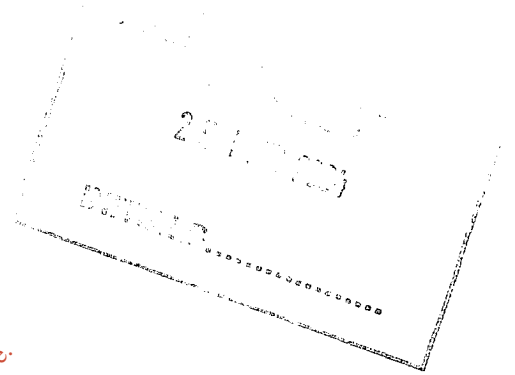


Appendix 5

Insurance Details



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9TH January 2004

Telephone 028 9024 2131
Fax 028 9032 1087
Website www.willis.com

To Whom It May Concern

Direct Line 028 90895086
Direct Fax 020 90321087
E-mail mcclureib@willis.com

Our reference IBM

Dear Sir / Madam,

Our Client – Sterile Technologies Ireland Limited

We confirm that our clients hold the following insurances as undernoted in connection with their business activities of Clinical waste collection, processing and disposal .

These are subject to the terms, conditions and exceptions of the policies.

Employers Liability

Insurer: AIG

Policy Number: 21602333

Renewal Date: 1st January 2005

Limit of Indemnity: €14,000,000 any one event or series of events arising out of one occurrence inclusive of costs and expenses.

Cover: Legal Liability at Law for damages in respect of bodily injury, including death, illness and disease, sustained by any employee, including labour only sub-contractors, self employed persons and persons hired or borrowed by the insured during the period of insurance and in connection with their business activities as above.

Policy Includes: Indemnity to Principal Clause
Contractual Liability

Willis Limited
78/86 Dublin Road
BELFAST BT2 7BY

A Lloyd's broker and member of the
General Insurance Standards Council.
Registered office Ten Trinity Square.

Public/Products Liability

Insurer: AIG

Policy Number: 21602333

Renewal Date: 1st January 2005

Limit of Indemnity: Public Liability €14,000,000 any one occurrence
Products Liability €14,000,000 any one period of insurance

Cover: Legal Liability for injury to or damage to the property of Third Parties arising out of Clients business

Conditions: Indemnity to Principal Clause

Excess: £1,000 each and every loss in respect of Third Party Property Damage,

Motor Fleet

Insurer: Royal and Sun Alliance

Policy Number: MF 92138550 / 004

Renewal date: 1st January 2005

Third Party Property Damage €14,000,000 limit

We trust this information is suitable for your requirements, however if you should require any further information, please do not hesitate to contact us.

For and on behalf of Willis Limited

Gary Ennis
Development Director

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Consent of copyright owner required for any other use.

19 February 2004

Tony Murray
Willis Harris Marrian Ltd
78/86 Dublin Road
Belfast
BT2 7BY

Dear Tony,

NEW ENGINEERING POLICY - STERILE TECHNOLOGIES

Following our telephone conversation I can confirm that we are holding covered, with effect from 1 January 2004 details as undernoted;

Sudden and Unforeseen Damage

Plant Sum Insured €1904607 (maximum value any one machine €500000)

€750 Excess applies

excluding loss or damage caused by materials being processed or the entry of foreign bodies

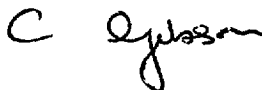
Gross Profit €1500000 12 month indemnity period

48 Hour Excess applies

Copies of the standard policy wordings are attached.

I trust this is in order.

Yours sincerely



REGIONAL MANAGER



A member of the HSB Group



Registered Address:
HSB Haughton Engineering Insurance Services Limited
Cairo House, Greenacres Road, Waterhead,
Oldham, Lancashire OL4 3JA
Tel: 0161 621 5555 Fax: 0161 621 5500
Local Rate Numbers:
Tel: 0845 345 5516 Fax: 0845 345 5516
Registered No. 3010292 (Cardiff)



EUROPEAN FEDERATION OF CONTROL, INSPECTION AND PREVENTION ORGANISATIONS

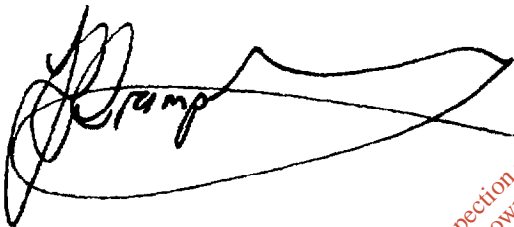


010

PLATFORM ENGINEERING INSURANCE POLICY

In consideration of the premium specified in the Schedule and subject to the terms Conditions and Exclusions of this Policy HSB Haughton Engineering Insurance Services Limited ("The Company") have placed this insurance with HSB Engineering Insurance Limited ("The Underwriters") who agree to indemnify the Insured against loss or damage as specified in this Policy

In witness whereof this Policy has been signed for and on behalf of The Underwriters



Managing Director

For and on behalf of

HSB Haughton Engineering Insurance Services Limited

Head Office
Cairo House
Greenacres Road
Waterhead
Oldham
Lancashire
OL4 3JA

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Consent of copyright owner required for any other use.

THIS DOCUMENT AND ANY SPECIFICATIONS SCHEDULES MEMORANDA COVER CLAUSES OR ENDORSEMENTS ATTACHED HERETO ARE TO BE READ TOGETHER AND FORM THE POLICY DOCUMENT

ADDITIONAL COVER APPLYING TO ALL SPECIFICATIONS

Debris Removal

1. In respect of each claim for loss or damage for which liability is accepted the Cover provided by this Policy extends to include costs incurred in the removal of debris and protection of the insured property following indemnifiable damage not exceeding £25,000 or 20% of the indemnifiable loss or damage whichever is the lower

Loss Avoidance Measures

2. Subject to the Limit(s) of Indemnity The Underwriters will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending loss or damage for which indemnity is provided by this Policy
Provided that
 - (a) loss or damage would reasonably be expected if such measures were not implemented
 - (b) The Underwriters are satisfied that loss or damage has been avoided or mitigated by means of the exceptional measures
 - (c) the amount payable will be limited to the cost of loss or damage which would have otherwise occurred
 - (d) the terms and Conditions of this Policy apply as if loss or damage had occurred

Automatic Reinstatement

3. Sums Insured or Limits of Liability will be reinstated from the date of occurrence of any claim at additional premium

The Underwriters will waive the additional premium if the cost of the claim does not exceed £25,000

Expediting Costs

4. Costs necessarily and reasonably incurred in making temporary repairs upon and / or expediting the repair reinstatement or replacement of insured items as a result of indemnifiable loss or damage provided that the liability of The Underwriters shall not exceed 50% of the cost of such loss or damage or £50,000 whichever is the less

Repair Costs Investigation

5. Additional costs relating to repair investigations and tests following indemnifiable damage to insured property by consulting engineers not exceeding £25,000 in any one Period of Insurance with the prior written agreement of The Underwriters

The Underwriters shall not be liable under this Additional Cover for fees incurred in preparing a claim under this Policy

GENERAL DEFINITIONS

Limit of Indemnity

The liability of The Underwriters in respect of any one accident or series of accidents arising out of any one occurrence shall not exceed the amount specified in the Schedule as the Limit of Indemnity or Sum Insured

Excess

The amount in respect of which The Underwriters shall not be liable when calculating the amount payable under a claim

GENERAL CONDITIONS

Misrepresentation

1. This Policy shall be voidable in the event of misrepresentation misdescription or non disclosure of any material fact

Fraud

2. Presentation of any fraudulent claim or use of any fraudulent means to obtain benefit under this Policy by either the Insured or any person acting on their behalf with the Insured's knowledge will result in the Policy being voidable

Claims Notification and Requirements

3. In the event of any occurrence giving rise to or likely to give rise to a claim the Insured or his representative shall
 - (a) as soon as practicable notify The Company giving full particulars and information and notify the Police in the event of loss where the Insured has reason to believe a criminal offence has been committed
 - (b) take all reasonable action to prevent or minimise the loss and prevent further loss or damage
The Underwriters shall not be liable for any further damage resulting from the continued use of the insured property until repaired to the satisfaction of The Underwriters
 - (c) retain any damaged property or parts
 - (d) when required to do so but in any event no later than 30 days after the expiry of any Indemnity Period deliver to The Underwriters a statement in writing of all particulars and details relating to the incident and other evidence as may be required

No claim shall be paid until the Insured has complied with this Condition

Claims Settlement

4.
 - (a) The Underwriters may at their option repair reinstate replace or pay in money for any loss or damage covered by this Policy
 - (b) The Insured may without prejudice to liability proceed with minor repairs subject to compliance with General Condition 3
 - (c) The Underwriters shall be entitled to take over defend or settle any claim in the name of the Insured
 - (d) to the extent that the Insured is accountable to the tax authorities for Value Added Tax all claims settlements shall be exclusive of such tax

Payments on Account

5. Notwithstanding General Condition 3 where liability is accepted the Insured shall be entitled to receive interim payments as agreed between the Insured and The Underwriters

Other Insurance

6. This insurance does not cover any damage which is insured by or would but for the existence of this Policy be insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such policy or policies had this insurance not been effected

