

**Introduction**

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**Law and Jurisdiction** This insurance is subject to English law and practice and to the exclusive jurisdiction of the English courts sitting in London.  
In particular, there are rules of law in relation to disclosure and under-insurance.

**Material Facts** If at any time after inception of this insurance there is a substantial change in your business, you must advise Underwriters, who reserve the right to amend the rates, terms and conditions of this insurance.

***If you are in any doubt as to whether this insurance meets your needs, you should seek independent advice from your insurance advisor.***

**Cancellation** This insurance may be cancelled by Underwriters or the Assured giving 7 days' notice in writing to take effect from midnight on the date of issue.

**Non-Contribution** This insurance does not cover subject matter that is insured by or would, but for the existence of this insurance, be insured by any other existing policy or policies; except in respect of any additional sum beyond the amount which would have been payable under such policy or policies had this insurance not been effected.

**Insurance Premium Tax** Underwriters will calculate the tax liability of the Assured, who agrees to pay all amounts due.

**Declaration** The Insured shall prior to each renewal date supply NMU with the total replacement as new value of computer equipment and ancillary equipment as applying at Renewal Date

## Service Standards

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### **Northern Marine Underwriters Limited**

Faulkner House  
Faulkner Street  
Manchester  
M1 4DY

0161 236 3380  
(fax) 0161 236 0633

Northern Marine Underwriters Limited is authorised and regulated by the Financial Services Authority.

We aim to provide you with a high quality service. If you are dissatisfied in any way, then please write to or telephone the office which issued this Policy and we will do our best to resolve the problem.

If you are unhappy with the reply or explanation received, we ask that you contact our Compliance Manager, at the address shown left.

We will acknowledge your communication within 5 business days of receipt, letting you know who will be dealing with your problem and when you can expect a response.

We will let you have a formal response within 20 business days.

If that is not our final response, we will let you know the reason why and when you can expect to receive our final response.

### **Munich Re Underwriting Limited**

St Helens  
1 Undershaft  
London  
EC3A 8EE

020 7886 3900  
(fax) 020 7886 3901

In issuing this insurance, Northern Marine Underwriters Limited acts as agent for Watkins Syndicate (WTK/457) at Lloyd's.

The Managing Agent for the Syndicate is Munich Re Underwriting Limited.

If we cannot resolve any problem to your satisfaction, you may contact the Compliance Director of Munich Re Underwriting Limited.

### **Lloyd's of London**

One Lime Street  
London  
EC3M 7HA

020 7327 5693  
(fax) 020 7327 5225

Lloyd's is regulated by the Financial Services Authority.

Lloyd's has strict guidelines as to how complaints should be dealt with. You may, if the matter is still not resolved to your satisfaction, or at any time, take your concerns to the Policyholder and Market Assistance team at Lloyd's.

### **Financial Ombudsman Service**

Where appropriate, the Managing Agent and Lloyd's will also give you details of the independent arbitration scheme administered by the Financial Ombudsman Service.

However, the Financial Ombudsman Service will only consider referral of your complaint if you have given us the opportunity to resolve it and we have not, or if we do not resolve it within 40 working days (in which case you may contact them directly) **and you are**

- a private policyholder; or
- a business with a group annual turnover of less than £1million; or
- a charity with an annual income of less than £1million; or
- a trust with a net asset value of less than £1million.

### **Financial Services Authority**

25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

020 7066 1000

The Financial Services Authority is an independent non-governmental body established to regulate the financial services industry, under statutory powers granted by the Financial Services and Markets Act 2000.

Further information about your rights as a policyholder and guidance about making complaints can be obtained by calling their helpline: 0845 606 1234, or from their website: [www.fsa.gov.uk/consumer](http://www.fsa.gov.uk/consumer).

**Claims Procedure**

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**Instructions for Survey** *In the event of any happening or event likely to give rise to a claim under this insurance, immediate notice must be given in writing with full particulars to the broker named herein.*

No survey is required for any claims unlikely to exceed £1,000 or the equivalent in other currencies.

