

Property – business interruption (specialist retail)

Policy wording

Please read the schedule to see if **your** loss of **gross profit**, **increased costs of working** or **additional increased costs of working** are covered.

The General terms and conditions, the Property definitions and the following terms and conditions all apply to this section.

Special definitions for this section

Additional increased costs of working	The additional costs and expenses, not including the costs of reconstitution of data , reasonably incurred by you with our prior consent in order to continue your business or minimise your loss of gross profit during the indemnity period and not limited to the reduction in gross profit saved.
Alternative hire costs	The reasonable hire costs incurred by you during the period of insurance for the necessary hire of a substitute item of similar type and capacity either whilst property is being repaired or until permanently replaced, following insured damage or insured failure .
Annualised amount insured	The amount insured divided by the indemnity period multiplied by 12.
Cyber-attack	Any financial harm caused to your business due to: a. the activities of a third-party who specifically targets you alone by maliciously blocking electronically the access to your computer system , programmes or data you hold electronically; or b. a hacker who specifically targets you alone.
Gross profit	The difference between the sum of your income , closing stock and work in progress and the sum of your opening stock, work in progress and uninsured working expenses .
Income	The total income of the business .
Increased costs of working	The costs and expenses necessarily and reasonably incurred by you for the sole purpose of minimising the reduction in gross profit to your business during the indemnity period , but not exceeding the reduction in gross profit saved.
Indemnity period	The period, in months, beginning at the date of the insured damage or insured failure , or the date the restriction is imposed, and lasting for the period during which your gross profit is affected as a result of such insured damage , insured failure or restriction, but for no longer than the number of months shown in the schedule.
Insured damage	Damage , other than failure , to property provided that: a. the damage is not otherwise excluded by the buildings or contents or other property section of this policy ; and b. payment has been made or liability admitted by the insurer under any insurance covering such damage .
Insured failure	Failure of equipment , computers , oil or water storage tanks and other insured items provided that: a. the failure is not otherwise excluded by the Equipment breakdown section of this policy ; and b. payment has been made or liability admitted by us under the Equipment breakdown section of this policy .
Lottery	The following prize draws and competitions: a. UK National Lottery prize draws including scratch cards; b. UK National Football Pools; c. Littlewoods Pools; d. Vernons Pools; e. Euro Millions Lottery;

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- f. Irish National Lottery; or
- g. UK Premium Bond prize draw.

Rate of gross profit	The percentage produced by dividing gross profit by your income during the financial year immediately before the date of any insured damage, insured failure or restriction.
Rent	Rent: <ul style="list-style-type: none"> a. for the business premises that you must legally pay whilst the business premises or any part of it is unusable as a result of insured damage, insured failure or restriction; or b. that you cannot legally recover from your tenants whilst the buildings or any part are unusable as a result of insured damage, insured failure or restriction.
Uninsured working expenses	Purchases less discounts received, bad debts, rent and any other item described in the schedule.

What is covered

We will insure **you** for **your** financial losses and any other items specified in the schedule, resulting solely and directly from an interruption to **your business** caused by:

Financial losses from insured damage	1. insured damage to property: <ul style="list-style-type: none"> a. insured under any property section of this policy, other than Equipment breakdown; or b. insured elsewhere, but not under this policy, provided the damage occurred whilst the property was contained in the business premises,
Denial of access	2. insured damage to property in the vicinity of the business premises which prevents or hinders your access to the business premises ;
Suppliers	3. insured damage , other than damage caused by flood or earth movement , arising at the premises of one of your suppliers operating and based in the European Union, other than water, gas, electricity or telecommunications services;
Public utilities	4. failure in the supply of water, gas or electricity services supplied by a supplier operating and based in the European Union to the business premises for more than 24 consecutive hours caused by insured damage , other than damage caused by flood or earth movement , to any land based premises of the supply authority or the terminal feed to the business premises or to underground pipes or underground cables conveying such services from the supply authority to the business premises ;
Internet and online market places	5. a. failure in the supply of telecommunications or internet services to the business premises ; or b. failure of any online market place used by you ; for more than 24 consecutive hours caused by insured damage , other than damage caused by flood or earth movement , to: <ul style="list-style-type: none"> i. any land based premises of a service provider operating and based in the European Union; ii. the terminal feed to the business premises; or iii. underground cables conveying such services from the service provider to the business premises.
Cyber attack	6 cyber-attack , provided that: <ul style="list-style-type: none"> a. the interruption lasts for a continuous period of more than 24 consecutive hours during the period of insurance; and b. you first discover the attack during the period of insurance. <p>However, we will not make any payment for:</p>

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- i. any **cyber-attack** carried out by any person who was, is or during the **period of insurance** becomes **your** partner, director, trustee, in-house counsel or senior manager in actual control of **your** operations;
- ii. any actual or alleged loss, theft or infringement of intellectual property;
- iii. any actual or alleged infringement, use, misappropriation or disclosure of a patent or trade secret;
- iv. **confiscation**; or
- v. **war** or **nuclear risks**.

This cover does not apply if **you** have purchased separate cyber and data insurance from **us**.

Public authority

7. **your** inability to use the **business premises** due to restrictions imposed by a public authority during the **period of insurance** following:
 - a. a murder or suicide;
 - b. injury or illness of any person traceable to food or drink consumed on the **business premises**;
 - c. defects in the drains or other sanitary arrangements; or
 - d. vermin or pests at the **business premises**.

Loss of attraction

8. **insured damage** in the vicinity of the **business premises** resulting in a shortfall in **your** expected **gross profit** for more than two consecutive days.