Average

7. If any Item has an individual Sum Insured set against it and at the time of any loss or damage to the item its value exceeds that Sum Insured then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly

Precautions

8. The Insured shall exercise due diligence in
 - (a) complying with any statute or order
 - (b) ensuring that insured items are properly maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage

Access

9. The Underwriters or their representatives shall have the right of access to the insured property at reasonable times

Alterations in Risk

10. The Insurance under this Policy may be avoided if
 - (a) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued
 - (b) the Insured's interest ceases other than by death
 - (c) any alteration be made either in the Business or in the premises or property whereby the risk of loss or damage is increased
 - (d) the retention of any loss minimising factors in existence at the commencement of the insurance be reduced discontinued or not maintained

unless its continuance be accepted by The Underwriters and the Policy endorsed accordingly

Subrogation

11. The Underwriters may at their expense use all legal means in the name of the Insured to secure reimbursement for loss or damage and the Insured shall give all reasonable assistance for that purpose

Suspension of Cover

12. The Underwriters reserve the right to suspend this insurance at any time by written notice to the Insured until The Underwriters requirements have been fulfilled

Cancellation

13. The Underwriters may cancel this insurance by registered letter to the Insured's last known address giving ten days notice

In such event the Insured shall become entitled to the return of the proportion of the premium corresponding to the unexpired Period of Insurance

Arbitration

14. If any difference arises as to the amount to be paid under this Policy (liability having been accepted) the difference shall be referred to an arbitrator to be appointed by both parties in accordance with the statutory provisions applicable

The making of an award against The Underwriters shall be a condition precedent to any right of action against them

Abandonment

15. The Insured shall not be entitled to abandon any insured property to The Underwriters whether taken possession of by them or not

Observance

16. The observance and fulfilment of the terms and Conditions of this Policy or endorsements shall be conditions precedent to liability

SPECIAL PROVISION

TERRORISM

Subject otherwise to the terms Conditions and Exclusions of this Policy this insurance includes damage elsewhere than in Northern Ireland by fire or explosion occasioned by or happening through or in consequence of TERRORISM as defined herein

Provided that the liability of The Underwriters in respect of damage shall not exceed in respect of each separate premise situation or contract site

- (a) £100,000 (unless otherwise stated in the Schedule) in total during any Period of Insurance

or

- (b) any Limit of Indemnity or Sum Insured in the Policy as applying to that premise or contract site

whichever is the lower

Any provision in this Policy which provides for any Sum Insured or Limit of Indemnity to be automatically reinstated following a loss shall not apply to losses covered under this Provision

GENERAL EXCLUSIONS

The Underwriters shall not be liable for

Intentional Acts

1. Loss or damage caused by
 - (a) the intentional act or wilful neglect of the Insured
 - (b) (i) intentional overloading
 - (ii) testing or experiments involving the imposition of any abnormal conditions

Wear and Tear

2. Loss or damage solely due to
- (a) wear and tear gradual deterioration or rust
 - (b) gradually developing defects
 - (c) scratching or chipping of painted or polished surfaces
 - (d) erosion or corrosion

but this shall not exclude resultant loss or damage not otherwise excluded

Application of Tools

3. Loss or damage caused by or arising out of the application of any tool or process during the course of repair maintenance inspection modification or overhaul

Guarantees of Performance

4. Penalties for delay or detention or in connection with guarantees of performance or efficiency

War Risks

5. Any loss or damage directly or indirectly occasioned by or in consequence of war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority

Terrorist Acts

6. (a) Any consequence of civil commotion assuming the proportion of or amounting to a popular rising martial law or the act of any lawfully constituted authority
- (b) (i) Damage elsewhere than in Northern Ireland by fire or explosion occasioned by or happening through or in consequence directly or indirectly of TERRORISM except to the extent stated in SPECIAL PROVISION - TERRORISM
- (ii) Damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
- (i) civil commotion
 - (ii) TERRORISM

For the purposes of this Policy TERRORISM shall mean any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

In any action suit or other proceedings where The Underwriters allege that by reason of this definition any damage is not covered by this Policy (or is covered only up to a specified Limit of Indemnity) the burden of proving that such damage is covered (or is covered beyond that Limit of Indemnity) shall be upon the Insured

Riot Strike and Civil Commotion

7. Loss or damage resulting from riot strike lock-out or civil commotion

Nuclear Risks

8. Loss destruction or damage to insured property or expense or consequential loss nor any legal liability directly or indirectly caused by or arising from
- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

Sonic Bang

9. Loss or damage directly caused by the pressure waves of aircraft or other aerial devices travelling at sonic or supersonic speeds

Airborne and Waterborne Craft

10. Loss of or damage to any airborne or waterborne vessel craft platform or rig nor any insured property situated thereon

MACHINERY DAMAGE INSURANCE SPECIFICATION SUD

COVER

The Underwriters will indemnify the Insured against loss of or damage to **Machinery** described in the Schedule from sudden and unforeseen cause whilst at the Situation or whilst temporarily removed to any other Situation in the United Kingdom the Channel Islands the Isle of Man and the Republic of Ireland

ADDITIONAL COVER

In respect of each claim for loss or damage for which liability is accepted the Cover provided by this Specification extends to include

Automatic Cover

1. Additional **Machinery** belonging to the Insured from the time the installation is completed and the **Machinery** is ready to commence normal working at the Situation shown in the Schedule

Provided that

- (a) the **Machinery** belongs to a category shown in the Schedule and is of a type similar to that which the Insured previously declared his intention to insure
- (b) the **Machinery** shall be insured to the same extent as **Machinery** of a similar type
- (c) the **Machinery** is free from defects so far as the Insured is aware and complies with any statutory obligations concerning its examination and certification
- (d) the Insured shall inform The Company in writing of such **Machinery** within twelve months of installation and shall pay the appropriate additional premium

Subject otherwise to the terms Conditions and Exclusions of this Policy

OPTIONAL EXTENSION AND LIMITATIONS

Subject otherwise to the terms Conditions and Exclusions of this Policy where any of the following symbols appear against any item of **Machinery** the Cover is amended accordingly

BDN - Breakdown Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Machinery** caused by **Breakdown**

EXP - Explosion/Collapse Limitation Cover Clause

Liability for loss or damage shall be limited to damage to **Machinery** caused by its **Explosion** or **Collapse**

ADL - Accidental Damage Limitation Cover Clause

The Underwriters shall not be liable for loss of or damage to **Machinery** caused by or arising from **Breakdown** **Explosion** or **Collapse**

MDL - Material Damage Limitation Cover Clause

The Underwriters shall not be liable for any loss of or damage to the **Machinery**

ISE - Inspection Service Exclusion Cover Clause

Notwithstanding Special Condition 1 of this Specification The Company neither undertakes to make periodical inspections of the **Machinery** nor to report thereon

LGE - Lifted Goods Extension Cover Clause

The Underwriters will subject to the Limit of Indemnity for this Extension indemnify the Insured against accidental direct damage to property belonging to or in the custody and control of the Insured whilst being handled by the **Machinery** and arising out of its normal use

This Extension does not cover damage resulting from a fault in or fragility of the property or its container

FRA - Fragmentation Extension Cover Clause

The Underwriters will subject to the Limit of Indemnity for this Extension indemnify the Insured against accidental damage by impact to surrounding property belonging to or in the custody and control of the Insured and for which the Insured is responsible resulting from fragmentation of any part of the **Machinery**

This Extension does not cover damage

- (a) to the **Machinery** causing the damage or any **Machinery** directly driving or driven by the **Machinery**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Machinery**
- (c) caused by leakage or by lack of heat cooling light power or steam
- (d) caused by and occurring during testing of **Machinery**

OSP - Own Surrounding Property Extension Cover Clause

The Underwriters will subject to the Limit of Indemnity for this Extension indemnify the Insured against damage to property belonging to or in the custody and control of the Insured and for which the Insured is responsible

- 1. directly resulting from any damage to the **Machinery** insured under this Specification
- 2. caused by impact through the normal operation of lifting and handling **Machinery** though the **Machinery** itself may not be damaged

This Extension does not cover damage

- (a) to the **Machinery** causing the damage or any **Machinery** directly driving or driven by the **Machinery**
- (b) to property being handled conveyed heated cooled or processed by or contained in the **Machinery**
- (c) caused by leakage or by lack of heat cooling light power or steam

excepting that (b) and (c) above shall not apply to damage directly consequent upon and solely due to **Explosion**

SPECIAL DEFINITIONS

Machinery

Machinery shall include all component parts of the permanent structure of any item described in the Schedule commencing in the case of a fixed unit at the point of anchorage and in the case of a travelling unit at the road or track wheels

Machinery shall not include within its meaning

superheaters economisers piping and ancillary electrical or mechanical plant attached to boilers or pressure vessels chimneys or appliances used for attaching the load to any lifting machine glass bulbs or valves or electronic apparatus

supporting structures lift enclosures (other than landing gates) rail tracks anchorage bolts or fixing appliances brickwork masonry or foundations

tools cutting edges moulds dies patterns non-metallic linings pulverising and crushing surfaces flexible pipes trailing cables driving belts or bands or parts requiring periodic renewal

parts not made of metal (other than ropes integral gearing bearings bushes batteries tyres the slabs of switchboards and the insulation of electrical conductors)