**Duty of the Assured** The Insured shall take all reasonable precautions to prevent Damage or Loss of Information

Section 1 and 2

On the happening of any Damage the Insured shall

- i) notify NMU in writing immediately
- ii) inform the police immediately if the Damage is caused by thieves or malicious persons
- iii) provide NMU with full details of Damage by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances within seven days of its happening
- iv) send to NMU a written claim not later than thirty days or such further time as NMU may in writing allow after the Damage has happened providing at the Insured's own expense all the detailed particulars and evidence regarding the cause and amount of the claim as NMU may reasonably require together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith
- v) carry out and permit to be taken any action which may be reasonably practicable to diminish the Damage and to prevent further loss
- vi) permit NMU and every person authorised by NMU without thereby incurring any liability to enter any premises where the Damage has occurred and to take and keep possession of and deal with any salvage

Section 3

- a) In the event of any occurrence in consequence of which a claim is or may be made the Insured shall
  - i) notify NMU immediately
  - ii) deliver to NMU at the Insureds expense within 7 days of its happening full details of any loss caused by riot civil commotion strikers locked-out workers taking part in labour disturbances or malicious persons
  - iii) with due diligence carry out and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss
- b) In the event of a claim being made the Insured at his own expense shall
  - i) not later than 30 days after the expiry of the indemnity period or within such further time as NMU may allow delivery to NMU in writing particulars of his claim together with details of all other insurances covering Computer and/or Ancillary Equipment and Computer Records used by the Insured for the purpose of the Business or any part of it or any resulting business interruption loss
  - ii) deliver to the Insurers such books of account and other business books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may be reasonably required by NMU for the purpose of investigating or verifying the claim together with if demanded a statutory declaration of the truth of the claim and of any matters connected with it
- c) If the terms of this condition have not been complied with no claim under Section 3 of this contract shall be payable and any payment on account of the claim already made shall be repaid to NMU forthwith

**Definitions**

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***For the purposes of this insurance, these words and phrases shall always be taken as having the following meanings:***

***Insured*** As stated in the **Schedule**, and any party to whom insurable interest in subject-matter insured hereunder passes under a contract of sale.  
And **you** and **your** shall be construed accordingly.

***Excess*** The amount for which the Assured is responsible as the first part of each claim.

***Damage*** Physical loss destruction or damage including loss or damage by theft or attempted theft (unless specifically excluded) but only where theft or attempted theft from Premises involves forcible or violent entry to or exit from the Premises

***Proprietary Software Programs*** The package of software programs purchased by the Insured with the Property at the original date of purchase plus any subsequent upgrades but shall not include any bespoke computer software without the prior consent and knowledge of NMU provided that where such cover has been specifically agreed by NMU reference is noted in the Schedule by Endorsement

***Property*** Category

- a) all computer equipment (including interconnecting wiring fixed disks and telecommunications equipment) used for the storage and communication of electronically processed data
- b) ancillary equipment solely for use with the computer equipment comprising air conditioning equipment generating equipment uninterruptable power supply voltage regulating equipment temperature and humidity recording equipment electronic access equipment heat smoke and water detection equipment lightning and transient overvoltage protection devices physically restraining security devices which have been approved by NMU computer furniture gas flooding cylinders and pipework and Computer Room Partitioning
- c) Proprietary Software Programs and/or information stored upon fixed disks
- d) all current and backup computer records (excluding paper records of any description) incorporating stored programs and/or information thereon

***Reinstatement***

- a) Where any item of Property suffers Damage to the extent that it cannot be economically repaired replacement by equivalent Property of comparable performance and/or capacity or if such be impracticable replacement by comparable Property having the nearest comparable performance and/or capacity to the Property which has suffered Damage
- b) Where any item of Property suffers other Damage the repair of the Damage and the restoration of the portion of Property suffering Damage to a working condition substantially the same as but not better or more extensive than its condition when new

***Business*** As detailed in the Schedule

***Deferred Purchase*** An agreement entered into by the Insured entitles the Insured to defer payment for Property for a period in excess of usual trade credit

**Definitions**

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**Computer Room Partitioning** Any false floors ceilings and walls designed built and used for the sole purpose of creating a designated computer room

**Insured Event** Insured Event shall mean

- i) Damage insured under Section 1 and/or Section 2 of this contract
- ii) Loss of Information insured under Section 2 of this contract
- iii) Damage to any item of Category (a) or (b) of the Property due to its own breakdown or derangement
- iv) the accidental failure or fluctuation of the supply of electricity to Categories (a) and (b) of the Property at the premises in which the Property is situated
- v) the accidental failure of any telecommunications system used in connection with the Property
- vi) the Insured being denied access to the Property due to
  - i) Damage to the Property at or in the vicinity of the Premises
  - ii) the exercise by any authority of its powers for the sole purpose of safe guarding life or property