Equipment breakdown

9. **insured failure**.

Additional cover

The following are also provided up the amount shown in the schedule:

Hacker damage

10. following a **cyber-attack** covered under What is covered 6, Cyber-attack, **we** will pay the reasonable and necessary expenses incurred with **our** prior written agreement in replacing or repairing **your computer system, programmes** or data **you** hold electronically to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused.

This cover does not apply if **you** have purchased separate Cyber and Data insurance from **us**.

Employees' lottery win

11. **we** will pay the following costs and expenses incurred by **you** with **our** prior consent caused by one or more of **your** employees resigning from employment with **you** during the **period of insurance** as a direct consequence of their securing a win in a **lottery**:
 - a. recruitment and agency fees;
 - b. additional overtime costs for **your** remaining employees; and
 - c. the costs incurred by **you** to employ additional temporary employees.

However, **we** will not make any payment for any costs and expenses caused by **your** employees' **lottery** wins unless:

- a. the employees resign within 14 days from the date of their **lottery** win; and
- b. the **lottery** win is greater than £100,000 or €130,000 per person.

Cancellation and abandonment

12. if, as a sole and direct result of an unforeseen incident or event which occurs during the **period of insurance** and is entirely beyond **your** control, a promotional event for **your business** is necessarily and unavoidably postponed, abandoned, cancelled or relocated, **we** will pay the costs and expenses incurred by **you**, provided that the promotional event is:
 - a. organised by **you** in connection with the **business**; and
 - b. due to take place within the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or the Republic of Ireland.

However, **we** will not make any payment for loss of **gross profit** or any postponement, relocation, cancellation or abandonment of any promotional event for **your business** directly or indirectly due to:

- i. any failure, withdrawal or inadequacy of necessary finance or financial default of any

- person, corporation or entity;
- ii. strikes, industrial action or labour disputes, whether actual or threatened;
- iii. any action taken by any national or international body or agency directly or indirectly to control, prevent or suppress any infectious disease;
- iv. adverse weather affecting any promotional event; or
- v. **war or nuclear risks.**

What is not covered

1. **We** will not make any payment for any interruption to **your business** directly or indirectly caused by, resulting from or in connection with **terrorism**.
2. **We** will not make any payment under this section if **your business** is discontinued permanently or if a liquidator or receiver is appointed.

How much we will pay

We will pay up to the **amount insured** unless limited below or shown in the schedule.
We will pay for no longer than the period shown in the schedule against each item insured.

If **you** are accountable to the tax authorities for Value Added Tax, the amount **we** pay will be exclusive of such tax.

The amount **we** pay for each item will be calculated as follows:

Loss of gross profit

The sum produced by applying the **rate of gross profit** to any reduction in **income** during the **indemnity period** plus **increased costs of working** and **alternative hire costs**, less any business expenses or charges which cease or are reduced.

Outstanding debts

Any of **your** outstanding debts which **you** are unable to recover following loss of **your** accounting records as a direct result of **insured damage** or **insured failure**.

Cancellation and abandonment

The total of all costs and expenses that **you** have paid or must legally pay and are unable to recover, less any savings that **you** are able to make which would have been incurred by **you** in organising a promotional event had a loss not occurred.

We will also pay the necessary and reasonable additional expenses incurred by **you** with **our** prior agreement for the sole purpose of avoiding or reducing a loss under this additional cover, provided such expenses do not exceed the reduction in loss saved.

You must pay the relevant **excess** shown in the schedule for each and every loss.

Accountant's charges

The amount **we** will pay for loss **gross profit** includes the reasonable charges **you** pay to **your** professional accountant for producing information **we** require in support of a request for settlement under this section.

Under insurance

If the **annualised amount insured** is less than 85% of **your** actual **gross profit** during the 12 months immediately preceding the date of the **insured damage**, **insured failure**, **cyber-attack** or restriction, the amount **we** pay will be reduced in the same proportion as the under insurance.

Business trends

The amount **we** pay for loss of **gross profit** will be amended to reflect any special circumstances or business trends affecting **your business**, either before or after the loss, in order that the amount paid reflects as near as possible the result that would have been achieved if the **insured damage**, **insured failure**, **cyber-attack** or restriction had not occurred.

Employees' lottery win

The most **we** will pay for all losses arising in any one **period of insurance** from one or more of **your** employees resigning from their posts within **your business** as a direct consequence of their securing a win in a **lottery** is the amount shown in the schedule.

Special limits

Loss of attraction

We will only pay for **your** financial loss or other items specified in the schedule for up to three consecutive months from the time of the **insured damage**.

Your obligations

If any damage occurs	We will not make any payment under this section unless you notify us promptly of any damage or event which might prevent or hinder you from carrying on your business .
Cancellation and abandonment	We will not make any payment for the postponement, abandonment, cancellation or relocation of any promotional event for your business unless you take reasonable steps to prevent or mitigate any loss including, but not limited to taking reasonable steps to: <ol style="list-style-type: none">ensure that there is an agreement evidenced in writing between you and any third-party engaged by you for the promotional event;rearranging a cancelled or abandoned promotional event; andensure that any property to be used at the promotional event arrives in good time.
Property insurance	Where the damage involves property you own or are legally responsible for, we will not make any payment unless you have property insurance in force covering the damage and payment has been made, or liability admitted, under that insurance for the damage .
Accounts records	We will not make any payment for outstanding debts unless you keep a record of all amounts owed to you and keep a copy of the record away from the business premises .