Unless specified in the Schedule

Breakdown

The actual breaking failure distortion or burning out of any part of the **Machinery** whilst in ordinary use arising from defects in the **Machinery** causing its sudden stoppage and necessitating repair or replacement before it can resume work

Fracturing of any part of the **Machinery** by frost when such fracture renders the **Machinery** inoperative

The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary

Explosion

The sudden and violent rending of the **Machinery** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **Machinery** together with forcible ejection of the contents

Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the **Machinery** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

Pressure Plant

Machinery which stores fluids either below or above atmospheric pressure

SPECIAL CONDITIONS

Inspection

1. Where contracted to do so The Company will periodically inspect the **Machinery** described in the Plant Schedules and will supply reports on the basis agreed between The Company and the Insured

The Insured shall at their expense have the **Machinery** properly prepared to enable The Company to carry out inspections

In undertaking inspections The Company shall be deemed to be acting as the agent of the Insured

The Company shall not carry out or witness special tests of a non routine nature (including any ultrasonic radiographic tests or in the case of lifting and handling **Machinery** any proof load stability anchorage or similar tests) unless specifically agreed otherwise

Multiple Lifting Operations

2. For the insurance provided under this Specification to be operative during any operation in which a load is shared between any items of **Machinery** classed as lifting plant or lifting equipment (whether insured under this Specification or not) the lifting operation must be conducted in accordance with BS7121

Reinstatement Basis of Settlement

3. In respect of

- (a) **Machinery** less than three years old at the time of a claim
- (b) boilers and associated pipework or **Pressure Plant**

the basis upon which the amount payable for loss of or damage to the **Machinery** or other property (excluding stock in trade or goods in process of manufacture) belonging to the insured or in their custody or control or for which the Insured is responsible is to be calculated shall be **Reinstatement** of the **Machinery** or property

Reinstatement shall mean

Where **Machinery** or property is destroyed if a building the re-building of the property if not a building its replacement by similar **Machinery** or property but in either case in a condition equal to but not better or more extensive than its condition when new

Where property is damaged the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new

Where **Machinery** is damaged the repair of the damaged item to a condition substantially the same as that immediately before the occurrence of the damage

Including additional costs incurred to comply with European Union Legislation Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority where necessary

Provided that

- (a) the liability of The Underwriters shall not exceed the Limits of Indemnity stated in the Schedule for loss of or damage to the **Machinery** or other property belonging to the Insured
- (b) the work of **Reinstatement** must be commenced and carried out expeditiously and must be completed within twelve months of the destruction or damage or within any further time The Underwriters may allow and may be carried out wholly or partially upon another site (if Legislation Act Regulations or Bye-laws require) provided that the liability of The Underwriters is not increased
- (c) where property is partially damaged or destroyed the liability of The Underwriters shall not exceed the sum which The Underwriters would have been called upon to pay for **Reinstatement** in the event of total destruction
- (d) no payment beyond the amount which would have been payable had the **Reinstatement Basis of Settlement** not been incorporated shall be made until the cost of **Reinstatement** has been incurred

- (e) no payment beyond the amount which would have been payable had the **Reinstatement Basis of Settlement** not been incorporated shall be made if at the time of destruction or damage to the **Machinery** or property it is covered by any other insurance held by or on behalf of the Insured which is not upon a **Reinstatement Basis**
- (f) the amount recoverable shall not include
 - (i) the cost incurred in complying with any Legislation Acts Regulations or Bye-Laws
 - (1) in respect of destruction or damage occurring prior to the application of this Condition
 - (2) under which notice had been served upon the Insured prior to the happening of the destruction or damage
 - (3) in respect of undamaged **Machinery** or property or undamaged portions of **Machinery** or property
 - (ii) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner by reason of compliance with any Legislation Acts Regulations or Bye-Laws
- (g) where by reason of the above Provisions no payment will be made beyond the amount which would have been payable if the **Reinstatement Basis of Settlement** had not been incorporated the rights and liability of The Underwriters and the Insured in respect of the destruction or damage shall be subject to the terms and Conditions of this insurance as if **Reinstatement Basis of Settlement** had not been incorporated

Subject otherwise to the terms Conditions and Exclusions of this Policy

SPECIAL EXCLUSIONS

The Underwriters shall not be liable for

Excluded Perils

1. Loss of or damage to **Machinery** caused by or arising out of
 - (a) fire lightning explosion (other than **Explosion** as defined in this Specification) earthquake flood storm tempest inundation escape of water from water containing apparatus leakage from sprinkler installations aircraft and other aerial devices or articles dropped therefrom
 - (b) theft or attempt thereat

but damage to any **Machinery** insured under this Specification by its own **Explosion** as a result of any such cause is not excluded

Erection Risk

2. Loss of or damage to **Machinery** during installation erection dismantling re-siting transportation or removal other than re-siting transportation or removal under its own power whilst at its operating site

Consequential Loss

3. Loss of use of **Machinery** or any other consequential loss

Excluded Parts

4. Loss of or damage to
 - (a) safety or protective devices due to their functioning
 - (b) tyres by cuts bursts punctures or the application of brakes unless arising from a malicious act
 - (c) batteries other than loss or damage due to extraneous cause

LOSS OF GROSS PROFIT SPECIFICATION LOP

COVER

In the event that the Business carried on by the Insured at the Situation be interrupted or interfered with in consequence of an **Accident** The Underwriters will indemnify the Insured in respect of each item in the Schedule(s) against the amount of the loss resulting from the interruption or interference

Provided that

1. The total liability of The Underwriters in respect of each item in the Schedule shall not exceed in any one Period of Insurance one hundred and thirty three and one third percent of the amount specified as the Sum Insured

2. The insurance is limited to loss of **Gross Profit** due to

(a) **Reduction in Turnover**

being the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the Indemnity Period shall fall short of the **Standard Turnover** in consequence of an **Accident**

(b) **Increase in Cost of Working**

being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of an **Accident** but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction thereby avoided

less any sum saved during the **Indemnity Period** in respect of charges and expenses of the Business insured under this item as may cease or be reduced in consequence of the **Accident**

Provided also that if one hundred and thirty three and one third percent of the Sum Insured by this Item is less than the sum produced by applying the **Rate of Gross Profit** to the **Annual Turnover** the amount payable shall be proportionately reduced

ADDITIONAL COVER

Professional Accountants' Fees

1. The Underwriters will pay to the Insured the reasonable charges payable to their professional accountants for producing particulars details or any other proofs information or evidence required by The Underwriters

Subrogation Waiver

2. The Underwriters agree to waive any rights remedies or relief to which they may become entitled by subrogation against any company standing in 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 a Subsidiary as defined in current legislation in each case

Accumulated Stocks

3. In adjusting any loss account shall be taken and an equitable allowance made if any reduction in **Turnover** due to the **Accident** is postponed by reason of the **Turnover** being temporarily maintained from accumulated stocks of raw materials work in progress or finished goods

Option to Convert to Output

4. The Insured shall have the option to convert the basis of settlement from **Turnover** to **Output** or other basis as may more realistically measure a loss

For this purpose **Output** shall mean the sale value of materials produced by the Insured in the course of the Business at the Situation provided that only one basis shall be operative in connection with any one loss

Departmental Trading

5. Where the Business is conducted in departments the independent trading results of which are ascertainable provisos 2(a) and 2(b) shall apply separately to each department affected by the **Accident**

SPECIAL DEFINITIONS

Accident

- Section 1. Sudden and unforeseen damage to the Specified Machinery from any cause not excluded
- Section 2. Failure or fluctuation of the specified Public Utilities at the terminal point of the supply authority's feed to the Situation in the Schedule

Gross Profit

The amount by which the sum of the value of the **Turnover** and the value of the Closing Stock shall exceed the sum of the value of the Opening Stock and the amount of the **Specified Working Expenses**

NOTE The values of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's normal accountancy methods due provision being made for depreciation

Specified Working Expenses

- 1. 100% of Purchases (less discounts received)
- 2. 100% of Carriage Packing and Freight
- 3. Any other working expenses specified in the Schedule

The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured

Turnover

The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Situation

Indemnity Period

The period beginning with the occurrence of an **Accident** and ending not later than the last day of the period specified in the Schedule during which the results of the Business shall be affected in consequence of the **Accident**

Time Exclusion

The period beginning with the occurrence of an **Accident** during which no indemnity is payable

Rate of Gross Profit

The rate of **Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the **Accident**

Annual Turnover

The **Turnover** during the twelve months immediately before the date of the **Accident**

Standard Turnover

The **Turnover** during that period in the twelve months immediately before the date of the **Accident** which corresponds with the Indemnity Period

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for the variation in and special circumstances affecting the Business either before or after the **Accident** or which would have affected the Business had the **Accident** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Accident** would have been obtained during the relative period after the **Accident**

Definitions Relating to New Businesses Only

In the event that a claim arises from an **Accident** occurring prior to the completion of the first trading year of the Business at the Situation the definitions **Gross Profit** and **Standard Turnover** are replaced by the following definitions

Rate of Gross Profit

The rate of **Gross Profit** earned on the **Turnover** during the period between the date of commencement of the business and the date of the **Accident**

Standard Turnover

The proportional equivalent for a period equal to the indemnity Period of the **Turnover** realised during the period between the date of commencement and the date of the **Accident**