**Defined Peril** To the extent that these are insured by this contract fire lightning explosion earthquake aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons storm flood escape of water from any tank apparatus or pipe accidental escape of water from any automatic sprinkler installation impact by any road vehicle or animal theft subsidence ground heave or landslip but

- a) the peril of civil commotion shall not be a Defined Peril in Northern Ireland
- c) the peril of flood shall not be a Defined Peril in the Netherlands

**Current Cost Accounting** For the purpose of this Section any adjustment implemented in current cost accounting shall be disregarded

**Indemnity Period** Indemnity Period shall mean the period during which the additional expenditure is incurred beginning with the occurrence of an Insured Event and ending not later than the Maximum Indemnity Period thereafter

**Loss of Interest** Loss of Interest shall mean

- i) interest payable in respect of loans raised
- ii) interest foregone on reduction in investment capital in lieu of loans raised as a direct result of or to minimise the effect of the interruption or interference

## Definitions

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**Loss of Information** Loss distortion corruption or erasure of programs and/or information from any cause not otherwise excluded

**Misuse of Property** The deliberate or accidental misuse or contamination of any computer and/or computerised system (including programs and data) from

- a) any act executed through accessing the System
- b) any infection of any kind within the System

**Premises** a) where the Insured is the sole occupier of a building the entire building  
b) where the Insured is not the sole occupier of a building those parts of the building in the exclusive use and/or occupation of the Insured

**Incident** Any occurrence or series of occurrences attributable to one proximate cause.

**Period** As stated in the **Schedule**.

If notice of cancellation is given, then the end of the period will be midnight on the last day before cancellation becomes effective.

**Subsidiary Company** As defined in section 736 of the Companies Act 1985 and any statutory amendments thereto.

**Territorial Limits** Worldwide

**Failure of a System** Failure of a System means the failure or inability of a System (whether or not owned by the Insured)

- a) correctly to recognise or utilise any data concerning a date (whether a date in the Year 2000 or any other date) as being such calendar date as the data is intended to represent
- b) to operate as a result of any command programmed in to the System utilising any date (whether a date in the Year 2000 or any other date)

**System** System includes computers and other computing and electronic and mechanical equipment linked to a computer hardware software programs data electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation

Microchip includes integrated circuits and microcontrollers

**NMU** Northern Marine Underwriters Limited, acting on behalf of MC Watkins and Others, Syndicate 457 at Lloyd's.

And **we**, **us** and **our** shall be construed accordingly.

Cover

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**SECTION 1**  
**Damage to Property**

In the event of Damage (other than Damage hereby excluded) to Property owned by or on Deferred Purchase lease hired or rented to the Insured or whilst on trial with a view to purchase by the Insured happening during the Period of Insurance whilst situated or in transit anywhere in the world NMU will pay to the Insured the value of the Property at the time of its loss or destruction or the amount of the Damage or at its option the amount payable shall be Reinstatement

**SECTION 2**  
**Loss of Information**

In the event of Loss of Information (other than Loss of Information hereby excluded) from Categories c) and d) of the Property whilst situated or in transit anywhere in the world NMU will pay the costs necessarily and reasonably incurred by the Insured to reinstate such programs and/or information

**SECTION 3**  
**Increased Cost of Working**

If the computer operations of the Business are interrupted or interfered with due to the occurrence during the period of insurance of an Insured Event NMU will pay as Increase in Cost of Working the additional expenditure necessarily and reasonably incurred by the Insured (including Loss of Interest) during the Indemnity Period in consequence of such interruption or interference

**LIMIT OF LIABILITY**

The liability of NMU shall not exceed

- a) in any period of insurance under Sections 1 and 2 the Sum Insured set against each Section in the Schedule
- b) in any period of insurance under Section 3
  - i) the Sum Insured stated in the Schedule and/or
  - ii) in respect of Loss of Interest 10% of the Sum Insured stated in the Schedule
- c) 10% of the Sum Insured under Section 1 or (if less) £100,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less whilst the Property is in transit or located outside the UK or Republic of Ireland
- d) £5,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause in respect of theft from unattended vehicles
- e) 10% of the Sum Insured under Section 1 or (if less) £5,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less in relation to physically restraining security devices (which are approved by NMU) including any computer furniture to which they are attached

