

Section Four – Property Damage

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.

Damage means physical loss, destruction or damage.

Employee(s) means any person working for **You** in connection with **Your Business** who is

- (a) under a contract of service or apprenticeship with **You**
- (b) a labour master or labour-only sub-contractor or person supplied by them
- (c) self-employed (for labour only)
- (d) working under a recognised work experience or training scheme
- (e) a voluntary helper
- (f) borrowed by or hired to **You** or
- (g) a director of **Your Business**.

Heave means upward movement of the ground beneath the **Buildings** as a result of the soil expanding.

Insured Peril(s) means any cause of **Damage** listed as a Peril in the Schedule and described below.

Keys means any device used to open a lock including, but not restricted to, any electronic device, key card or remote control transmitter.

Landslip means downward movement of sloping ground.

Machinery and other contents (as listed in the Schedule) means machinery, trade fixtures and fittings, furniture, office equipment and all other contents in the **Premises**, excluding **Stock**, owned by **You** or for which **You** are responsible and which relates to **Your Business** including

- (a) Shop fronts and other tenants improvements, alterations and decorations.
- (b) Outdoor blinds, signs, aerials and satellite dishes, attached to the **Premises**.
- (c) Documents, manuscripts and business books, computer system records, patterns, models, moulds, plans and designs but only for their value as materials and the cost of the materials, labour and computer time necessary to reproduce them, not exceeding £25,000 in respect of any one **Event**.
- (d) Personal effects, other than **Money**, of any director, partner, **Employee**, customer or visitor not exceeding £1,000 for any one person in respect of any one **Event**, but not property insured under another policy.
- (e) Wines and spirits used solely for entertainment purposes not exceeding £250 in total in respect of any one **Event**.

Definitions

Money means cash, bank or currency notes, current postage stamps, premium bonds, cheques, gift vouchers and travel tickets.

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 Insured means the items as set out in the Property Damage section of the Schedule to this Policy.

Rent means rent receivable in respect of the **Buildings**.

Settlement means downward movement as a result of the soil being compressed by the weight of the **Buildings** within 10 years of construction.

Stock (as listed in the Schedule) means stock and materials in trade, work in progress, finished goods and customers goods, all owned by **You** or for which **You** are responsible.

Subsidence means downward movement of the ground beneath the **Buildings** other than by **Settlement**.

Unoccupied means empty or not in use by **You**, or any tenant of **Yours**, for more than 30 consecutive days.

Water Table means the top level of underground water where the soil is in a permanent state of saturation.

Perils

What IS Insured	What IS NOT Insured (including item limits)
(1) Damage caused by Fire, Lightning or Earthquake	Damage caused by: (a) spontaneous fermentation or heating; or (b) any process involving the application of heat.
(2) Damage caused by Explosion	Damage resulting from the bursting of any apparatus (other than boilers used for domestic purposes only) owned by You or under Your control in which internal pressure is due to steam only.
(3) Damage caused by Impact from aircraft or other aerial devices or articles dropped therefrom.	
(4) Damage caused by Riot, Civil Commotion, Labour and Political disturbances	Damage resulting from confiscation, destruction or requisition by order of the Government or any Public Authority or from cessation of work.
(5) Damage caused by Malicious Persons	Damage (a) caused during a theft or attempted theft (b) caused by any person lawfully on the Premises (c) while the Buildings are Unoccupied (d) in Northern Ireland.