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for the variation in and special circumstances affecting the Business either before or after the **Accident** or which would have affected the Business had the **Accident** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Accident** would have been obtained during the relative period after the **Accident**

SPECIAL CONDITIONS

Alternative Premises

1. If during the **Indemnity Period** goods are sold or services are rendered elsewhere than at the **Situation** for the benefit of the **Business** either by the **Insured** or by others on his behalf the money paid or payable shall be brought into account in arriving at the **Turnover** during the **Indemnity Period**

Estimate of Gross Profit

2. Prior to each renewal of this Policy the **Insured** shall provide The **Underwriters** with the estimated **Gross Profit** for their financial year most nearly concurrent with the ensuing year of insurance

Adjustment Clause

3. The first and annual premiums are provisional and based on the estimated **Gross Profit** for the financial year most nearly concurrent with the **Period of Insurance**

Within six months from the expiry of each **Period of Insurance** the **Insured** shall furnish The **Underwriters** with a declaration confirmed by the **Insured's** auditors of the **Gross Profit** earned during the financial year most nearly concurrent with the **Period of Insurance**

The declaration shall include the amount by which **Gross Profit** was reduced during the financial year solely in consequence of any **Accident** giving rise to a claim

When the declaration is (adjusted as above)

- (a) less than the estimated **Gross Profit** for the **Period of Insurance** The **Underwriters** will allow a pro-rata return of the premium paid on the estimated **Gross Profit** but not exceeding fifty percent of such premium
- (b) greater than the estimated **Gross Profit** for the **Period of Insurance** the **Insured** shall pay a pro-rata addition to the premium paid on the estimated **Gross Profit**

Subject to such additional premium not exceeding thirty three and one third per cent of the deposit premium paid during the **Period of Insurance**

SPECIAL EXCLUSIONS

The **Underwriters** shall not be liable for any loss resulting from interruption or interference directly or indirectly due to

Excluded perils

1. In respect of Section 1 of **Accident**
 - (a) fire lightning explosion earthquake flood storm tempest inundation escape of water from water containing apparatus leakage from sprinkler installations aircraft and other aerial devices or articles dropped therefrom
 - (b) theft or any attempt thereat
at the **Situation**

Deliberate Act of Supply Authority

2. The total or partial failure of the public supplies of electricity gas water or any communications network caused by
 - (a) deliberate act of any supply authority unless performed for the sole purpose of safeguarding life or protecting a part of any supply authority's system
 - (b) scheme of rationing unless necessitated solely by physical damage to a part of the supply authority's system
 - (c) strike or lock-out total or partial withdrawal of labour or partial or complete cessation of work
 - (d) drought

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WORLD RISKSM

International Property

*Material Damage &
Business Interruption*

*New Hampshire Insurance
Company*

(Incorporated in the USA in 1869, with limited liability)

AIG Building
120 Fenchurch Street
London EC3M 5BP

In consideration of the Policyholder named in the Schedule and carrying on the *Business* described herein paying to the New Hampshire Insurance Company (hereinafter called the Insurer) the premium as stated in the said Schedule and in reliance upon the statements made to the Insurer by proposal and its attachments and the material incorporated therein the Insurer agrees to provide insurance in the terms of this Policy.

Deleted:

This Policy and the Schedule, Specifications and Endorsements shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy shall bear that meaning wherever it may appear.

The Insured means the Policyholder shown in the Policy Schedule and any subsidiary thereof.

The Liability of the Insurer during any one Period of Insurance shall in no case exceed the amount of any Sum Insured or in the whole the Total Sum Insured hereby or any other Limit of Liability expressed in the Specification at the time of the event (or such other sum or limit as may be substituted therefore by Memorandum hereon signed for and on behalf of the Insurer).

Important Note

This Policy shall be governed by and construed in accordance with the laws of England and Wales.

SIGNED FOR AND ON BEHALF OF THE INSURER

DATE:

AIG Europe (UK) Limited
General Agent for
New Hampshire Insurance Company

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Schedule

Each Policy contained in this WORLDRIK programme is to be construed separately from all other Policies in this WORLDRIK programme. Accordingly, the meaning of words used in any one Policy shall be ascertained without reference to any other Policy, notwithstanding any particular words repetition in more than any one Policy within this programme.

Policy Number: 45600313

- Item 1. Policyholder** Sterile Technologies Ireland Limited
Address 430 Beech Road, Western Industrial Estate, Naas Road, DUBLIN 12
- Item 2. Business** Clinical waste collection processing and disposal
- Item 3. Policy Period** **From: 1 January 2004**
To: 31 December 2004
(Both dates inclusive) and any subsequent period for which the Policyholder shall pay and the Insurer shall agree to accept a Renewal Premium

POLICY SECTION OPERATIVE	Minimum and Deposit Premiums
Sections A & B	£18,304 + €32,329
TOTAL POLICY PREMIUM	As above

It is noted and agreed that the Premiums shown in the Schedule and in any subsequent Policy Endorsements and Schedule Endorsements issued are plus local taxes/charges as appropriate.

COLLECTIVE POLICY

Wherever the word "Insurer" appears within the Policy it is understood to read "Insurers". Each Insurers Percentage Proportion share of risks are on a several but not joint basis so far as any Insurer may be concerned.

Insurer	Ref No.	Ppn	First Premium
New Hampshire Insurance Co	45600313	50%	NI - £9,017.00 ROI - €16,164.50
Admiral Underwriting Agencies	TBA	50%	NI - £9,017.00 ROI - €16,164.50

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Memoranda

1. *Master Coverage*

It is hereby understood and agreed that that this Policy is designated the Master Policy and that Local Policy(ies) substituted therefore shall be fully maintained in force, in accordance with details lodged with the Insurer, throughout the term of this Policy.

Where there is a Local Policy in force and subject to all other terms and conditions set forth in this Policy, coverage under this Policy is to apply only when the perils and/or definitions and/or conditions set forth in this Policy are broader in meaning or scope than those of specific Local Policies.

The Limits of Liability under this Master Policy shall be reduced by an amount equal to the indemnity provided under any Local Policy.

The insurance provided by this Policy is not to apply as contributing or excess insurance as respects loss arising from perils insured under such other Policies, except if co-insurance deficiency coverage is provided under the terms and conditions of this contract.

Local Policies shall mean all Policies insuring the Insured issued locally by an identified representative of New Hampshire Insurance Company, in a territory where the Policy is required by the Insured or to comply with legal requirements.

2. *Time*

Wherever reference is made to time in this Policy regarding hours of the day or night, it shall be held to be standard time at the place or places where this Policy covers.

3. *Foreign Exchange Rates*

In the event of loss adjustment involving a foreign currency, conversion into or from the currency of the United Kingdom shall be at the free rate of exchange as of the date of occurrence, except that if replacement or reconditioning is effected, the cost thereof in foreign currency shall be converted at the free rate of exchange prevailing at the time such loss is incurred. The free rate of exchange shall be as published by the Financial Times.

Unless otherwise specified, whenever general limits/inner limits are stated in Sterling, these apply equally and as appropriate in the Republic of Ireland, converted at a rate of exchange of 1.424 Euro to £1 Sterling.

4. **72 Hour Provision**

Each loss by earthquake, volcanic action, flood, storm, tempest, hurricane, typhoon, tornado or cyclone shall constitute a single loss hereunder;

- (a) if more than one earthquake shock or volcanic action occurs within any period of 72 hours during the terms of this Policy
- (b) if more than one storm, tempest, hurricane, typhoon, tornado or cyclone occurs within any period of 72 hours during the terms of this Policy
- (c) or if any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s)
- (d) or if any flood results from any tidal wave or series of tidal waves caused by any one disturbance.

Such earthquake shocks, volcanic action, flood, storm, tempest, hurricane, typhoon, tornado or cyclone shall be deemed to be a single occurrence within the meaning of this Policy in determining the Insurer's Liability thereunder.

The Insurer shall not be liable, however, for any loss caused by an earthquake shock, volcanic action, flood, storm, tempest, hurricane, typhoon, tornado or cyclone occurring before the effective date and time or after the expiration date and time of this Policy, unless onset is prior to expiration.

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SECTION A - MATERIAL DAMAGE ("ALL RISKS")

Insuring Agreement

In the event of the *Property Insured* (or any part thereof) being lost, destroyed or damaged by an *Insured Event* the Insurer will by payment or at its option by reinstatement or repair indemnify the Insured for such loss, destruction or damage.

Memorandum

The insurance by this Section excludes consequential loss of any kind or description.