In the event that the Insured consists of more than one party or legal entity the liability of NMU shall not exceed the amount for which NMU would have been liable had such Damage been sustained by any one of the Insured

**Extensions**

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- 1. Automatic Reinstatement of Sum Insured** The Sums Insured stated in the Schedule will be automatically reinstated without additional premium from the date of occurrence of any Damage or liability of £10,000 or less
- 2. Additional Property** The insurance provided by this contract is extended to include in respect of Sections I and 2 additions to the Property occurring after the commencement of the Period of Insurance for the period up to the next renewal date at no additional charge subject to a limit of 20% of the Sum Insured under Section I or up to £250,000 in total in any one period of insurance whichever is less
- 3. Additional Rental** In addition to the limit of NMUs liability under this Section NMU will indemnify the Insured against the payment of additional lease or rental charges up to an amount not exceeding £15,000 arising out of the replacement of a lease/hire agreement in respect of the Property by a new agreement for similar Property and consequent upon Damage insured under Section 1 of this contract
- 4. Debris Removal Costs** The insurance provided by this contract is extended to include costs necessarily and reasonably incurred with the consent of NMU in the removal of Property consequent upon Damage insured by Sections I and 2 provided that the liability of NMU under this extension shall not exceed 10% of the Sum Insured under Section I or £50,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less
- 5. Residual Breakdown** In the event of Damage to any item described under Categories a) and b) of the Property due to its own breakdown or derangement such item at the time of the Damage must be the subject of a maintenance rental hire or lease agreement that must provide at inclusive cost a service of at least on-call remedial and/or corrective maintenance with free repair or replacement in the event of breakdown or derangement arising out of normal use
- 6. Temporary Repairs and / or Expediting Costs** The insurance provided by this contract is extended to include costs necessarily and reasonably incurred in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of Property consequent upon Damage insured by Sections 1 and 2 (such costs not being recoverable under Section 3 of this contract or under any other contract issued for the benefit of the Insured) provided that the liability of NMU under this extension shall not exceed 10% of the Sum Insured under Section I or £50,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less
- 7. Consulting Engineers Fees / Repair Investigation Costs** The insurance provided by this contract is extended to include in respect of Sections I and 2 costs (including consulting engineers fees) incurred with the prior consent of NMU in conducting investigations and/or tests into possible repair replacement or reinstatement of Property suffering Damage regardless of whether such investigations and/or tests are successful or not

**Extensions**

**8. Professional Accountants Charges** Any particulars or details contained in the Insureds books of account or other business books or documents which may be required under the **Duty of the Assured** condition of this contract for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured, and their report shall be prima facie evidence of the particulars and details to which such report relates

NMU shall pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by NMU under the terms of the **Duty of the Assured** condition of this contract and reporting that such particulars or details are in accordance with the Insureds books of account or other business books or documents

provided that the sum of the amount payable under this clause and the amount otherwise payable under the contract shall in no case exceed the sum of the amounts specified herein as the limits of NMUs liability

**9. Incompatibility of Computer Records** The insurance provided by this contract is extended to include in respect of Sections I and 2 costs of

- a) modification of computer equipment
- or
- b) restoration recompilation or replacement of computer records together with reinstatement of programs and/or information thereon

(whichever is the less) to achieve compatibility in the event that loss or destruction of computer equipment insured by this contract has resulted in undamaged computer records being incompatible with the replacement computer equipment provided that Section 2 is insured and provided further that the liability of NMU under this extension shall not exceed either the Sum Insured under Section 2 or £50,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less

**10. Measures Taken in Avoidance of Damage** The insurance provided by this contract is extended to include in respect of Sections 1 and 2 costs incurred by the Insured in taking reasonable but exceptional measures to avoid or mitigate impending Damage subject to the Sums Insured stated on the schedule under Sections 1 and 2 provided that

- a) the impending Damage did not stem from any reasonably foreseeable cause and that Damage would have been the natural outcome to be expected in the absence of such measures
- b) NMU are satisfied that Damage has been avoided or reduced in consequence of the measures taken and the amount payable is found by NMU to be no greater than the cost which would have been incurred if no measures had been taken and Damage had occurred
- c) the terms exclusions and conditions of this contract shall apply as if Damage had occurred