Perils

What IS Insured	What IS NOT Insured (including item limits)
<p>(6) Damage caused by Impact by any road or rail vehicle, animal, falling trees or branches or radio/television aerials</p>	<p>Damage caused by lopping, pruning or felling of trees.</p>
<p>(7) Damage caused by Subsidence or Heave of the site or Landslip</p>	<p>Damage</p> <ul style="list-style-type: none"> (a) due to coastal or river erosion (b) caused by Settlement or shrinkage (c) arising from faulty workmanship, defective design or the use of defective materials or occurring while the Buildings are undergoing demolition or structural alterations or repairs (d) caused by the compaction of infill within 10 years of construction of the Buildings (e) to Buildings defined in (a) to (i) unless also affecting the main structure.
<p>(8) Damage caused by Storm</p>	<p>Damage</p> <ul style="list-style-type: none"> (a) (i) by the escape of water from the normal confines of any natural or artificial water course or lake, reservoir, canal or dam (ii) by inundation from the sea whether resulting from storm or otherwise (b) attributable solely to change in the Water Table level (c) by frost, Subsidence, Heave or Landslip (d) to Buildings not in a good state of repair (e) to fences, gates, hedges or moveable, unfixed property or structures in the open.
<p>(9) Damage caused by Flood</p>	<p>Damage</p> <ul style="list-style-type: none"> (a) caused by storm (b) caused by escape of water from any tank, apparatus or pipe (c) attributable solely to change in the Water Table level (d) by frost, Subsidence, Heave or Landslip (e) to Buildings not in a good state of repair (f) to fences, gates, hedges or moveable unfixed property or structures in the open.
<p>(10) Damage caused by escape of water from any tank, apparatus or pipe or escape of oil from any oil-fired heating installation</p>	<p>Damage</p> <ul style="list-style-type: none"> (a) caused by water discharged or leaking from any automatic sprinkler installations (b) occurring while the Buildings are Unoccupied.
<p>(11) Damage caused by theft or attempted theft involving</p> <ul style="list-style-type: none"> (a) violent and forcible entry to or exit from the Buildings or (b) assault or violence or threat of assault or 	<p>Theft or attempted theft</p> <ul style="list-style-type: none"> (a) arising where You or any member of Your household or any of Your directors, partners or Employees are concerned as principal or accessory to the theft or attempted theft

Perils

What IS Insured	What IS NOT Insured
<p>violence to</p> <ul style="list-style-type: none"> (i) You or Your directors partners or Employees (ii) any member of Your family or a directors partners or Employees family (iii) any customer while on the Premises. 	<ul style="list-style-type: none"> (b) of moveable property in the open (c) occurring while the Buildings are Unoccupied.
<p>(12) Accidental Damage to Property Insured</p>	<p>Damage</p> <ul style="list-style-type: none"> (a) which is substantially due to the absence of maintenance or routine redecoration (b) caused by or consisting of its inherent characteristics, wear and tear, latent defect, depreciation, gradual deterioration, its own faulty or defective design or materials, faulty or defective workmanship (c) caused by mechanical or electrical breakdown, failure or breakage (d) caused by demolition or any structural alteration or repair to the Buildings (e) caused by or consisting of corrosion, rust, dust, wet or dry rot, contamination, mildew, shrinkage, vermin, insects, change in temperature, colour, flavour, texture, finish or action of light (f) caused by delay, confiscation or detention by Customs or other officials (g) to property resulting from its undergoing any process of installing, erecting, altering, adjusting, cleaning, dyeing, restoration, production, packing, treatment, testing, commissioning, servicing, dismantling or repair, evaporation, loss of weight, dampness, dryness, marring, scratching, chewing, tearing or fouling (h) caused by atmospheric and climatic conditions (other than storm) (i) to clothing, contact lenses, pedal cycles or sports equipment (j) to any mechanically propelled vehicle, caravan, trailer, watercraft or aircraft (k) by theft or attempted theft from any unattended vehicle unless <ul style="list-style-type: none"> (i) the vehicle is locked at all points of access and (ii) there are visible signs of forcible and violent entry to the vehicle and (iii) the property (unless permanently fixed in position) is out of sight in a locked compartment or locked boot within the vehicle (l) by malicious persons

Perils

What IS Insured	What IS NOT Insured
	<ul style="list-style-type: none"> (m) by theft or storm to moveable property left in the open (n) consequential loss of any kind (o) to Money (p) not traceable to a specific Event (q) occurring outside the Geographical Limits (r) occurring during any period in which the Buildings are Unoccupied.
<p>(13) Damage caused by accidental discharge or leakage of automatic sprinkler installations</p>	<p>Damage attributable to</p> <ul style="list-style-type: none"> (a) heat caused by fire (b) repairs, alterations or extensions to the structures and/or sprinkler installations (c) defects in construction or condition of which You are aware.

