Terrorism Insurance Policy

Terrorism Including Sabotage Insurance

FORM: LUK2023UK

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1 Policy Introduction

Thank **You** for choosing Gallagher to provide **Your** Terrorism Insurance.

This is **Your** Terrorism Insurance Policy Wording which sets out **Your** insurance protection in detail.

Your Policy is a contract between **Us**, Lancashire Insurance Company (UK) Ltd, and **You**, the Policyholder. It is an important document so **You** should keep it somewhere safe – **You** will need it if **You** need tomake a claim.

Please read it carefully to make sure that it meets **Your** requirements and that the details on the Policy Schedule and Statement of Facts are correct. **Your** premium has been based upon the information shown in the Policy Schedule and recorded in **Your** Statement of Facts.

If after reading **Your** Policy Booklet **You** have any questions, any details are incorrect or the **Policy** does not provide the cover **You** need then **You** should contact Gallagher immediately.

1.1 Important Notice - Your duty of disclosure

As well as giving **Us** all of the relevant facts before **You** enter into this **Policy**, **You** must tell **Us** about any facts or changes which affect **Your** insurance and which have occurred either since the **Policy** started or since last renewal date.

If **You** are not sure whether certain facts are relevant please ask **Your** broker. If **You** do not tell **Us** about relevant changes, **Your Policy** may not be valid or the **Policy** may not cover **You** fully.

You should keep a written record (including copies of letters) of any information **You** give **Us**, or **Your** broker, when **You** renew this **Policy**.

If **You** do not tell **Us** about relevant facts or changes, the remedies available to **Us** are set out below.

a) If **Your** failure to tell **Us** is deliberate or reckless:

   i) **We** may avoid the **Policy**, and refuse to pay all claims; and

   ii) **We** need not return any of the premiums paid.

b) If **Your** failure to tell **Us** about relevant facts or changes is not deliberate or reckless, **Our** remedy shall depend upon what **We** would have done if **You** had told us:

   i) If **We** would not have entered into the **Policy** at all, **We** may avoid the **Policy** and refuse all claims, but must return the premiums paid.

ii) If **We** would have entered into the **Policy**, but on different terms (other than terms relating to the premium), the **Policy** is to be treated as if it had been entered into on those different terms from the outset.

iii) In addition, if **We** would have entered into the **Policy**, but would have charged a higher premium, **We** may reduce proportionately the amount to be paid on a claim.

1.2 Choice of Law

All disputes relating to this **Policy**, including its interpretation, formation and validity is governed by the law of England and Wales and subject always to the Arbitration Clause, it will be subject to the exclusive jurisdiction of the Courts of England and Wales.

1.3 How to Make a Claim

If **You** need to make a claim, please contact Davies Managed Systems as soon as reasonably possible by calling the telephone number:- 0344 856 2326 and have **Your** Policy Number to hand when calling. **Your** Policy Number appears on **Your** Policy Schedule.

Alternatively, please contact newclaims.lancashire@davies-group.com

1.4 Sanctions clause

We shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

1.5 Regulatory Details

Lancashire Insurance Company (UK) Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. **Our** Firm Reference Number is 450965.

You can check this on the FCA's register by visiting the website www.register.fca.org.uk or by contacting the FCA on 0800 111 6768 or 0300 500 8082.

2 Insuring Clause

Subject to the exclusions, limits, terms and conditions contained in the **Policy**, this **Policy** covers:

2.1 **Damage** to **Property Insured** caused by an **Act of Terrorism**;

2.2 **Business Interruption** directly resulting from **Damage** to **Property Insured** caused by an **Act of Terrorism**,

within the **Territorial Limits** where the **Act of Terrorism** occurs during the **Period of Insurance**.

3 Limits of Indemnity

We will pay:

(a) in respect of **Damage** under 2.1 above, to reinstate or repair or, at **Our** option, replace the **Property Insured** up to the value of the **Property Insured** at the time of the **Damage**;

(b) in respect of 2.2 above, the amount of the **Business Interruption,** as calculated in accordance with the appropriate **Coverage Part**,

provided that **Our** liability for any one **Occurrence** under this **Policy** shall not exceed the Overall Limit of Liability.

If a lower amount is specified for a particular item or any other relevant Limit of Liability or sub-limit stated in the Schedule applies **Our** liability will not exceed that lower amount.

4 Definitions

Words and expressions in this section have been given a specific meaning and they shall have the same meaning wherever they appear in the **Policy**.

(a) **Act of Terrorism** means an act or series of acts, involving the use of force or violence, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation, 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. An **Act of Terrorism** shall include an act of **Sabotage**.