Definitions

1. *Business* shall mean the *Business* as stated in the Schedule.
2. *Insured Event* shall mean any accidental physical cause (not otherwise excluded) occurring during the Period of Insurance at the *Premises* or situation defined.
3. *Premises* shall mean all *Premises* within the *Territorial Limits* owned or occupied by the Insured for the purposes of the *Business*, whose addresses appear in the Specification.
4. *Property Insured* shall mean all real and personal property as described in the Specification and not otherwise excluded.
5. *Territorial Limits* shall mean Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and Republic of Ireland

Excluded Property

The Insurer will not be liable for loss, destruction or damage:

- (a) to fences and gates and loose or moveable property stored in the open by theft or any weather condition (other than lightning) or dust
- (b) of or to vehicles licensed for road use (including accessories), caravans, trailers, railway locomotives and/ or rolling stock, watercraft or aircraft other than mechanically propelled plant whilst at the *Premises*
- (c) to that part of the *Property Insured* which is actually being worked upon directly resulting therefrom or caused by any testing, repairing, adjusting, servicing or maintenance operation. This exclusion shall not apply to resulting loss or damage to other *Property Insured* by this Policy
- (d) to livestock, growing crops or trees

- (e) to jewellery, precious stones, precious metals, bullion, furs, articles trimmed with fur, curiosities, antiques, rare books or works of art unless previously notified to the Insurer in writing
- (f) to land, excavations, piers and jetties, bridges, culverts, roads or pavements
- (g) to property or structures in the course of construction, erection or installation
- (h) to any portion of electrical apparatus or electrical installation directly caused by a leakage of electricity or excessive pressure therein or by its own short-circuiting or over-running, other than destruction or damage by fire resulting from such causes
- (i) to property in transit (save as specifically covered by any Extension to this Policy)
- (j) to money, cheques, stamps, bonds, credit cards, securities of any description (save as specifically covered by any Extension to this Policy)
- (k) to property more specifically insured by or on behalf of the Insured.

Excluded Contingencies

The Insurer will not be liable for:

- (a) loss, destruction or damage caused by:
 - (1) (i) infidelity or dishonesty of the Insured or any of his employees, agents or other persons to whom *Property Insured* hereunder may be entrusted (except loss of money discovered within 30 days) nor loss destruction or damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence nor any unexplained loss, mysterious disappearance or loss or shortage disclosed on taking inventory
 - (ii) misfiling or misplacing of information
 - (2) explosion occasioned by the bursting:
 - (i) in respect of Section A - of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus
 - (ii) in respect of Section B - of any vessel, machine or apparatus (not being a boiler or economiser on the *Premises*)
 in which internal pressure is due to steam only and belonging to or under the control of the Insured; unless loss destruction or damage by an event not otherwise excluded ensues and then the Insurer shall be liable only for such ensuing loss, destruction or damage
 - (3) (i) collapse or cracking of buildings or other structure

- (ii) gradual deterioration, inherent vice, latent defect, insects of any kind, vermin, marring and scratching, ordinary wear and tear, dampness or dryness of atmosphere, extremes or changes of temperature or humidity, smog, shrinkage, evaporation, loss of weight, rust, wet or dry rot, corrosion, change in colour or texture or flavour or finish

but this shall not exclude loss, destruction or damage if resulting from an event which is not otherwise excluded

- (4) delay or loss of market
- (5) magnetic or electrical injury or disturbance to data processing media or erasure or disturbance of electronic records or distortion or corruption of information on computer systems or other records, programmes or software
- (6) solidification of the contents of molten material holding units, molten material transmission lines and/ or appurtenances
- (7) enforcement of any ordinance or law regulating the construction, repair or demolition of any *Property Insured* hereunder except as provided for in the Public Authorities condition attached hereto
- (8) water or other fluids causing damage to stock if such stock is not on racks, shelves, pallets and/ or stillage at least four inches above floor level
- (9) cracking, fracturing, collapse or overheating of boilers, economisers, vessels, tubes and pipes, nipple leakage and/ or failure of welds or boilers
- (10) bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes (unless the water be turned off at the mains) and malicious damage when the *Premises* are empty or not in use
- (11) (i) faulty or defective design, materials, workmanship or errors in processing
- (ii) mechanical or machinery breakdown or electronic or electrical breakdown or derangement
- (iii) interruption of the power or other utility service supplied to the *Premises* if such interruption occurs away from the *Premises*

unless loss, destruction or damage by an event not otherwise excluded ensues and then the Insurer shall be liable only for such ensuing loss, destruction or damage

- (12) changes in the water table level and caused solely by such changes
- (13) pollution or contamination but this shall not exclude destruction of or damage to the *Property Insured*, not otherwise excluded, caused by:

- (i) pollution or contamination which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal, theft or attempted theft
 - (ii) any of the perils listed in (i) above which itself results from pollution or contamination
- (14) (i) subsidence, landslip or heave:
- (a) occasioned by the settlement of made up ground or by coastal or river erosion or
 - (b) at any site which stands over mineworkings or excavations or
 - (c) at any site where there has been a previous occurrence of subsidence, landslip or heave or
 - (d) occurring while the *Property Insured* or any part thereof is in course of erection or undergoing demolition, structural alteration or structural repair or there is any site excavation
 - (e) commencing prior to the granting of this cover
- The Insured shall give immediate notice to the Insurer in the event of building, demolition or excavation operations being commenced on any adjoining site. In such event, the Insurer shall have the right to vary or cancel this cover.
- (ii) normal settlement or bedding down of new structures, cracking, shrinkage or expansion of pavements, foundations, walls, floors or ceilings.
- (15) theft other than theft involving entry to or exit from the buildings by forcible and violent means or any attempt thereat, except:
- (i) to property as covered under any Money Extension herein
 - (ii) in consequence of assault and/ or violence or any threat thereof
- (b) loss, destruction or damage which is or may be recoverable under any Government or Natural Catastrophe insurance scheme
 - (c) loss, destruction or damage in Netherlands directly or indirectly caused by or contributed to by or arising from flood; unless loss destruction or damage by fire or explosion (not otherwise excluded) ensues and then the Insurer shall be liable only for such ensuing loss, destruction or damage
 - (d) loss, destruction or damage in Germany directly or indirectly caused by or contributed to by or arising from stormflut/ storm

surge; unless loss, destruction or damage by fire or explosion (not otherwise excluded) ensues and then the Insurer shall be liable only for such ensuing loss, destruction or damage

- (e) loss, destruction or damage in Japan directly or indirectly caused by or contributed to by or arising from earthquake or volcanic action
- (f) loss, destruction or damage in the State of California USA directly or indirectly caused by or contributed to by or arising from earthquake or volcanic action
- (g) loss, destruction or damage in the Republic of South Africa and Namibia
 - (1) related to or caused by:
 - (i) any act (whether on behalf of any organisation, body or person, or group of persons) calculated or directed to overthrow or influence any state or government, or any provincial local or tribal authority with force, or by means of fear, terrorism or violence
 - (ii) any act which is calculated or directed to bring about loss, destruction or damage in order to further any political aim, objective or cause or to bring about any social or economic change, or in protest against any state or government, or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public, or any section thereof
 - (iii) any riot, strike or public disorder, or any act or activity which is calculated or directed to bring about a riot, strike or public disorder (the term "public disorder" shall be deemed to include civil commotion, labour disturbances or lockouts)
 - (iv) any attempt to perform any act referred to in clauses (i), (ii), or (iii) above
 - (v) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clauses (i), (ii), (iii), or (iv) above
 - (2) caused directly or indirectly by or through or in consequence of an occurrence for which a fund has been established in term of the War Damage Insurance and Compensation Act 1976 (No. 85 of 1976)
- (h) loss, destruction or damage in Spain or Spanish territories which falls under the regulation of the Consorcio de Compensacion de Seguros ("Consorcio") perils insured against when the occurrence of loss, destruction or damage by such covered peril shall be declared by the Consorcio to be within the conditions of coverage (conditions of payment and/or delays in payment shall not abrogate this exclusion)
- (i) loss, destruction or damage in France or French territories due to "Catastrophes Naturelles": loss, destruction or damage which falls

under the regulation of the Natural Catastrophe Scheme created by the law of July 13, 1982 when the occurrence of loss, destruction or damage by such covered peril shall be declared by the authorities to be within the conditions of coverage (conditions of payment and/or delays in payment shall not abrogate this exclusion)

- (j) loss, destruction or damage in Cuba, Iran, Iraq, Libya, North Korea, Sudan and any territory in the Caribbean.

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Specification

The Premises:

1. Antrim Area Hospital, Bush Road, Antrim BT41 2QB
2. 430 Beech Road, Western Industrial Estate, Naas Road, Dublin 12

		Sum Insured
Item 1.	On the Buildings, including landlords fixtures and fittings therein and thereon and walls, gates and fences.	1. £700,000 2. €1,500,000
Item 1a.	On tenants improvements, alterations and decorations to Landlord's property for which the Insured is responsible.	1. £300,000 2. €300,000
Item 1b.	On portacabin buildings for which the Insured is responsible	1. £24,125 2. €6,349
Item 2.	On Machinery, plant and all other contents therein and thereon (excluding property covered under item nos. 1 and 3 or more specifically insured) the property of the Insured or held by them in trust for which they are responsible.	1. £1,750,000 2. €2,500,000
Item 3.	On Stock and materials in trade the property of the Insured or held by them in trust for which they are responsible.	1. £20,000 2. €20,000
Item 4.	On Removal of Debris of the property insured by Item no. 3 (First Loss basis).	1. £65,000 2. €65,000
Item 5.	On Wheely Bins, the property of the Insured or for which they are responsible	1. Nil 2. €436,000
Item 6.	On Rent Payable	1. Nil 2. €177,663

Total Sum Insured

1. £2,859,125
2. €5,005,012

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Unless otherwise stated all the above mentioned items relate to property at the *Premises* and the buildings are deemed to be constructed of brick, stone or concrete and roofed with slates, tiles, concrete, metal or asbestos cement sheeting unless the Insurer has been advised otherwise.