Cover

What IS Insured	What IS NOT Insured
<p>Property Damage</p> <p>We will pay You for Damage to the Property Insured by any Insured Peril happening during the period of insurance stated in the Schedule.</p>	<p>The most We will pay for Damage to any Property Insured, including any additional costs, is the sum insured applicable to that item (subject to any inner limits) less the Excess, if applicable.</p> <p>We will not pay for</p> <ul style="list-style-type: none"> (a) Damage to Property Insured caused by Pollution except where <ul style="list-style-type: none"> (i) the Pollution is a direct result of an Insured Peril, or (ii) the Insured Peril directly results from Pollution. (b) Damage to Money. (c) Damage to motor vehicles and their accessories. (d) Damage to dynamos, alternators, motors or any portion of electrical apparatus, directly caused by its own overrunning, excessive pressure, short circuiting or self heating. <p>These exclusions apply to any claim in the Property Damage Section, including the Additional Covers and Optional Additional Covers.</p>

Additional Cover

What IS Insured	What IS NOT Insured (including item limits)
<p>(1) Underground services</p> <p>We will pay for accidental Damage to the underground pipes, drains and cables (including their inspection covers) serving the Buildings provided that You are legally responsible for repairing the Damage.</p>	
<p>(2) Additions or Extensions</p> <p>Under the Buildings item We will cover</p> <ul style="list-style-type: none"> (a) alterations and additions to the Building but not in respect of any appreciation in value (b) newly acquired property, so far as it is not otherwise insured, anywhere in the Geographical Limits. <p>Provided that You undertake to give details of such extension of cover as soon as practicable and to effect specific insurance and pay any additional premium that is required from inception of the cover.</p>	<p>At any one risk address this cover shall not exceed 10% of the Buildings sum insured or £500,000 whichever is less.</p>
<p>(3) Damage caused by emergency services</p> <p>We will pay for Damage to the Buildings' landscaped grounds or gardens caused by emergency services whilst attending the</p>	<p>We will not pay more than £25,000 in respect of any one claim, after deduction of the Excess.</p>

Additional Cover

What IS Insured	What IS NOT Insured (including item limits)
<p>Buildings for an Insured Peril where We pay a claim.</p>	
<p>(4) Removal of debris We will pay costs and expenses necessarily incurred by You with Our consent in</p> <ul style="list-style-type: none"> (a) removing debris (b) dismantling and/or demolishing (c) shoring or propping up <p>of any Property Insured which is damaged by any Insured Peril. The amount payable for such Damage and costs incurred under (a) (b) and (c) shall not exceed, in the aggregate, the sum insured by each item.</p>	<p>We will not pay for any costs or expenses</p> <ul style="list-style-type: none"> (a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site (b) arising from Pollution of property not insured by this Policy.
<p>(5) National and Local Government Regulations and Requirements The insurance provided for Buildings extends to include the additional cost of reinstating the damaged parts of the Buildings incurred solely by reason of the necessity to comply with the stipulations of Building or other Regulations under or framed in pursuance of any Act of Parliament or bye-laws of any Public Authority (hereinafter referred to as “the Stipulations”) Special Conditions applicable to this extension</p> <ul style="list-style-type: none"> (a) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the Damage or within such further time as We may allow (during the said 12 months) and may be carried out upon another site (if the Stipulations so necessitate) subject to Our liability under this extension not being increased. (b) If Our liability under the Policy apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then Our liability under this extension (in respect of any such item) shall be reduced in like proportion. (c) The total amount payable under any item of the Policy shall not exceed its sum insured (d) Subject to the terms and conditions of the Policy except where they have been varied by this extension. 	<p>We will not pay for</p> <ul style="list-style-type: none"> (a) the cost incurred in complying with the Stipulations <ul style="list-style-type: none"> (i) in respect of Damage occurring prior to the granting of this extension (ii) in respect of Damage excluded or otherwise not insured by this Policy (iii) under which notice has been served upon You prior to the Damage occurring (iv) for which there is an existing requirement which has to be implemented within a given period (v) in respect of any undamaged property (b) the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen (c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of the property by reason of compliance with the Stipulations.
<p>(6) Fees We will pay architects’, surveyors’, consulting engineers’ and legal fees necessarily and</p>	<p>The amount payable for such Damage and fees shall not exceed in the aggregate the sum insured by each item. We will not pay more</p>

