

# Terrorism Insurance Certificate

## For Residential Properties Only

Cover effected through Beech Underwriting Agencies Ltd.



**This is to certify** that in accordance with the authorisation granted under the Contract (the number that is specified in the Schedule) to the undersigned by certain Underwriters at Lloyd's, whose definitive numbers and the proportions underwritten by them, which will be supplied on application, can be ascertained by reference to the said Contract which bears the Seal of Lloyd's Policy Signing Office, and in consideration of the payment of the premium specified herein, the said Underwriters are hereby bound, severally and not jointly, their Executors and Administrators, to insure in accordance with the terms and conditions herein or endorsed hereon.

False or Fraudulent Claims; we would draw your attention to Condition 16 which sets out your rights and responsibilities with respect to Fraud.

**In Witness** whereof this Certificate has been signed at the place stated and on the date specified in the Schedule by

A handwritten signature in black ink, appearing to read 'G Stilwell', is written over a light grey rectangular background.

G Stilwell  
Managing Director  
Beech Underwriting Agencies Ltd

**The Certificate Schedule which specifies the operative sections is your evidence of insurance and may be required in the event of a claim. Please read the Schedule and the Certificate and return it immediately if it is not in accordance with your requirements. If you decide within 14 days of receipt that you do not wish to accept the Certificate, return it and provided no claims have been made, we will refund the premium. The Certificate is designed for easy amendment, therefore should the Insured request any change in cover, an updated Schedule will be issued.**

### HOW TO MAKE A CLAIM.

Please Contact :

Beech Underwriting Agencies Ltd  
For postal address, see certificate schedule.  
Tel: - 01622 755218 Email: - Geoff@beechunderwriting.co.uk

### HOW TO MAKE A COMPLAINT

Please see complaints procedure on your certificate schedule.

## **INSURING CLAUSE**

Subject to the exclusions, limits and conditions hereinafter contained, this Insurance insures property of the Insured and /or subsidiary and/or associated divisions as stated in the Schedule attaching and forming part of this Certificate (hereinafter referred to as the "Schedule") against physical loss or physical damage, arising from an occurrence during the period of this Certificate caused by an Act of Terrorism or Sabotage, or a Verified Threat or Hoax thereof, as herein defined

For the purpose of this Insurance, an Act of Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

For the purpose of this Insurance, an Act of Sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

For the purpose of this Insurance, Verified Threat means a threat of an intention to cause physical damage, loss of life or bodily injury by an act of Terrorism or Sabotage and which poses an immediate and real risk of occurring within the vicinity of the premises.

Verified means either, (a) a threat that has been passed to you by the Police or an Officer of Her Majesty's Government; or (b) you have informed the Police immediately after you become aware of a device you suspect could be harmful at or within the vicinity of your premises.

For the purpose of this Insurance, a Hoax means a threat of an intention to cause physical damage, loss of life or bodily injury by an act of Terrorism or Sabotage and which poses an immediate and real risk of occurring within the vicinity of the premises, but which does not materialise.

Vicinity means within one mile of your premises.

### **PROPERTY EXCLUDED - This Certificate does not cover physical loss or physical damage to:**

1. Land or land values.
2. Power transmission, feeder lines or pipelines not on the Insured's premises.
3. Aircraft or any other aerial device, or watercraft.
4. Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage.
5. Animals, plants and living things of all types.
6. Property in transit not on the Insured's premises

### **CONDITIONS**

1. **JOINT INSUREDS** - The Underwriters' total liability for any loss or losses sustained by any one or more of the Insureds under this Insurance will not exceed the sum insured shown in the Schedule. The Underwriters shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the Insureds or any one or more of the Insureds.
2. **OTHER INSURANCE** - This Certificate shall be excess of any other insurance available to the Insured covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this Certificate. When this Certificate is written specifically in excess of other insurance covering the peril insured hereunder, this Certificate shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this Certificate in excess of the deductible with respect to each and every covered loss.
3. **SITUATION** - This Certificate insures property located at the addresses stated in the Schedule.
4. **SUM INSURED** - The Underwriters hereon shall not be liable for more than the sum insured stated in the Schedule in respect of each occurrence and in the Certificate aggregate.
5. **DEDUCTIBLE** - Each occurrence shall be adjusted separately and from each such amount the sum stated in the Schedule shall be deducted.
6. **OCCURRENCE** - The term "Occurrence" shall mean any one loss and/or series of losses arising out of and directly occasioned by one Act or series of Acts of Terrorism or Sabotage for the same purpose or cause. The duration and extent of any one "Occurrence" shall be limited to all losses sustained by the Insured at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this Certificate unless the Insured shall first sustain direct physical damage by an Act of Terrorism or an Act of Sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Certificate.
7. **DEBRIS REMOVAL** - This Certificate also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of property stated in the Schedule damaged by an Act of Terrorism or an Act of Sabotage. The cost of removal of debris shall not be considered in determination of the valuation of the property covered.
8. **DUE DILIGENCE** - The Insured (or any of the Insured's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.
9. **PROTECTION MAINTENANCE** - It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this Certificate and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.
10. **VALUATION** - It is understood that, in the event of damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions:

