that under (a) and (b) above restrictions on the use of the specific Premises are imposed by a competent public authority.</p>	
<p>(9) Goods in Transit Extension</p> <p>Damage to goods in transit if insured by Section 7 and for which We have admitted liability.</p>	<p>We will not pay more than £50,000 in respect of any one event.</p>

Cessation of Interest

This sub-section, Sub-Section One – Loss of Gross Profit, will be made void immediately if, at any time:

- (1) the **Business** is permanently discontinued, wound up or carried on by a liquidator, receiver or administrator; or
- (2) any other formal arrangements are made with creditors; or
- (3) **Your** interest ceases other than by death;

unless **We** give **Our** written consent to the contrary.

Claims Settlement Provisions

We will settle a claim for loss of **Gross Profit** by payment on the basis of a reduction in **Turnover** and increase in cost of working, subject to any relevant monetary limit specified in this section. **We** will pay:

- (1) in respect of reduction in **Turnover**, the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** falls short of the **Standard Turnover** because of the **Damage**;
- (2) in respect of increase in cost of working, reasonable and necessary additional costs incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which otherwise would have taken place during the **Indemnity Period** because of the **Damage**, up to the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction so avoided;

less any sum saved during the **Indemnity Period** in respect of those charges and expenses of the **Business** payable out of **Gross Profit** which cease or are reduced because of the **Damage**.

If during the **Indemnity Period** goods or services are supplied elsewhere than at the **Premises** for the benefit of the **Business** either by **You** or by others on **Your** behalf the money paid or payable for them will be brought into account in arriving at the **Turnover** during the **Indemnity Period**.

Rate of Gross Profit and **Standard Turnover** will be adjusted as may be necessary to provide for variations in or other circumstances affecting the **Business**, before or after the **Damage**, so that the adjusted figures represent as far as reasonably practicable the results which but for the **Damage** would have been obtained during the **Indemnity Period**.

If **Your Business** is in the first year of trading **Rate of Gross Profit** and **Standard Turnover** will reflect the actual figures realised between the date **Your Business** started and the occurrence of the **Damage** giving rise to a claim under this section.

Special Condition - Renewal Clause

You shall, prior to each renewal of the Policy provide **Us** with the **Estimated Gross Profit** which is applicable for the financial year most nearly concurrent with the ensuing period of insurance.

In the absence of this, **We** will use the last **Estimated Gross Profit** figure provided by **You**.

Sub-Section Two: Loss of Gross Revenue

What IS Insured	What IS NOT Insured
<p>(1) Loss of Gross Revenue</p> <p>(a) Loss of Gross Revenue resulting from the Business at the Premises being interrupted or interfered with as a result of Damage, caused by an Insured Peril, of or to:</p> <p>(i) Property at the Premises, provided that payment has been made or liability admitted for the Damage under the Property Damage Section of this Policy.</p> <p>(ii) Landlord's Buildings where You are not responsible for insuring the Buildings and payment has been made or liability admitted for the Damage under an insurance policy covering the interest of the Landlord and liability would have been admitted for the Damage under the Property Damage section had the Buildings been insured under this Policy.</p> <p>(iii) Neighbouring Property (whether the Premises or their contents are damaged or not), provided that liability would have been admitted for the Damage under the Property Damage section of this Policy had the Damage occurred to Property at the Premises.</p> <p>(b) Reasonable charges incurred only with Our prior written consent payable by You to Your professional accountants for producing and certifying any information which We request in connection with a claim under this section.</p>	<p>(a) Loss resulting from Pollution unless resulting from Damage to Property at the Premises or Neighbouring Property (not otherwise excluded), caused by:</p> <p>(i) Pollution which itself results from an Insured Peril</p> <p>(ii) an Insured Peril which itself results from Pollution</p> <p>(b) Loss resulting from any human, contagious or communicable disease. This includes the fear or threat of such disease or any steps taken to control or prevent the spread or transmission of such actual, feared or threatened disease. However, this does not apply to the cover under What IS Insured Paragraph (8) Food or Drink Poisoning and Human Disease Extension.</p> <p>We will not pay more than 133.33% of the Estimated Gross Revenue shown in the Schedule in respect of any one event.</p>
<p>(2) Public Utilities Extension</p> <p>Loss of Gross Revenue resulting from interruption of or interference with the Business as a result of the following:</p> <p>Damage caused by an Insured Peril at any</p> <p>(a) Generating station or sub-station of Your electricity supplier</p> <p>(b) Land-based premises of Your gas supplier or any directly linked natural gas producer</p> <p>(c) Water works or pumping station of Your water Supplier</p> <p>(d) Land-based premises of Your telecommunications service provider.</p>	<p>We will not pay more than £100,000 in respect of any one event.</p>
<p>(3) Accidental Failure of Public Supply Extension</p> <p>Accidental failure at the terminal ends of the public supply undertakings' feed to the Premises of electricity, gas, water, telecommunications or internet services as a direct result of damage.</p>	