Additional Cover

What IS Insured	What IS NOT Insured (including item limits)
reasonably incurred in the reinstatement of the Property Insured following Damage by an Insured Peril but not for preparing any claim.	than £10,000 in respect of any one claim, after deduction of the Excess .
<p>(7) Loss of oil, gas and metered water We will pay for</p> <p>(a) the additional charges imposed on You by utilities suppliers resulting from loss of oil, mains gas or metered water from the water or heating system after accidental Damage to that system</p> <p>(b) the cost of replacing liquefied petroleum gas or oil following accidental discharge from the storage container at the property.</p>	We will not pay more than £10,000 in respect of any one claim, after deduction of the Excess .
<p>(8) Loss of, theft or duplication of keys We will pay the reasonable cost of replacement locks and Keys in respect of doors and windows for which You are responsible and which are necessary to maintain security of the Building</p> <p>(a) following the accidental loss or theft of Keys or</p> <p>(b) where there is reasonable evidence that such Keys have been copied by an unauthorised person.</p>	We will not pay more than £5,000, after deduction of the Excess , for any one claim and in any one period of insurance.
<p>(9) Sale of buildings We will give a purchaser who has contracted to buy Your Building the benefit of the cover under this section from the time You exchange contracts until completion of the sale (or expiry of Your policy if earlier) as long as the purchaser has no other insurance in force.</p>	
<p>(10) Clearing of drains We will pay expenses necessarily incurred in clearing, cleaning and/or repairing drains, gutters or sewers in consequence of Damage caused by any Insured Peril occurring at the Building belonging to You or for which You are responsible.</p>	
<p>(11) Trace and access We will pay costs and expenses reasonably incurred by You in locating the source of a leakage of oil, mains gas, liquefied petroleum gas or water at the Risk Address(es) specified in the Schedule and the cost of making good Damage caused by the search.</p>	The maximum We will pay in respect of any one claim is £5,000, after deduction of the Excess .
<p>(12) Extinguisher and alarm re-setting expenses We will pay reasonable costs incurred by You in refilling fire extinguishing appliances, replacing sprinkler heads and resetting fire or intruder alarm systems solely in consequence of their activation following an Insured Peril.</p>	<p>The maximum We will pay in respect of any one claim is £5,000.</p> <p>We will not pay</p> <p>(a) if You have failed to maintain all such equipment in accordance with the manufacturers' instructions</p>

Additional Cover

What IS Insured	What IS NOT Insured (including item limits)
	(b) any costs and expenses recoverable from Your maintenance company or the Fire and Rescue Service.
<p>(13) Dumping and fly tipping We will pay the cost of cleaning up and removing any materials arising out of and due to dumping or tipping at the Risk Address(es) specified on the Schedule, caused by a sudden specific Event outside Your control.</p>	<p>The maximum We will pay in respect of any one claim is £5,000, after deduction of the Excess.</p>
<p>(14) Contents Temporarily Removed Damage to machinery, fixtures and fittings while temporarily removed from the Building for the purpose of cleaning, repair or renovation, caused by an Insured Peril.</p>	<p>We will not pay more than 25% of the Sum Insured shown against Machinery and other contents in the Schedule in respect of any one event, after deduction of the Excess.</p>
<p>(15) Theft Damage to Buildings Only applicable if Peril 11. Theft is operative. Damage to Your Buildings caused by theft or attempted theft, provided that You are legally responsible for repairing the Damage.</p>	<p>We will not pay more than £10,000 in respect of any one claim, after deduction of the Excess.</p>
<p>(16) Damage to Documents Damage to</p> <ul style="list-style-type: none"> (a) computer system records (b) books, deeds, manuscripts (c) plans, drawings or documents <p>belonging to You or held by You in trust and for which You are responsible, caused by an Insured Peril:</p> <ul style="list-style-type: none"> (i) whilst in the Premises; (ii) while temporarily at premises which You do not occupy; or (iii) in transit by road, rail or inland waterway within the Geographical Limits. 	<p>We will not pay more than £10,000 in respect of any one event, after deduction of the Excess.</p> <p>We will only pay for their value as materials and the cost of labour expended in reproducing them and not for the value of any information lost.</p>

Optional Cover Extensions (only applicable if shown on the Schedule)