Designation: for the purpose of determining where necessary the item under which any property is insured, it is agreed to accept the designation under which such property has been entered in the Insured's books.

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Deductibles

The amount specified below shall be deducted from each and every adjusted loss:

£2,500

The Insured shall effect no insurance in respect of the amount specified above.

Money Extension

The insurance by Section A extends, subject to the terms of that Section, to indemnify the Insured against physical loss or destruction of or damage to:

- (a) Money
- (b) Safes or strongrooms which usually contain 'Money' caused by theft or attempt thereat

Provided always that the Insured shall keep a complete account of 'Money' in transit and on the *Premises*.

The Insurer's liability shall not exceed for any one occurrence the following amounts:

- (a) Money (that is money, stamps and other Negotiable Instruments) other than crossed cheques and crossed National Giro Payment Orders,
 - (1) in the *Premises* when closed for *Business* or unattended
 - (i) not contained in a locked safe or strongroom £500
 - (ii) in a locked safe or strongroom - as per schedule lodged with the Insurer
 - (2) in the dwelling of the Insured or of any other persons to whom such money is entrusted £500
 - (3) in the *Premises* when open for *Business* and attended £5,000
 - (4) whilst in transit, including in bank night safe £5,000
- (b) Crossed cheques, crossed National Giro Payment Orders and other Non-Negotiable instruments whilst in the *Territorial Limits* £250,000

Negotiable Instruments is Deemed to Include:

Cash, Bank and Currency Notes

Cheques, Bankers Drafts, Money Orders and Postal Orders

Unused Postage, Revenue and National Savings Stamps

Holiday with pay, trading or other stamps (whether fixed to cards or otherwise)

Premium Bonds, Savings Certificates

Credit Company Sales Vouchers

Value Added Tax Purchase Invoices
National Giro Payment Drafts
Customer Redemption Vouchers
Luncheon Vouchers
Travellers Cheques
Airline Tickets
Bills of Exchange
The Pre-paid value stored by any Franking Machine
The insurance by this extension is subject to the Money Carrying
Warranty detailed elsewhere in this Section.

The Insurance by this Extension Excludes:

- (a) loss from an unattended vehicle
- (b) loss due to the use of counterfeit money
- (c) loss being a shortage due to error or omission or resulting from a safe or strongroom being opened by a key left on the *Premises* whilst closed for *Business*.

Money Carrying Warranty

Money carryings (in transit outside the *Premises*), referred to in the Money Extension are to be accompanied by the undernoted number of able-bodied adults during transit and until disbursement, except in bank night safe:

- (a) up to £5,000 2 able bodied adult
- (b) between £5,001 and £10,000 3 able bodied adults.

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Goods in Transit

Notwithstanding Excluded Property (i) the insurance by this Section extends to include:-

- (a) Damage to
 - (i) Property whilst in or on any road vehicle operated by the Insured or hauliers or by rail or by registered or recorded post;
 - (ii) tarpaulins sheets and ropes whilst being carried on any road vehicle operated by the Insured.
- (a) Expenses reasonably incurred in
 - (i) the transfer of Property to another vehicle and the delivery to the original destination or return to the place of despatch necessitated by fire, collision or overturning of any road vehicle operated by the Insured;
 - (ii) the reloading on to any road vehicle operated by the Insured of any Property which has fallen from such vehicle;
 - (iii) the removal of debris and site clearance consequent upon Damage to Property.
- (b) Sue and labour costs reasonably incurred to minimise Damage, occurring whilst in Transit within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands and Belgium.

Provided that the liability of the Insurer shall not exceed

- (1) any one road vehicle operated by the Insured :£7,500
- (2) any one road vehicle operated by haulier : £7,500
- (3) any one rail conveyance : £7,500
- (4) any one sending by registered or recorded post: £7,500

Additional Definitions

For the purpose of this Extension

1. Transit shall mean being carried from the time the Property is lifted to the time it is unloaded at its destination including
 - (a) loading and unloading;
 - (b) carriage on recognised "roll-on, roll off" vehicle ferries provided no unloading or reloading of the vehicle is involved;
 - (c) whilst temporarily housed on or off the vehicle (excluding storage at a rental or arrangement for storage and distribution) in the course of the said carriage but excluding any installation, erection or testing.

2. Property shall mean:

real and personal property other than Excluded Property of

- (a) the Insured; or
- (b) third parties over which the Insured is exercising a lien; or
- (c) third parties in which the Insured has some beneficial interest.

Exclusions

1. This Extension does not insure against Damage:

- (a) caused by the Insured's improper packing and/or deliberate rough handling;
- (b) caused by bending, denting, chipping, marring or scratching unless caused by fire, lightning, windstorm, flood, explosion, collision, derailment or overturning or stranding, burning or sinking of ferry or lighter;
- (c) of or to foodstuffs by tainting;
- (d) of or to export shipments which have been laden on board export conveyance or have come under the protection of marine insurance, whichever first occurs;
- (e) of or to Property carried by or despatched by the Insured for hire or reward;
- (f) due to insufficient labelling or incorrect addressing or failure to make proper and complete declarations required by Carriers;
- (g) to Property in or on open vehicles owned or operated by the Insured caused by atmospheric or climatic conditions unless the Property is protected by vehicle sheets;
- (h) to Property in any vehicle which is being used outside the normal course of the Business.
- (i) theft of the following whilst not attended:
 - i) portable telephones
 - ii) computer hardware equipment
 - iii) telecommunications equipment

2. This Extension does not insure against:
 - (a) loss of profit, loss of use or loss of market however caused;
 - (b) unexplained shortages.

Memorandum

The insurance by this Extension extends to include (notwithstanding anything contained in the provisions of this Section) loss by theft but at all times subject to the terms of this Extension.

SPECIAL CONDITIONS

1. The valuation of the Property covered hereunder shall be the actual invoice costs, including prepaid freight, together with such costs and charges since shipment as may have accrued and become legally due thereon and all premium under this Extension shall be paid on this basis. If there is no invoice, the valuation of the Property insured hereunder shall be the actual cash market value of the Property insured at the point of destination on the date of the Damage.
2. In the case of labels, capsules or wrappers sustaining Damage the Insurer if liable therefor under the terms of this Extension shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers and the cost of reconditioning the goods but in no event shall the Insurer be liable for more than the insured value of the merchandise which has sustained Damage.
3. When the Property insured under this Extension includes a machine consisting when complete for sale or use of several parts then in case of Damage covered by this Extension to any part of such machine the Insurer shall be liable only for the proportion of such Damage which the insured value of the said part bears to the insured value of the machine or at the Insurer's option for the cost and expenses, including labour and forwarding charges, of replacing or repairing the part which has sustained Damage but in no event shall the Insurer be liable for more than the insured value of the complete machine.
4. This insurance shall not inure directly or indirectly to the benefit of any carrier nor without the affirmative consent of the Insured to the benefit of any other bailee. The Insured may accept, without prejudice to this Extension, the ordinary value of bills of lading of carriers as provided in their tariffs; otherwise the Insured agrees not to enter into any special agreement with carriers or bailees releasing them from their common law or statutory liability. The Insurer shall not be liable for any Damage, which without its written consent, has been settled or compromised by the Insured.
5. Cancellation of this Extension shall not prejudice coverage hereunder in respect of Property which is in Transit on the effective date of cancellation.

Immobiliser

No claim will be admitted for theft from a vehicle where the vehicle has been removed by the thief or thieves unless the Insured proves that the vehicle has been fitted with a steering lock or other immobiliser. Such immobiliser to be in efficient working order and duly operated whenever the vehicle is not attended.

Vehicle not Attended

No claim will be admitted for theft from any vehicle not Attended unless

1. all doors windows and other openings are left closed securely locked and properly fastened and
2. entry or access to the vehicle has been effected by forcible and violent means.

Alarm

No claim will be admitted for theft from a vehicle unless the Insured proves that the vehicle has been fitted with an alarm. Such alarm to be in efficient working order and duly operated whenever the vehicle is not attended.

Overnight Requirement

No claim will be admitted for theft in respect of Property left in or on any vehicle not attended for the night except where such vehicle is protected in accordance with any other Vehicle Security Requirements specified herein and is either garaged in a building which is securely closed and locked or parked in a compound secured by locked gates.

Excluding Theft Overnight

No liability is accepted for theft of Property left for the night in or on any vehicle not attended.

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Supplementary Conditions

1. **Notice**

Notice shall be given to the Insurer when any buildings become unoccupied or when an unoccupied building or portion thereof is again occupied.

2. **Extensions by Definition**

Unless more specifically insured, the following are included in the insurance applying to the Buildings or the contents of the Buildings to which such property is attached or belongs as insured by the respective items of the Specification:

- (a) hoists, gangways, clocks, fences, walls, gates, staircases and water tanks over or forming roofs of buildings and external fire escapes
- (b) external and underground water, drainage, sewerage, gas, electricity or telephone pipes, meters or cables extending from the *Premises* to the public main and trunks, conveyors, shafting, belting, ropes and similar equipment, including all supporting structures, at the *Premises* or adjoining yards and roadways, all the property of the Insured or for which they are responsible
- (c) small outbuildings and their contents, conveniences, yards, car parks, service roads, loading bays, street furniture (the responsibility of the Insured), the buildings and contents of extensions to and communicating with any of the herein described buildings, oil and fuel tanks and ancillary equipment and the contents thereof
- (d) *Property Insured* in the open yards and spaces adjoining and used in connection with the *Premises*.