(b) **Associated Policy** means the policy providing Buildings Insurance including Business Interruption to **You** which is listed in the Schedule.

(c) **Business** means **Your** business as defined in the **Associated Policy**.

(d) **Business Interruption** means loss, as covered under the **Coverage Part**, resulting from interruption of or interference with the **Business** as defined in the **Associated Policy** carried on by **You.**

(e) **Civil Commotion** means a substantial violent disturbance by a large number of persons assembled together and acting with common purpose or intent.

(f) **Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by **You** or any other party.

(g) **Coverage Part** means the relevant basis of cover under the Business Interruption Section, as contained in the **Associated Policy**.

(h) **Damage** means direct physical loss or destruction of or physical damage.

(i) **Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

(j) **Malicious Act** means the actions of anyone intending to cause harm or mischief, whether or not during and/or following **Strike**, **Riot** or **Civil Commotion**, including but not limited to vandalism, looting, theft of or the taking of goods by force.

(k) **Occurrence** means any one loss or series of losses arising out of and directly caused by any one **Act of Terrorism**. The duration and extent of any one **Occurrence** shall be limited to all losses sustained by **You** during any period of 72 consecutive hours. However, no period of 72 consecutive hours may extend beyond the expiration of this **Policy** unless **Damage** first occurs prior to expiration. No period of 72 consecutive hours can start before the beginning of th**e Period of Insurance**.

(l) **Period of Insurance** means the period of insurance stated in the Schedule.

(m) **Policy** means the policy booklet, Schedule and any endorsements.

(n) **Property Insured** means tangible property, as shown in the Schedule, for which values have been declared to and agreed by **Us** as listed in the Schedule.

(o) **Riot** means a violent disturbance by a group of persons assembled together for a common purpose or intent which threatens the public peace.

(p) **Sabotage** means a subversive act or series of acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for these purposes.

(q) **Strike** means a lockout or total or partial work stoppage to enforce demands made on an employer or to protest against an act or condition.

(r) **Territorial Limits** means as the Territorial Limits stated in the Schedule.

(s) **Us, We** or **Our** means the insurer, Lancashire Insurance Company (UK) Ltd.

(t) **You** or **Your** means the Insured stated in the Schedule.

5 Application of Associated Policy Provisions

This **Policy** is subject to the same warranties, terms and conditions, definitions, clauses, extensions and exclusions as the **Associated Policy**, except as regards:

(a) the premium,

(b) the Overall Limit and sub limits of Liability,

(c) the Excess,

(d) any renewal or long term agreement,

(e) and as otherwise provided herein

where the terms of this **Policy** will apply.

For the avoidance of any doubt, where there is conflict between this **Policy** and the **Associated Policy**, the warranties, terms and conditions, definitions, clauses, extensions and exclusions of this **Policy** shall prevail.

6 Extensions

The following extensions are added to the **Policy**. Where the extensions include a sub-limit the sub-limit is part of and not in addition to the Overall Limit of Liability stated in the Schedule.

(a) Denial of Access including civil or military order

We will insure **You** for:

i. **Business Interruption** because of **Damage** caused by an **Act of Terrorism** to property within one (1) mile radius of the **Property Insured**, where the **Damage** prevents the use of the **Property Insured** or access to it whether the **Property Insured** is damaged or not.

ii. **Business Interruption** because of closure, confiscation, requisition or sealing off of the **Property Insured** or any right of way providing public access to the **Property Insured**, by order or action of civil or military authority as a result of an **Act of Terrorism** which prevents **Your** use of the **Property Insured**.

(b) Utilities

We will insure **You** for **Business Interruption** caused by **Damage** by an **Act of Terrorism** to installations and/or equipment, pipes, lines, wires and the like used for the supply of gas, electricity, water, effluent, telecommunications or internet provision services which results in failure of supply or services at the terminal ends of the service feeders or receivers or meters at the **Property Insured**.

Business Interruption arising from transmission distribution or feeder lines however, will be limited to **Damage** to lines located within one (1) mile of the **Property Insured**.

(c) Unspecified Third Party Site

We will insure **You** against **Damage** caused by an **Act of Terrorism** to **Property Insured** owned by the **You** while it is at any unspecified third party site.

(d) Property in Transit

We will insure **You** against **Damage** caused by an **Act of Terrorism** occurring during the **Period of Insurance** to **Property Insured** which is in transit.