The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;

Until replacement has been effected the amount of liability under this Certificate in respect of loss shall be limited to the actual cash value at the time of loss;

If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Certificate.

The Underwriters' liability for loss under this Certificate shall not exceed the smallest of the following amounts: -

The Certificate limit applicable to the destroyed or damaged property,

The replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss,

The amount actually and necessarily expended in replacing said property or any part thereof. The Underwriters will normally expect the Insured to carry out repair or replacement of the insured property, but if the Insured and the Underwriters agree that it is not practicable or reasonable to do this, the Underwriters will pay the Insured an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred. The Underwriters will only pay the Insured up to the Sum Insured shown in the Schedule.

11. **INCORRECT DECLARATION PENALTY** - If the values declared as stated in the Schedule are less than the correct insured values as determined above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the Insured shall co-insure for the balance.
12. **NOTIFICATION OF CLAIMS** - The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to the Underwriters and or the Agent, named for that purpose in the Schedule, who is to advise the Underwriters within seven (7) days of such knowledge of any occurrence and it is a condition precedent to the liability of Underwriters that such notification is given by the Insured as provided for by this Certificate. If the Insured makes a claim under this Insurance he must give the Underwriters such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by the Underwriters, the Insured must submit to examination under oath by any person designated by the Underwriters.
13. **PROOF OF LOSS** - The Insured shall render a signed and sworn proof of loss within sixty (60) days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the Insured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If the Underwriters have not received such proof of loss within two years of the expiry date of this Certificate, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this Certificate, the burden of proving that the loss is recoverable under this Policy and that no limitation or exclusion of this Certificate applies and the quantum of loss shall fall upon the Insured.

14. **SUBROGATION** - Any release from liability entered into in writing by the Insured prior to loss hereunder shall not affect this Certificate or the right of the Insured to recover hereunder. The right of subrogation against any of the Insured's subsidiary or affiliated companies or any other companies associated with the Insured through ownership or management is waived;

In the event of any payment under this Certificate, the Underwriters shall be subrogated to the extent of such payment to all the Insured's right of recovery therefore. The Insured shall execute all papers required, shall cooperate with Underwriters and, upon the Underwriters' request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. The Underwriters will act in concert with all other interests concerned (including the Insured) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- (i) Any interest, (including the Insured's), 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 Certificate shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- (ii) Out of the balance remaining, the Underwriters shall be reimbursed to the extent of payment under this Certificate;
- (iii) The remaining balance, if any, shall inure to the benefit of the Insured, or any insurer providing insurance primary to this Certificate, with respect to the amount of such primary insurance, deductible, self-insured retention, and/or loss of a type not covered by this Certificate.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the Insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of Underwriters, the expense thereof shall be borne by the Underwriters.

15. **SALVAGE AND RECOVERIES** - All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this Certificate shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

## 16. **INSURANCE ACT 2015 - FRAUDULENT CLAIMS CLAUSE**

- 1) If the Insured makes a fraudulent claim under this insurance contract, the Insurer:
  - a) Is not liable to pay the claim; and
  - b) May recover from the Insured any sums paid by the Insurer to the Insured in respect of the claim; and
  - c) May by notice to the Insured treat the contract as having been terminated with effect from the time of the fraudulent act.
- 2) If the Insurer exercises its right under clause (1) (c) above:
  - a) The Insurer shall not be liable to the Insured in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the Insurer's liability under the insurance contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and,
  - b) The Insurer need not return any of the premiums paid.

Fraudulent claims – group insurance

- 3) If this insurance contract provides cover for any person who is not a party to the contract ("a covered person"), and a fraudulent claim is made under the contract by or on behalf of a covered person, the Insurer may exercise the rights set out in clause (1) above as if there were an individual insurance contract between the Insurer and the covered person. However, the exercise of any of those rights shall not affect the cover provided under the contract for any other person.