3. **Average**

The sum insured by each item (under each column where applicable) of this Section is separately subject to the following Condition of Average (unless such item is insured on a First Loss basis as shown on the Specification):

Whenever a sum insured is declared to be subject to Average, if such sum shall at the commencement of any loss destruction or damage be less than the value of the property covered within such sum insured, the amount payable by the Insurer in respect of such loss destruction or damage shall be proportionately reduced.

4. **Reinstatement**

Applicable to any items on Buildings and Machinery hereon.

It is hereby agreed that in the event of the *Property Insured* being lost destroyed or damaged the basis upon which the amount payable under (each of the said items of) this Section is to be calculated shall be the reinstatement of the property lost destroyed or damaged, subject to the following Special Provisions and subject also to the terms applicable to this Section except insofar as the same may be varied hereby.

For the purposes of the insurance under this condition "reinstatement" shall mean:

The carrying out of the after mentioned work, namely:

- (a) Where property is lost or destroyed, the rebuilding of the property, if a Building or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new
- (b) Where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

Special Provisions

1. The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Insurer not being thereby increased) must be commenced and carried out with reasonable dispatch; otherwise no payment beyond the amount which would have been payable under this Section if this condition had not been incorporated therein shall be made.
2. When any *Property Insured* under this condition is lost, damaged or destroyed in part only the liability of the Insurer shall not exceed the sum representing the cost which the Insurer could have been called upon to apply for reinstatement if such property had been wholly destroyed.
3. No payment beyond the amount which would have been payable under this Section if this condition had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
4. Each item insured under this Condition is declared to be separately subject to the following Condition of Average, namely:

If at the time of reinstatement the sum representing eight-five per cent of the costs which would have been incurred in reinstatement if the whole of the property by such item had been destroyed exceeds the sum insured thereon at the time of any loss or at the commencement of any destruction of or damage to such property then the Insured shall be considered as being their own insurer for the difference between the sum insured and the sum representing the cost of reinstatement of the whole of the property and shall bear a rateable proportion of the loss accordingly.

5. No payment beyond the amount which would have been payable under this Section if this condition had not been incorporated therein shall be made if at the time of any destruction or damage to any *Property Insured* thereunder such property shall be covered by any other insurance effected by or on behalf of the Insured which is not upon the identical basis of reinstatement as set forth herein.
6. Where by reason of the above Special Provisions no payment is to be made beyond the amount which would have been payable under this Section if this condition had not been incorporated therein the rights and liabilities of the Insurer and the Insured in respect of the loss destruction or damage shall be subject to the terms and conditions of this Policy, including any Condition of Average therein, as if this condition had not been incorporated therein.

5. ***Professional Fees***

The Insurance by any item on Buildings or Machinery extends to include:

Architects', Surveyors', Consulting Engineers', Legal and other Professional Fees necessarily and reasonably incurred in the reinstatement of the *Property Insured* consequence upon its loss, destruction or damage but not for preparing any claim hereunder.

The liability of the Insurer under this condition and the Section in respect of any item shall in no case exceed the Sum Insured thereby.

6. ***Workmen***

Workmen may be employed for the purpose of minor extensions or alterations, installations, maintenance and the like without prejudice to this insurance.

7. ***Subrogation Waiver***

In the event of a claim arising under this Policy, the Insurer agrees to waive any rights, remedies or relief, to which they might become entitled by subrogation against any Subsidiary or Holding Company of the Insured, or any company which is a Subsidiary of a Holding Company of the Insured (in each case within The Companies Act, 1985).

8. **Public Authorities**

Applicable to any items on Buildings and Machinery hereon.

The insurance by this Section extends to include:

Such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority, provided that:

- (a) the amount recoverable under this extension shall not include:
- (1) the costs incurred in complying with any of the aforesaid Regulations or Bye-Laws:
 - (i) in respect of destruction or damage occurring prior to the granting of this extension
 - (ii) in respect of destruction or damage not insured by this Section
 - (iii) under which notice has been served upon the Insured prior to the happening of the destruction or damage
 - (iv) in respect of undamaged property or undamaged portions of the property, other than foundations (unless foundations are specifically excluded from the insurance by this Section) of that portion of the property destroyed or damaged
 - (2) the additional cost that would have been required to make good the property damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or Bye-Laws not arisen
 - (3) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws
- (b) the work of reinstatement must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the destruction or damage or within such further time as the Insurer may (during the said twelve months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the Insurer under this extension not being thereby increased
- (c) if the liability of the Insurer under this Section, apart from this extension, shall be reduced by the application of any of the terms of the Policy the liability of the Insurer under this extension, in respect of any such item, shall be reduced in like proportion

- (d) the total amount recoverable under any Item of this Section shall not exceed the sum insured thereby
- (e) all the conditions of the Policy, except insofar as they may be hereby expressly varied, shall apply as if they had been incorporated herein.

9. **Debris Removal Costs**

Unless more specifically insured the insurance by each item of this Section other than those on Stock and Materials in Trade or Rent extends to include costs and expenses necessarily incurred by the Insured with the consent of the Insurer in:

- (a) removing debris
- (b) dismantling and/ or demolishing
- (c) shoring up or propping
- (d) the clearing of drains and sewers

of the portion or portions of the *Property Insured* by the said items destroyed or damaged by fire or by any other event hereby insured against, for an amount not exceeding 10% of the sum insured.

The liability of the Insurer under this extension and the Section in respect of any item shall in no case exceed the sum insured thereby.

This extension does not cover any cost or expense:

- (1) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (2) arising from pollution or contamination of property

10. **Interest**

The interest of parties supplying property to the Insured under a hiring, leasing or similar agreement is noted in this insurance, the nature and extent of any interest to be disclosed in the event of loss, destruction or damage.

11. **Non-invalidiation**

This insurance shall not be invalidated by reason of anything being done or omitted to be done in respect of any portion of the *Premises* not occupied by the Insured whether constituting an increase in risk or not, provided that the Insured immediately they become aware thereof shall inform the Insurer of such alteration and pay such reasonable additional premium as the Insurer may require.

12. **Specific Insurance**

This insurance does not extend to cover motor vehicles or their contents or any other property more specifically insured by or on behalf of the Insured, except only as regards any excess beyond the amount recoverable under such more specific insurance.

13. **Temporary Removal**

Subject to the following provisions, the *Property Insured* by this Section (other than Stock and materials in trade or merchandise if insured hereby) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes elsewhere on the same or to any other *Premises* and in transit thereto and therefrom by road, rail or inland waterway within the *Territorial Limits*.

The amount recoverable under this extension in respect of each item of the Specification shall not exceed the amount which would have been recoverable had the loss occurred in that part of the *Premises* from which the property is temporarily removed, nor, in respect of any loss occurring elsewhere than at the said *Premises*, 10% of the sum insured by the item after deducting therefrom the value of any Building (exclusive of fixtures and fittings) and Stock and materials in trade insured thereby;

This extension does not apply to property if and so far as it is otherwise insured nor, as regards losses occurring elsewhere than at the *Premises* from which the property is temporarily removed, to:

- (a) Motor vehicles and motor chassis licensed for normal road use
- (b) Property held by the Insured in trust, other than machinery and plant.

14. **Mortgagee**

The interest of a Mortgagee in the insurance by this Section shall not be prejudiced by any act or neglect of the Mortgagor or occupier of any Building hereby insured whereby the danger of loss or damage is increased without the authority or knowledge of the Mortgagee, provided the Mortgagee, immediately on becoming aware thereof, shall give notice to the Insurer and pay an additional premium if required.

15. **Fire Extinguishing Expenses**

The insurance by this Section extends to include the cost of replenishment and restitution of fire extinguishing appliances and fire detection equipment in whole or in part in the process of minimising destruction or damage incurred hereby.

16. **Automatic Reinstatement of Loss**

The sums insured hereby (excluding Stock) shall be automatically reinstated following loss destruction or damage by an *Insured Event* and the Insured shall pay the appropriate additional premium.

Provided that:

- (a) the terms of this Condition shall not apply to First Loss or Non-Average insurances unless otherwise stated, and
- (b) the Insurer may exercise its option under General Condition 9 (Cancellation).

17. **Clearing of Drains**

The insurance by any item on the Buildings extends to cover expenses necessarily and reasonably incurred in clearing, cleaning and/or repairing drains, gutters, sewers and the like (which are the responsibility of the Insured) in consequence of any event hereby insured against at the *Premises*.

18. **Theft Damage**

In respect of any building at the *Premises* not included in the *Property Insured* by this Section the insurance by this Section extends to include loss or damage sustained to any such building occupied by the Insured during the course of theft or any attempt thereat for which the Insured is liable for an amount not exceeding £50,000.

19. **Keys & Locks**

The insurance by this Section extends to include all costs reasonably incurred in the repair or replacement of mechanical door locks following theft of keys from the *Premises*.

20. **Foundations**

For the purpose of applying Average any insurance on Buildings shall, at the Insured's option, not apply to the parts of the Building below the level of the floor of the lowest storey excluding the flooring (if combustible) of such lowest storey.