What IS Insured	What IS NOT Insured
	<p>consecutive hours.</p> <p>(b) any cyber-attack carried out by any person who was, is or during the period of insurance becomes Your partner, director, trustee, in-house counsel or senior manager in actual control of Your operations;</p> <p>(c) any cyber-attack affecting any internet service provider, telecommunications provider, cloud provider but not including the hosting of hardware and software that You own, or other utility provider.</p> <p>(d) atmospheric, solar or lunar conditions causing temporary interference with transmission to or from any satellite</p> <p>(e) total or partial failure of the public supply occasioned by strike or lock-out, total or partial withdrawal of labour or total or partial cessation of work.</p>
<p>(4) Suppliers Extension</p> <p>This sub-section is extended to cover loss of Gross Revenue resulting from interruption of or interference with the Business as a result of Damage caused by an Insured Peril at any of Your Suppliers premises.</p>	<p>We will not pay more than £100,000 in respect of any one event.</p>
<p>(5) Customers Extension</p> <p>This sub-section is extended to cover loss of Gross Revenue resulting from interruption of or interference with the Business as a result of the Damage caused by an Insured Peril at any of Your Customers premises.</p>	<p>We will not pay more than £100,000 in respect of any one event.</p>
<p>(6) Book Debts Extension</p> <p>This sub-section is extended to cover loss in respect of the Policyholder's books of account or other business books or records at the Premises should there be Damage covered under the Property Damage section of this Policy and the Policyholder is as a result unable to trace or establish the outstanding debit balances in whole or in part due to them then We will pay:</p> <p>(a) the difference between:</p> <p style="padding-left: 20px;">(i) the outstanding debit balances, and</p> <p style="padding-left: 20px;">(ii) the total of the amount received or traced in respect thereof</p> <p>(b) the additional costs necessarily and reasonably incurred with our prior consent in tracing and establishing the outstanding debit balances</p> <p>Outstanding debit balances shall be adjusted for:</p> <p>(a) bad debts</p> <p>(b) amounts debited (or invoiced but not debited)</p>	<p>We will not pay more than £25,000 unless amended by endorsement to this policy.</p>

What IS Insured	What IS NOT Insured
<p>and credited (including credit notes and cash not passed through the books at the time of loss) to Customers' accounts in the period between the date to which the last statement relates and the date of the Damage, and</p> <p>(c) any abnormal condition of trade which had or could have had a material effect on the Business so that the figure thus adjusted shall represent as nearly as reasonably practicable that which would have been obtained at the date of the Damage had the Damage not occurred.</p>	
<p>(7) Bomb Scares, Murder and Suicide Extension</p> <p>This sub-section is extended to cover loss of Gross Revenue resulting from interruption of or interference with the Business as a result of the following:</p> <p>(a) A bomb scare or bomb in or near the Premises which prevents or reduces access to the Premises for more than four hours</p> <p>(b) A murder or suicide at the Premises.</p>	<p>We will not pay more than £50,000 in respect of any one event.</p>
<p>(8) Food or Drink Poisoning and Human Disease Extension</p> <p>This sub-section is extended to cover loss of Gross Revenue resulting from interruption of or interference with the Business solely and directly as a result of the following:</p> <p>(a) poisoning directly caused by the consumption of food or drink provided at the Premises, or</p> <p>(b) on occurrence of a Human Disease at the Premises.</p> <p>Provided that under (a) and (b) above restrictions on the use of the specific Premises are imposed by a competent public authority.</p>	<p>We will not pay more than £50,000 in respect of any one event.</p>
<p>(9) Goods in Transit Extension</p> <p>Damage to goods in transit if insured by Section 7 and for which We have admitted liability.</p>	<p>We will not pay more than £50,000 in respect of any one event.</p>

Cessation of Interest

This sub-section, Sub-Section Two – Loss of Gross Revenue, will be made void immediately if, at any time:

- (1) the **Business** is permanently discontinued, wound up or carried on by a liquidator, receiver or administrator; or
- (2) any other formal arrangements are made with creditors; or
- (3) **Your** interest ceases other than by death;

unless **We** give **Our** written consent to the contrary.