**11. Accidental Discharge of Gas Flooding Systems** The insurance provided by this contract is extended to include in respect of Sections 1 and 2 the cost of refilling the cylinder(s) of any gas flooding systems installed solely for the protection of the Property arising out of the accidental discharge of such system provided always that the liability of NMU hereunder shall not exceed 10% of the Sum Insured under Section 1 or £ 10,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less

**Extensions**

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- 12. Computer Virus Seek and Destroy** The insurance provided by this contract is extended to include in respect of Sections 1 and 2 costs and expenses necessarily and reasonably incurred with the consent of NMU in locating and removing detectable computer virus contained in any insured host program or executable disc segment within the Property provided that the amount payable under this extension shall not exceed 10% of the Sum Insured under Section 1 or £5,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less
- 13. Research and Development Costs** The insurance provided by this contract is extended to include in respect of Sections 1 and 2 costs of re-writing any data processing research or development project(s) to the stage they had reached immediately prior to the Damage but excluding any benefit to the Insured which would have been obtained from completion of the project(s) had the Damage not occurred provided that
- a) Section 2 is insured
  - b) the amount payable shall not exceed the Sum Insured under Section 2 or £5,000 in total in respect of any one incident of Damage or series of incidents of Damage from a common cause whichever is less
  - c) the Insured has fully complied with the contract conditions detailed under Condition 2 - Special Precautions regarding back-ups
- 14 Indemnity to Parent / Subsidiary Companies** The insurance provided by this contract is extended to indemnify any company standing in the relation of parent to subsidiary (or subsidiary to parent) to the Insured or any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary in each case as defined in current legislation provided always that they shall as if they were the Insured observe fulfil and be subject to the terms exclusions and conditions of this contract
- 15 Waiver of Subrogation Rights** NMU shall waive any rights of subrogation against any user of the Property provided that
- a) such user has the authority of the Insured to use the Property and
  - b) such user shall as if they were the Insured observe fulfil and be subject to the terms exclusions and conditions of this contract
- 16 Misuse or Contamination of Computer Systems** Insofar as this contract covers Damage and/or Loss of Information and/or interruption or interference with the Business resulting from Misuse of Property the liability of NMU in respect of such Damage and/or Loss of Information and/or interruption or interference with the Business shall not exceed £100,000 in the aggregate (or the section Sum Insured or any other stated limit of liability if less) after the application of all the provisions of the contract including any excess
- 17. Payment on Account** Where liability under this Section is admitted the Insured shall be entitled to receive payment(s) as agreed between the Insured and NMU in advance of final settlement

**Extensions**

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**18. Special Provisions**

- a) No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
  - i) unless Reinstatement commences and proceeds without unreasonable delay
  - ii) until Reinstatement has been carried out
  - iii) if the Property insured at the time of its Damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement
- b) If at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property exceeds the sum insured thereon at the commencement of any Damage the liability of NMU shall not exceed that proportion of the amount of the Damage which the sum insured shall bear to the sum representing the cost of reinstating the whole of the Property at that time
- c) All terms exclusions and conditions of this contract shall apply
  - i) in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
  - ii) where claims are payable as if this memorandum had not been incorporated

**Exclusions**

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THE INDEMNITY SHALL NOT APPLY TO

**1. Pollution or Contamination** Damage caused by pollution or contamination except Damage caused by

- a) pollution or contamination which itself results from any Damage insured
- b) any Damage insured which itself results from pollution or contamination

**2. Corrosion or Erosion** In respect of Sections 1 and 2 Damage consisting of or caused by any form of corrosion or erosion howsoever the same may arise but this exclusion shall not apply to Damage to any other part of the Property free from any corrosion or erosion

**3. Wear and Tear** In respect of Sections 1 and 2 Damage caused by or consisting of gradually occurring wear and tear or deterioration which is both predictable and inevitable from the normal operation or usage of the Property but this exclusion shall not apply to Damage to any other part of the Property free from any such condition

**4. Data Recognition** Unless Damage or Loss of Information or interruption or interference with the Business results from a Defined Peril direct or indirect Damage or Loss of Information or interruption or interference with the Business caused by any Failure of a System resulting in Damage (whether direct or indirect) Loss of Information or interruption or interference with the Business (howsoever caused) to any such System or to any other Property Insured