(e) Verified Threat

We will insure **You** for **Business Interruption** resulting directly from an

imminent physical threat to people or assets at **Property Insured** which is either:

(a) communicated to **You** by the Police or an employee of Her Majesty's Government; or,

(b) communicated by **You** to the Police or an employee of Her Majesty's Government

on the basis of which **You** evacuate **Your** premises, **We** will pay **You** up to the applicable sub-limit for the actual **Business Interruption** loss sustained by **You** during the **Period of Insurance**.

(f) Residential Emergency Costs and Expense

We will pay for costs and expenses as a result of **Damage** caused by an **Act of Terrorism** as insured under this **Policy** for the reasonable additional cost of comparable alternative accommodation for:

1) any tenant including temporary storage costs for their furniture
2) domestic pets which normally live in the buildings
3) the reasonable additional emergency costs and expenses during the period necessary to restore insured buildings which have been made uninhabitable or inaccessible by **Damage** to a habitable condition.

We will not pay:

1) any amount in excess of the limit stated in the Schedule of the Sum Insured on damaged buildings
2) costs which may cease or be reduced as a result of the **Damage** caused by an **Act of Terrorism**
3) cost, loss or expense as a result of a Verified Threat.

(g) Public Relations Expenses

We will pay reasonable costs incurred by **You** if, as a result of **Damage** caused by an **Act of Terrorism** to the buildings which are part of the **Property Insured**, **You** need to employ suitable public relations personnel to deal with press and public announcements or other necessary activities.

7 Conditions

Except as expressly varied in this section, this **Policy** is subject to the conditions of the **Associated Policy**.

(a) **Automatic Reinstatement**

Any clause included in the **Associated Policy** relating to the automatic reinstatement of sums insured or limits of liability does not apply to this **Policy**.

(b) **Other Insurance**

This **Policy** shall cover **You** in excess of any other insurance available to **You** covering a loss also covered under this **Policy** except in the case of other insurance which is written specifically as excess insurance over this **Policy**.

When this **Policy** is written specifically in excess of other insurance covering an **Act of Terrorism**, this **Policy** shall not apply until the amount of the underlying insurance, whether collectible or not, has been exhausted by loss and **Damage** covered by this **Policy** in excess of the deductible with respect to each covered loss.

(c) **Reasonable precautions**

You shall take all reasonable steps and precautions to prevent loss, destruction or **Damage.**

(d) **Associated Policy**

The **Associated Policy** must be maintained in full force and effect for the full duration of the **Period of Insurance**. If the **Associated Policy** is not maintained in full force and effect this **Policy** will be interpreted in line with the **Associated Policy** that was in force at the start of this **Policy**.

(e) **Claims Conditions**

(i) **Notification**

If there is an **Occurrence** likely to give rise to a claim, **You** should as soon as reasonably possible notify **Us** and/or the broker, named for that purpose in the Schedule.

(ii) If there is **Damage** caused by an **Act of Terrorism**, **You** must submit to **Us** or the broker all relevant information and evidence as may reasonably be required including:

(i) full information in writing of the property lost, destroyed or damaged and the amount of the **Damage**

(ii) details of any other insurances on any **Property Insured**

(iii) all proofs and information relating to the claim including time, place and cause of loss

which shall be submitted as soon as reasonably possible but in all cases this must be within 60 days of the **Occurrence**.

(iii) If a claim is made by **You** for **Business Interruption** as included under this **Policy**, **You** must deliver to **Us**:

(i) not later than 30 days after the expiry of the Indemnity Period or within a further time as **We** may allow, particulars of **Your** claim together with details of all other insurances covering **Property Insured** and resulting **Business Interruption**.

(ii) deliver to **Us** books of account and other business books, vouchers, invoices, balance sheets, and other documents, proofs, information, explanation and other evidence as may reasonably be required by **Us** for the purpose of investigating the claim.

(iv) **You** must co-operate fully in the investigation or adjustment of any claim.

(v) **Proof of Loss**

In any claim and/or action, suit or proceeding to enforce a claim for loss under this **Policy**, the burden of proving that the loss is covered by this **Policy** and that no limitation or exclusion of this **Policy** applies and the quantum of loss falls upon **You**.