What IS Insured	What IS NOT Insured (including item limits)
<p>(17) Deterioration of Stock</p> <p>Damage to stock in refrigerated cabinets, freezers or cold rooms in the Premises caused by deterioration, contamination or putrefaction resulting from</p> <p>(a) a rise or fall in temperature due to breakdown of or unforeseen Damage to the equipment (including non-operation of any thermostatic or automatic controlling device forming part of the equipment or its installation)</p> <p>(b) A rise or fall in temperature due to accidental failure of the public electricity, gas or water supply.</p> <p>(c) an accidental escape of refrigerant or refrigerant fumes.</p>	<p>We will not pay more than the sum insured for Deterioration of Stock as stated in the Schedule in respect of any one Event, less the Excess.</p> <p>We will not pay for any deterioration, contamination or putrefaction:</p> <p>(a) caused by an Insured Peril;</p> <p>(b) arising from a failure or fluctuation of the public electricity, gas or water supply resulting from:</p> <p>(i) a deliberate act of the supply authority unless performed for the sole purpose of safeguarding life or protecting a part of any supply authority's system;</p> <p>(ii) a scheme of rationing unless necessitated solely by physical damage to a part of the supply authority's system</p> <p>(iii) strike or lock-out, total or partial withdrawal of labour or partial or complete cessation of work; or</p> <p>(iv) drought;</p> <p>(c) resulting from Your wilful act or neglect;</p> <p>(d) caused by faulty packaging or storage;</p> <p>(e) caused by the incorrect setting of thermostats or automatic control devices;</p> <p>(f) to goods contained within a refrigerated vehicle.</p>
<p>(18) Moveable property cover for specified items anywhere in the United Kingdom</p> <p>Cover under this section is extended to apply in respect of Damage to the property specified on the Schedule by any Insured Peril whilst it is anywhere in the United Kingdom.</p>	<p>We will not pay more than the sum insured for the property as stated in the Schedule in respect of any one Event, less the Excess.</p> <p>We will not pay for Damage caused by theft or any attempted theft whilst any hand held portable property is left unattended away from the Premises, unless the property is:</p> <p>(i) contained within a building which is locked and secured at all points of access or</p> <p>(ii) contained within the locked boot of or out of sight within any motor vehicle which is locked at all points of access and the theft or attempted theft involves forcible and violent entry into the building or motor vehicle.</p>
<p>(19) Loss of Rent</p> <p>Loss of Rent incurred during any period in which the Buildings are made unfit for occupation by Damage caused by any of the Insured Perils.</p>	<p>We will not pay more than the Sum Insured shown in the Schedule in respect of any one Event.</p>

Claims Settlement Provisions

We shall not pay, in respect of any one insured item, more than the sum insured shown in the Schedule for that item.

Basis of settlement – Buildings

Claims for **Damage** to **Buildings** will be settled on the basis of the cost of reinstatement.

For this purpose “reinstatement” means

- (a) the rebuilding or replacement of property lost or destroyed.
- (b) the repair or restoration of property damaged.

You can do this on another site and in any manner suitable for **Your** requirements, provided it does not cost more than it would to reinstate to the original specification.

In the case of (a) or (b) **We** will reinstate to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new and without any allowance for depreciation or wear and tear provided that:

- (i) the **Buildings** were in a good state of repair at the time of the **Damage**
- (ii) reinstatement commences and proceeds without unreasonable delay
- (iii) the cost of reinstatement shall have been actually incurred
- (iv) **Our** liability for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
- (v) **We** shall not be bound to reinstate exactly or completely any property that is the subject of a claim but only as circumstances permit and in a reasonably sufficient manner.

Basis of settlement – Machinery and all other Contents

We will settle a claim for **Damage** to property by payment or, at our option, by replacement, reinstatement or repair, subject to any relevant monetary limit specified in this Section.

We will pay for the cost of repair less a deduction for any depreciation and wear and tear

- (a) in respect of **Stock**, materials in trade and goods in trust
- (b) if repair or replacement is not carried out.

For the purpose of any claim settlement replacement, reinstatement or repair as near as is reasonably practicable will be sufficient even though the former appearance or condition of the property may not be precisely restored.

We will not be liable for the replacement of or work on any undamaged items or remaining parts solely because they form part of a set, suite, group or collection of articles of a similar nature, colour, pattern or design.

Basis of settlement - Rent

We will settle a claim for loss of **Rent** by payment on the basis of the loss of **Rent** for those parts of the **Buildings** unfit for occupation.

We will not pay more than that proportion of the Sum Insured on **Rent** shown in the Schedule which the period necessary for the reinstatement of the **Buildings** bears to the period shown in the Schedule.



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