**5. Maintenance Agreement** In respect of Sections 1 and 2 Damage where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance rental hire or lease or any provision in an agreement for the supply of the Property

**6. Lease / Hire / Rent / Loan or Sale** In respect of Sections 1 and/or 2 Damage or loss resulting from Damage to any Property which is

- a) offered or to be offered for lease hire rent or loan by the Insured
- b) leased hired rented or lent by the Insured to others offered or to be offered for sale or sold by the Insured where the sale of such Property is in the course of the Business of the Insured

**7. Insured's Contribution** The excess stated in the Schedule being the first part of each and every claim to be borne by the Insured as ascertained after the application of all other terms and conditions of the insurance

**8. Consequential Loss** In respect of Sections 1 and/or 2 financial loss loss of profits loss due to delay or any consequential loss of any kind whatsoever not specifically insured by this contract

**Exclusions**

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- 9. Property of Others** Damage to or loss of Information from any Property which is not owned leased rented hired or on loan to the Insured whilst in the custody or control of the Insured for programming repair service adjustment alteration storage or transit purposes
- 10. Flood** Damage or Loss of Information resulting from Damage occurring in the Netherlands caused by flood
- 11. Riot Strike and Civil Commotion** Damage caused by riot strike lock-out or civil commotion
- 12. Theft restriction** Damage to the Property due to theft or attempted theft from any premises unless entry to or exit from such premises is by forcible or violent means
- 13. War** Any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection civil strife military or usurped power confiscation commandeering nationalisation requisition or seizure or Damage to any property by or under the order of any government de jure or de facto or public municipal or local authority
- 14. Radioactive Contamination** Damage to any Property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
- 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 properties of any explosive nuclear assembly or nuclear component thereof
- 15. Cost of Reinstatement of Information** in respect of Section 3 costs of reinstatement of programs and/or information onto Computer Records and/or Fixed Disks
- 16. Exclusion Periods** Increase in Cost of Working incurred during
- i) the first 24 hours following breakdown or derangement of any item of Category (a) of the Property if a maintenance rental hire or lease agreement is not in force on such item - Insured Event (iii) refers
  - ii) the first 30 minutes in respect of failure of the supply of electricity - Insured Event (iv) refers
  - iii) the first 8 hours in respect of failure of telecommunications equipment - Insured Event (v) refers
- 17. Deliberate Supply / Service Withdrawal** The deliberate act of the Insured or any supply authority or the exercise by any such supply authority of its power to withhold or restrict operation of the supply or system or the inability of the Insured or any such authority to maintain the supply or system due to industrial action by any of its employees

**Exclusions**

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**18. Acts of Tele-  
Communications  
Authorities**

The failure of any telecommunications system directly or indirectly due to

- a) the deliberate act of any telecommunications authority or the exercise by any authority of its powers to withhold or restrict operation of the system or the inability of the authority to maintain the system due to industrial action by its employees
- b) the use by the Insured of any equipment which is not approved by the telecommunications authority as properly installed and compatible
- c) failure of any satellite prior to its obtaining its full operating function or whilst in or beyond the final year of its design life
- d) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite

**Market Conditions**

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**Terrorism** notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this policy an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

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

**Conditions**

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***Alteration to Premises Security***

The alarm system must not be altered in any way without the prior approval in writing of NMU

The Insured must give immediate notice in writing to NMU in the event that

a) the Insured receives notice from a Police Authority that the level of police response at the Premises is anything other than "level 1 - Immediate Attendance"

or

b) the Insured is required to abate a nuisance under the Code of Practice on Noise from Audible Intruder Alarms 1983 or otherwise by a court or competent authority

***Special Precautions***

The Insured shall

a) maintain the Property in good order and efficient operating condition

b) observe the manufacturers and/or suppliers instructions for use operation storage transit and inspection of the Property

c) back-up information (other than software programs) at least once every twenty four hours verify and store taking all reasonable precautions in their safe storage and separately maintain one verified back-up copy in a location away from the Premises

d) maintain one verified and up to date set of back-up software programs in a separate location away from the Premises

e) obtain and keep in force and effect a proper and valid licence in respect of any software program in their possession

***Right to Examine***

NMU representatives shall have the right to examine at all reasonable times any Property