(vi) **Subrogation**

Any release from liability entered into in writing by **You** before the loss insured by this **Policy** occurred will not affect this **Policy** or **Our** rights to recover from a third party. However the right of subrogation against any of **Your** subsidiary or affiliated companies or any other companies associated with **You** through ownership or management is waived;

If **We** make any payment under this **Policy**, **We** will be subrogated to the extent of the payment **We** make. **You** will execute all papers required, will cooperate with **Us** and, at **Our** request, will attend hearings and trials and will assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and will do anything that may be necessary to secure these rights. **We** will act in concert with all other interests concerned (including **Yours**) in the exercise of these rights of recovery. If any amount is recovered as a result of these proceedings, the amount will be distributed in the following priorities:

(i) Any interest, (including **Yours**), exclusive of any deductible or self insured retention, suffering a loss of the type covered by this **Policy** and in excess of the coverage under this **Policy** will be reimbursed up to the amount of the loss (excluding the amount of the deductible);

(ii) Out of the balance remaining, **We** will be reimbursed to the extent of payment under this **Policy**;

(iii) The remaining balance, if any, will be reimbursed to **You**, or any insurer providing insurance excess to this **Policy**, for the amount of that insurance, deductible, self insured retention, and/or loss of a type not covered by this **Policy**.

The expense of all proceedings necessary for the recovery will be apportioned between the interests concerned, including **Yours**, in the ratio of their respective recoveries as finally settled. If there is no recovery and proceedings are instituted solely on **Our** initiative, the expense of the proceedings will be borne by **Us**.

(f) **Fraud**

(a) If **You** make a fraudulent claim under this **Policy**, **We**:

(i) will not be liable to pay the claim; and

(ii) may recover from **You** any sums paid by **Us** to **You** in respect of the claim; and,

(iii) may, by notice to **You**, treat the **Policy** as having been terminated with effect from the time of the fraudulent act.

(b) If **We** exercise **Our** rights under clause a) (iii) above:

(i) **We** will not be liable to **You** in respect of a claim occurring after the time of the fraudulent act; and,

(ii) **We** need not return any of the premiums paid.

(g) **Abandonment**

There will be no abandonment of any property to **Us**.

(h) **Inspection and Audit**

We will be permitted but not obligated to inspect **Your** property at any time.

Our right to make inspections, the actual inspections or any report produced as a result are not on behalf of or for the benefit of **You** or any other party or to determine or warrant that the property is safe.

(i) **Arbitration**

Any dispute which may arise under, out of or in connection with or relating

to this **Policy**, including its interpretation, formation and validity or the determination of the amount of loss hereunder will be referred to and finally resolved by arbitration under the London Court of International Arbitration (LICA) Rules in accordance with its rules at the date of the submission. The number of arbitrators will be three. The seat of the Arbitration will be London and the language used in the arbitral proceedings will be English.

The proper law governing arbitration is the law of England and Wales.

The parties are jointly and severally liable to the arbitral tribunal and the LCIA for the arbitration costs (other than the legal or other costs incurred by the parties themselves).

(j) **Cancellation**

If **You** decide that **You** do not wish to proceed then **You** can cancel the policy by writing to **Your** broker within 14 days of either the date **You** receive **Your** insurance documentation or the start of the **Period of Insurance** whichever is the later. Provided **You** have not made a claim we will refund the premium if the **Policy** is cancelled in the Cooling Off Period.

Following the Cooling-off Period this **Policy** is not cancellable by **You** or **Us** unless the premium has not been paid. If the premium has not been paid within sixty (60) days of the start date of the **Period of Insurance**, this **Policy** may be cancelled by **Us** with fifteen (15) days' notice of the cancellation. The notice of cancellation will be sent to **You** at the address shown in the Schedule or to the broker through whom this **Policy** was arranged. The mailing of the notice shall be sufficient proof of notice and this **Policy** will terminate at the date and hour specified in the notice.

(k) **Data Protection Act**

Your details and the details of **Your** insurance cover and claims will be held by **Us** for underwriting, processing, claims handling and fraud prevention subject to the provisions of the Data Protection Act 2018.

For further details please refer to our Privacy Policy which you can find on our website at: https://www.lancashiregroup.com/en/site-services/privacy-policy.html

(l) **Index Linking**

1. Renewal.

   Where it states in the **Associated Policy** that index linking applies, the amounts insured will be adjusted for movements in the following indices. **We** may select alternative measures if any of these indices are unavailable:

   (i) any building and tenants improvements item The General Building

Cost index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; or,

(ii) other items the Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department.

2. Claims

These adjustments will continue during the:

(i) **Period of Insurance**; and,

(ii) period of repair, replacement or reinstatement provided that the work is carried out and completed without undue delay.

8 Exclusions

Except in respect of the cover expressly provided by this **Policy**, this **Policy** is subject to the exclusions of the **Associated Policy**.

In addition to the exclusions of the **Associated Policy** this **Policy** does not cover:

(a) **Nuclear**

any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however caused.