Nothing in these clauses is intended to vary the position under the Insurance Act 2015.

LMA5256 16 March 2016

- 17. DUTY OF FAIR REPRESENTATION AND MISREPRESENTATION** - The Insured and/or Joint Insured must disclose to the insurers all material circumstances which it knows, or ought to know. An Insured or Joint Insured "ought to know" information that should reasonably have been revealed by a reasonable search of information available to it. If the Insured or Joint Insured fails to disclose all material information, or conceals / misrepresents a material fact or circumstance relating to this Insurance, then Insurers may avoid the contract and refuse to pay all claims. Insurers may not be required to return the premium paid. All remedies available to Insurers are contained in the Insurance Act 2015 Part 2 Section 8.

- 18 ABANDONMENT** - There shall be no abandonment to the Underwriters of any property.

- 19 INSPECTION AND AUDIT** - The Underwriters or their agents shall be permitted but not obligated to inspect the Insured's property at any time.

Neither the Underwriters' right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

The Underwriters may examine and audit the Insured's books and records at any time up to two years after the final termination of this Certificate, as far as they relate to the subject matter of this Insurance.

- 20 ASSIGNMENT** - Assignment or transfer of this Certificate shall not be valid except with the prior written consent of the Underwriters.

- 21 RIGHTS OF THIRD PARTIES EXCLUSION** - This Certificate is effected solely between the Insured and the Underwriters. This Certificate shall not confer any benefits on any third parties, including shareholders, and no such third party may enforce any term of this Certificate. This clause shall not affect the rights of the Insured.

- 22 CANCELLATION** - This Certificate may be cancelled by the Insured by giving written notice to Beech Underwriting Agencies Ltd at the address shown on the first page of this Certificate.

In the event of non-payment of premium this Certificate may be cancelled by or on behalf of the Underwriters by delivery to the Insured or by mailing to the Insured or the Agent by registered, certified, or other first class mail, at the Insured's address as shown in this Certificate, written notice stating when, not less than fifteen (15) days thereafter, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Certificate shall terminate at the date and hour specified in such notice.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

- 23 ARBITRATION** - This Certificate shall be subject to the rules of the London Court of International Arbitration (LCIA). If the Insured and Underwriters fail to agree in whole or in part regarding any aspect of this Certificate, each party shall, within ten (10) days after the demand in writing by either party, appoint a competent and disinterested arbitrator and the two (2) chosen shall before commencing the arbitration select a competent and disinterested umpire.

The arbitrators together shall determine such matters in which the Insured and Underwriters shall so fail to agree and shall make an award thereon and the award in writing of any two (2), duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire.

The parties to such arbitration shall pay the arbitrators respectively appointed by them and bear equally the expenses of the arbitration and the charges of the umpire.

- 24 SEVERAL LIABILITY** - The Underwriters' obligations under this Certificate are several and not joint and are limited solely to their individual subscriptions. The Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

- 25 LEGAL ACTION AGAINST UNDERWRITERS** - No one may bring a legal action against Underwriters unless:

There has been full compliance by the Insured with all of the terms of this Certificate; and the action is brought within two (2) years after the expiry or cancellation of this Certificate.

- 26 MATERIAL CHANGES** - The Insured shall notify the Underwriters of any change of circumstances which would materially affect this Insurance.

- 27 EXPERTS FEES** - This Insurance includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the insured property following damage insured under this Policy.

- 28 LAW AND JURISDICTION** - The construction, validity and performance of this Certificate shall be governed by the Law of England and all disputes which may arise under, out of, in connection with or in relation to the Certificate or to the determination of the amount of loss hereunder shall be submitted to arbitration at the London Court of International Arbitration in accordance with its rules at the date of such submission. The award rendered by the Arbitrator(s) shall be final and binding upon all parties and judgement thereon may be entered in any court having jurisdiction.

### **LOSSES EXCLUDED - This Certificate does not insure against:-**

Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.

Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.

Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an Act of Terrorism or an Act of Sabotage.

Loss or damage caused by confiscation, nationalisation, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the Insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be 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.

Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.

Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape or asbestos exposure of any kind.

Any fine or penalty or other assessment which is incurred by the Insured or which is imposed by any court, government agency, public or civil authority or any other person.

Loss or damage by 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.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this Certificate) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.

Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.

Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by Underwriters in writing prior to such measures being taken.

Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality, or increased cost of working.

Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.

Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.

Loss or damage caused by mysterious disappearance or unexplained loss.

Loss or damage directly or indirectly caused by mould, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

#### **LOSS OF RENTAL INCOME EXTENSION & / or ALTERNATIVE ACCOMMODATION**

For the purposes of this Extension "Rental Income & or Alternative Accommodation" is defined as the sum of:-

- a) The anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the insured, and
- b) The amount of all charges which are the legal obligations of the tenants and which would otherwise be obligations of the Insured, and
- c) The fair rental value of any portion of such property which is occupied by the Insured.
- d) Additional cost of alternative accommodation, substantially the same as your existing accommodation which you have to pay for while the buildings cannot be lived in following loss or damage
- e) Cost of alternative accommodation for domestic pets, limited to cats and dogs only, up to a limit as shown on the schedule per event.
- f) Cost of up to seven nights alternative, emergency accommodation, to a limit as shown on the schedule per night, per occupier/tenant, as shown on the schedule per event. This shall be covered even where alternative accommodation is shown as 'not insured' in the schedule.

In determining Rental Income due consideration shall be given to the rental experience before the date of the damage or destruction and the probable experience thereafter had no loss occurred and the maximum amount payable shall not exceed the sum insured shown on the schedule.

#### **LOSS OF METERED WATER EXTENSION:**

Loss of metered water is covered to a limit as shown on the schedule per event.

#### **CONDITIONS**

**1. Direct Loss or Damage:** - No claim shall be payable under these Extensions unless and until a claim has been paid, or liability admitted, in respect of Direct Physical Loss or Damage to Property Insured under the Certificate to which this Extension is attached and which gave rise to Loss of Rental Income.

This Condition shall not apply if no such payment shall have been made, or liability admitted, solely owing to the operation of a Deductible in said Certificate which excludes liability for losses below a specified amount.

**2. Values Declared (and Incorrect Declaration Penalty):** - The premium for this Extension has been based on a statement of individual values declared to and agreed by the Underwriters at the inception of the Policy and stated in the Schedule.

If any of the individual values declared are less than the equivalent amount of the Coinsurance percentage, as stated in the Schedule, of the Loss of Rental Income values, then any recovery otherwise due hereunder shall be reduced in the same proportion that the individual value(s) declared bear to the value(s) that should have been declared and the Insured shall co-insure for the balance.

**3. Resumption of Operations:** - If the Insured could reduce the loss of Rental Income,

- a) by complete or partial resumption of operation of the property,  
and/or
- b) by making use of Merchandise, Stock (Raw, In Process or Finished), or any other property at the Insured's locations or elsewhere,  
and/or
- c) by using or increasing operations elsewhere, then such possible reduction shall be taken into account in arriving at the amount of loss hereunder.

**4. Expenses to reduce Loss:** - This Extension also covers such expenses as are necessarily incurred for the purpose of reducing loss under this Extension (except expenses incurred to extinguish a fire), and, in respect of manufacturing risks, such expense, in excess of Normal, as would necessarily be incurred in replacing any Finished Stock used by the Insured to reduce loss under this Extension; but in no event to exceed the amount by which loss under this Extension is thereby reduced. Such expenses shall not be subject to the application of any contribution clause.

#### **EXCLUSIONS**

This Extension does not insure against:-

1. an increase in loss resulting from interference at the insured premises, by strikers or other persons, with rebuilding, repairing or replacing the property or with the resumption or continuation of operation;
2. an increase in loss caused by the suspension, lapse, or cancellation of any lease, licence, contract, or order, unless such results directly from untenability and then the Underwriters shall be liable for only such loss as affects the Insured's earnings or income during, and limited to, the period of indemnity covered under this Certificate;
3. an increase in loss caused by the enforcement of any ordinance or law regulating the use, reconstruction, repair or demolition of any property insured hereunder;
4. loss of market or any other consequential loss.

#### **LIMITATIONS**

1. The Underwriters shall not be liable for more than the smaller of either:-
  - a) any specific Loss of Rent Sum Insured stated in the Schedule; or,
  - b) the Sum Insured stated in the Schedule, where such includes Loss of Rent, in respect of such loss, regardless of the number of locations suffering a Loss of Rent as a result of any one occurrence.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, by the perils insured against, the length of time for which the Underwriters shall be liable hereunder shall not exceed:-
  - a) thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
  - b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding twelve (12) calendar months, whichever is the greater length of time.