***Alteration***

In respect of Sections 1 and 2 this contract shall be cancelled with respect to any item of the Property in regard to which there is any alteration after the commencement of this insurance

a) whereby the risk of Damage is increased either temporarily or permanently or

b) whereby the interest of the Insured ceases

unless agreed otherwise by NMU in writing

In respect of Section 3 this contract shall be avoided if after the commencement of this insurance

a) the Business is wound up or carried on by a liquidator or receiver or permanently discontinued or

b) the interest of the insured ceases other than by death or

c) any alteration is made either in the Business or the Property whereby the risk of Damage is increased

unless agreed otherwise by NMU in writing

***Keyholders Response***

The keyholder(s) shall attend as soon as is reasonably possible after being notified of an alarm activation at the Premises

## Conditions

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**Security Requirements** Each and every location insured on this contract is allocated a security level

In the absence of an allocated security level on the printed Schedule Security Level 1 is deemed to apply

**Security Level 1** If this contract provides indemnity for Damage following theft or attempt thereat then in respect of the Premises the following security conditions must apply

Except for openings designated as fire exits by the Fire Authority the final exit door must be fitted with a mortice deadlock with 5 or more levers or in conformity to BS3621:1980 for thief resistant locks in conjunction with a matching boxed striking plate and all other external doors and all internal doors giving access from an external source to any part of the Premises must be fitted with either

- a) mortice deadlock
- or
- b) 2 key operated security bolts for doors fitted about 30 cm from the top and the other about 30 cm from the bottom of the door

All ground floor and basement opening windows and skylights and other opening windows and skylights accessible from roofs decks scaffolding (temporary or permanent) balconies fire escapes canopies down pipes or any other externally protruding feature of the building such as roller shutter encasements or design features must be fitted with key operated window locks or protected by solid steel bars collapsable gates expanded metal or weld mesh grilles

The Premises must be protected by an audible intruder alarm system which is

- a) installed and maintained by a company approved by the National Approval Council for Security Systems (NACOSS)
- b) subject to a maintenance contract which is kept in force during the period of insurance with a company approved by NACOSS
- c) adequate to protect the entire Premises

The Premises must not be left unattended unless

- a) the alarm system is tested and checked set in its entirety and found to be in full and efficient working order
- b) all locks bolts and other protective devices are in full operation
- c) all keys are removed from the Premises or placed in a locked safe or strong room the keys to which are removed from the Premises

**Security Level 2** If the Schedule makes reference to Security Level 2 all of Security Level 1 shall apply as if set out herein plus

- a) the intruder alarm system must include remote signalling to a central monitoring station operated by a company approved by the National Approval Council for Security Systems (NACOSS)
- b) the Premises must not be left unattended unless the alarm system is tested and set in its entirety and where the equipment permits any central station to which the alarm system is connected has acknowledged the setting signal
- c) all PCs and equipment of similar usage and/or dimensions in respect of which the central processing unit has a new replacement value greater than £2,500 must be secured by a physically restraining security device which has been approved by NMU

**Conditions**

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***Unattended Vehicles  
Security***

Whilst any item of Property is being carried in a vehicle which is left unattended

- a) any such vehicle must be protected by an intruder alarm system which is in full and efficient working order and which will operate in the event of interference with the vehicle; and
- b) the doors of the vehicle must be locked and all its windows and other openings fully closed and properly fastened; and
- c) the vehicle must be in a locked garage or locked parking area if left overnight; and
- d) the Property must be concealed from view in a locked boot where such facilities are available or concealed from view and secured by physically restraining security devices which have been approved by NMU where such facilities are unavailable

***Fraud***

If a claim is dishonest or fraudulent in any respect or if dishonest or fraudulent means are used by the Insured or by anyone acting on his behalf to obtain any benefit under this contract or if any Damage is caused by the wilful act or with the connivance of the Insured all benefit under this contract shall be forfeited

***Arbitration***

If any difference shall arise as to the amount to be paid under this contract (liability being otherwise admitted) such difference shall be referred to an Arbitrator to be appointed by the parties in accordance with the Statutory provisions in that respect for the time being in force Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against NMU

***Subrogation***

Any claimant under this contract shall at the request and expense of NMU provide such information and co-operation as NMU may require and shall take and shall permit to be taken all steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by NMU

***Contract Voidable***

This contract shall be voidable in the event of misrepresentation misdescription or non- disclosure in any material particular