Claims Settlement Provisions

We will settle a claim for loss of **Gross Revenue** by payment on the basis of a reduction in **Gross Revenue** and increase in cost of working, subject to any relevant monetary limit specified in this section. **We** will pay:

- (1) in respect of reduction in **Gross Revenue** the amount by which the **Gross Revenue** during the **Indemnity Period** falls short of the **Standard Gross Revenue** because of the **Damage**;
- (2) in respect of increase in cost of working, reasonable and necessary additional costs incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Revenue** which otherwise would have taken place during the **Indemnity Period** because of the **Damage**, up to the amount of the reduction so avoided;

less any sum saved during the **Indemnity Period** in respect of those charges and expenses of the **Business** payable out of **Gross Revenue** which cease or are reduced because of the **Damage**.

If during the **Indemnity Period** goods or services are supplied elsewhere than at the **Premises** for the benefit of the **Business** either by **You** or by others on **Your** behalf the money paid or payable for them will be brought into account in arriving at the **Gross Revenue** during the **Indemnity Period**.

Standard Gross Revenue will be adjusted as may be necessary to provide for variations in or other circumstances affecting the **Business**, before or after the **Damage**, so that the adjusted figures represent as far as reasonably practicable the results which but for the **Damage** would have been obtained during the **Indemnity Period**.

If **Your Business** is in the first year of trading **Gross Revenue** and **Standard Gross Revenue** will reflect the actual figures realised between the date **Your Business** started and the occurrence of the **Damage** giving rise to a claim under this section.

Special Condition

Renewal Clause

The Policyholder shall, prior to each renewal of the policy provide **Us** with the **Estimated Gross Revenue** which is applicable for the financial year most nearly concurrent with the ensuing period of insurance. In the absence of this, **We** will use the last **Estimated Gross Revenue** figure provided by **You**.

Sub-Section Three: Additional Cost of Working

What IS Insured	What IS NOT Insured
<p>1. Additional Cost of Working</p> <p>(a) Additional costs of working resulting from the Business at the Premises being interrupted or interfered with as a result of Damage, caused by an Insured Peril, of or to:</p> <p>(i) Property at the Premises, provided that payment has been made or liability admitted for the Damage under the Property Damage section of this Policy.</p> <p>(ii) Landlord's Buildings where You are not responsible for insuring the Buildings and payment has been made or liability admitted for the Damage under an insurance policy covering the interest of the Landlord and liability would have been admitted for the Damage under the Property Damage section had the Buildings been insured under this Policy.</p> <p>(iii) Neighbouring Property (whether the Premises or their contents are damaged or not), provided that liability would have been admitted for the Damage under the Property Damage section of this Policy had the Damage occurred to Property at the Premises.</p> <p>(b) Reasonable charges incurred only with Our prior written consent payable by You to Your professional accountants for producing and certifying any information which We request in connection with a claim under this section.</p> <p>We will not pay more than the Sum Insured shown in the Schedule in respect of any one Indemnity Period.</p>	<p>Loss resulting from Pollution unless resulting from loss of or damage to Property at the Premises or Neighbouring Property (not otherwise excluded), caused by:</p> <p>(a) Pollution which itself results from an Insured Peril</p> <p>(b) an Insured Peril which itself results from Pollution</p>

Cessation of Interest

This sub-section, Sub-Section Three – Additional Cost of Working, will be made void immediately if, at any time:

- (1) the **Business** is permanently discontinued, wound up or carried on by a liquidator, receiver or administrator; or
 - (2) any other formal arrangements are made with creditors; or
 - (3) **Your** interest ceases other than by death;
- unless **We** give **Our** written consent to the contrary.

Claims Settlement Provisions

Subject to any relevant monetary limit specified in this section **We** will settle a claim for Additional Cost of Working by payment of the reasonable and necessary additional expenditure incurred with **Our** prior written consent for the sole purpose of maintaining the **Business** during the **Indemnity Period**.



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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

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