(b) **War**

any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, military or usurped power or martial law.

For the avoidance of doubt and subject always to the other exclusions of the **Policy**, the fact that an **Act of Terrorism** is committed by an agent of the sovereign or government entity operating covertly and not in connection with any operation of armed forces or where the **Act of Terrorism** is funded by a sovereign or government entity, will not of itself give rise to the application of this war exclusion, provided that that **Act of Terrorism** is not committed in the course of war or in the course of a warlike operation.

(c) **Requisition**

any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with confiscation, requisition, detention, seizure, legal or illegal occupation, embargo, quarantine acts of contraband or illegal transportation or illegal trade or any result of any order of public or government authority which deprives **You** of the use or value of the property.

(d) **Chemical or Biological**

any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with chemical or biological release or exposure of any kind.

(e) **Pollution**

(i) any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with the seepage and/or discharge of pollutants or contaminants including but not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment unless otherwise specifically insured herein,

(ii) but this will not exclude **Damage** to **Property Insured** or **Business Interruption** directlyresulting therefrom directly caused by seepage and/or pollution and/or contamination which itself results from **Damage** caused by an **Act of Terrorism**.

Provided that:

(i) the **Damage** is derived from pollutants and/or contaminants owned by, or in **Your** care, custody or control,

(ii) the pollutants and/or contaminants are contents insured by this **Policy**; and,

(iii) the **Damage** shall be subject to the sub-limit stated in the Schedule.

(f) **Cyber**

any claim directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1. any electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon;

2. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **Data**, including any amount pertaining to the value of such **Data**.

Subject to all the terms and conditions of this **Policy**, this exclusion will not operate to exclude physical loss or physical damage to **Property Insured** under this **Policy** arising from the use of any **Computer System** or program in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

If any portion of this clause (f) is found to be invalid or unenforceable, the remainder will remain in full force and effect.

(g) **Strikes, Riots and Civil Commotion**

any claim caused by or arising out of **Malicious Act**, **Strikes**, **Riots**, or **Civil Commotion**, unless **Damage** is caused directly by an **Act of Terrorism**.

(h) **Threat or Hoax**

Business Interruption as a result of threat or hoax except as insured by Extension (e) Verified Threat.

(i) **Utilities**

Damage or **Business Interruption** caused by cessation, fluctuation or variation in or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service as insured by Extension (b) Utilities.

(j) **Business Interruption**

Business Interruption other than expressly provided under Insuring Clause 2.2 or Extensions (a) Denial of Access, (b) Utilities or (e) Verified Threat.

(k) **Loss of Use**

loss of use, delay or loss of markets, loss of income, depreciation, or reduction infunctionality.

9 How to make a complaint

We are committed to delivering the highest standards of customer care. **We** are always interested in **Your** feedback and **You** can contact us on the following telephone number or via email:

Address: Davies Managed Systems, Two Smithfield, Leonard Coates Way, Stoke on Trent, ST1 4FD
Tel: 0344 856 2326
Email: Newclaims.lancashire@davies-group.com

Our commitment to you

- **We** will make sure all the information we give **You** will be clear, fair and not misleading.
- **We** will always try to be fair and reasonable whenever **You** need the protection of this policy.
- **We** will also act promptly to provide that protection.

If things go wrong

Whilst **We** will make every effort to maintain the highest standards, **We** recognise that there may be some occasions when **We** fail to satisfy the particular requirements of **Our** customers. **We** therefore have in place procedures to investigate and remedy any area of concern. In these circumstances wepromise:

- To acknowledge any complaint as soon as we receive it and at most within 5 days.
- To have the issues reviewed fairly by a person of appropriate seniority and authority.
- To identify the person managing **Your** complaint in our original letter of response.
- To respond fully to **Your** concern or complaint within a maximum of 8 weeks. If for any reason this is not possible, we will write to **You** promptly to explain why we have been unable to finalise the matter quickly. We will also let **You** know when we will contact **You** again.

If after 8 weeks **You** are not satisfied with **Our** response or if **You** have not received one **You** may be able to refer the dispute to the Financial Ombudsman Service who will review **Your** case on an independent basis.Their address is:

Financial Ombudsman Service
Exchange Tower,
London
E14 9SR

Tel No: 0800 0234 567 (free for people phoning from a "fixed line", for example, a landline at home)
Tel No: 0300 1239 123 (free for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02)

E-mail: complaint.info@financial-ombudsman.org.uk

If **You** take any of the action mentioned above, it will not affect **Your** statutory right to take legal action.