If the sum insured in respect of any Building shall exceed the value of the said Building such excess may be applied to the portions excluded above and Average applied separately thereto.

21. **Branded Goods**

In the event of a claim for loss or damage to the *Property Insured*, any salvage of branded goods and/or merchandise, the Insured's own or held by them in trust or on commission, and/or goods sold but not delivered shall not be disposed of by sale without the consent of the Insured. If such salvage is not disposed of by sale then the loss or damage will be assessed at the value agreed between the Insured and the Insurer and taken into consideration at the settlement of the loss.

22. **Rent**

The insurance by any item on Rent applies if the building or any part thereof is unfit for occupation in consequence of:-

- (a) its destruction or damage, or
- (b) destruction or damage elsewhere on or about the *Premises*,

and then the amount payable shall not exceed such proportion of the sum insured on Rent as the period necessary for reinstatement bears to the term of rent insured.

23. **Contract Price**

In respect only of goods sold but not delivered for which the Insured is responsible, and with regard to which under the Conditions of Sale the Sale Contract is cancelled by reason of an *Insured Event* either wholly or to the extent of the loss or damage, the liability of the Insurer shall be based on the Contract Price, and for the purpose of Average the value of goods to which this clause would in the event of loss or damage be applicable shall be ascertained on the same basis.

24. **Protections-Fire Extinguishing Appliances**

The Insured shall maintain all fire extinguishing appliances in efficient working order.

25. **Protections-Automatic Sprinkler and Fire Alarm Installations**

The Insured shall:

- (a) take all reasonable steps to:
 - (1) prevent frost and other damage to the installations and in so far as it is their responsibility
 - (2) maintain the installations (including the automatic external alarm signal) in efficient condition
 - (3) maintain ready access to the water supply control facilities
- (b) in the event that changes repairs or alterations to the installations are proposed notify the Insurer in writing and obtain its prior agreement in writing
- (c) allow the Insurer access to the *Premises* at all reasonable times for the purpose of inspecting the installations
- (d) carry out the routine tests laid down by the Insurer and remedy promptly any defect revealed by a test.

In the event that alterations or repairs become necessary to the automatic sprinkler installation the Insurer may at its option suspend any cover which is granted against damage by the accidental escape of water from the installation until the alterations or repairs have been carried out and approved by the Insurer. Notice of any such action will be given by the Insurer in writing.

26. **Protections-Intruder Alarms**

(Applicable to any cover granted in respect of loss, destruction or damage by theft)

It is a condition that:

- (a) in respect of any Intruder Alarm System installed at the *Premises*
 - (1) a maintenance contract is maintained in force during the currency of this Insurance with the installing contractor

or such other contractor as is agreed in writing by the
Insurer

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- (2) the *Premises* are not left unattended unless:
 - (i) the Intruder Alarm System is tested and set in its entirety and where the equipment permits any Central Station to which the Intruder Alarm System is connected has acknowledged the setting signal and
 - (ii) as far as the Insured or their representative is aware the Intruder Alarm is in full and efficient working order
- (3) the agreement of the Insurer is obtained in writing before replacing extending or otherwise altering the Intruder Alarm System
- (4) the Insurer is notified immediately and in writing if:
 - (i) the Insured receive written notification from a Police Authority that they may be withdrawing response to alarm calls or
 - (ii) the Insured is required to abate a nuisance under the Code of Practice on Noise from Audible Intruder Alarms 1983 or by the Force policy issued by the Chief Constable
- (b) whenever the *Premises* are left unattended
 - (1) all locks bolts and other protective devices are in full operation
 - (2) all keys (including those relating to any part of the Intruder Alarm System) are:
 - (i) removed from the *Premises* or
 - (ii) placed within a locked safe or strongroom the keys to which are themselves removed from the *Premises*.

For the purpose of this condition Intruder Alarm System shall be deemed to include all lines and equipment used to transmit the signals to and from the *Premises*.

27. *Stock Debris Removal*

The liability of the Insurer in respect of Item 4 Removal of Debris shall be limited to:

costs and expenses necessarily incurred by the Insured with the consent of the Insurer in removing debris of Stock and materials in trade destroyed or damaged by an *Insured Event*

The Insurer will not pay for any costs or expenses

- (a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (b) arising from pollution or contamination of property not insured by this Section.

28. **All Other Contents**

The term 'all other contents' is understood to include, insofar as such property is not more specifically insured:

- (a) documents, manuscripts, plans, designs and *Business* books, but only for the value of the materials as stationery, together with the cost of clerical labour expended in writing up and not for the value to the Insured of the information contained therein
- (b) patterns, models and moulds, for an amount not exceeding £20,000
- (c) computer system records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the Insured of the information contained therein, for an amount not exceeding £20,000
- (d) computer systems records, deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed) are held to be insured for an amount not exceeding £2,500 whilst temporarily removed to any *Premises* not in the Insured's occupation and whilst in transit by road, rail or inland waterway all within the *Territorial Limits*
- (e) directors', employees', visitors' and customers' pedal cycles, tools, instruments and other personal effects for an amount not exceeding £500 in respect of each person
- (f) national savings certificates, premium savings and bond tokens, milk tokens, trading stamps, luncheon vouchers, holiday with pay stamps, credit card vouchers, VAT invoices, and the like, the property of the Insured or held by them in trust for which they are responsible for an amount not exceeding £1,000.

29. **Automatic Cover**

The insurance by this Section extends to include:

- (a) any newly acquired and/ or newly erected buildings, machinery and plant, (as insured in the Specification) insofar as the same are not otherwise insured, and
- (b) alterations, additions and improvements to buildings, machinery and plant, (as insured in the Specification) but not in respect of any appreciation in value,

anywhere within the *Territorial Limits* provided that:

- (1) at any one situation this cover shall not exceed 10% of the appropriate sum insured or £250,000 whichever is the less.

- (2) the Insured undertake to give particulars of such extension of cover at each half year and to effect specific insurance thereon retrospectively to the date of the commencement of the Insured's liability

following advice of any additional insurance, the provisions hereof are fully reinstated.

30. **Unoccupied Premises**

It is a condition at the following unoccupied *Premises*:-

that

- (a) gas, water and electricity mains supplies be disconnected and water heating systems be drained
- (b) the *Premises* be secured so as to prevent unauthorised entry by:
- (1) all locks, bolts and other protective devices being in full operation
- (2) all perimeter fences, walls and gates being kept in good condition
- (c) in the event of the *Premises* being unoccupied for more than three months, all ground level windows and unnecessary doors be bricked or boarded-up
- (d) all sources of fuel be removed from both inside and outside the buildings and tanks of combustible liquids be drained
- (e) a representative of the Insured carries out a physical check of the *Premises* every seven days and ensures that any work necessary to maintain an adequate level of security is carried out.

31. **Metered Water**

The insurance by this Section extends to include the costs for which the Insured is responsible in respect of loss of metered water provided that the Insured maintains a record of readings from the Water Authority meter at intervals of not more than 7 days.

The amount payable in respect of any one *Premises* is limited to such excess water charges demanded by the Water Authority and resulting from the accidental escape of water from pipes apparatus or tanks in consequence of an Insured Event and in no case exceeding £1,000.

SECTION B - BUSINESS INTERRUPTION ("ALL RISKS")

Insuring Agreement

In the event of the *Business* carried on by the Insured at the *Premises* being interrupted or interfered with in consequence of an *Insured Event* as defined in Section A of this Policy (loss, destruction or damage so caused being hereinafter termed *Damage*) to any building or other property or any part thereof (not being Excluded Property under Section A of this Policy) at the *Premises* used by the Insured in course of the *Business*, as described in the Schedule;

the Insurer will pay to the Insured in respect of each item in the Specification the amount of loss resulting from such interruption or interference in accordance with the provisions contained herein; provided that

at the time of the happening of an *Insured Event* there shall be in force an insurance covering the interest of the Insured in the building or property against such Event whether under Section A of this Policy or otherwise and that payment shall have been made (or would have been made apart from the application of any excess, franchise or deductible) or liability admitted therefore under such insurance.

Specification

		Sum Insured
Item 1.	On Gross Profit – Premises 1	£4,000,000
Item 2.	On Gross Profit – Premises 2	€6,000,000

Uninsured Working Expenses:

Purchases less discounts received.

Maximum *Indemnity Period*:

Item 1. 12 months
Item 2. 18 months

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Gross Profit (Sum Insured basis)

The Insurance under Item No. 1 & 2 is limited to loss of *Gross Profit* due to (a) reduction in *Turnover* and (b) increase in cost of working and the amount payable as indemnity thereunder shall be:

- (a) in respect of reduction in *Turnover*: the sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* shall in consequence of the Damage fall short of the *Standard Turnover*
- (b) in respect of increase in cost of working: the additional expenditure (subject to the provisions of the Uninsured Standing Charges clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in *Turnover* which but for that expenditure would have taken place during the *Indemnity Period* in consequence of the Damage, but not exceed the sum produced by applying the *Rate of Gross Profit* to the amount of the reduction thereby avoided,

less any sum saved during the *Indemnity Period* in respect of such of the expenses and charges of the *Business* payable out of *Gross Profit* as may cease or be reduced in consequence of the Damage

provided that if the sum insured by these Items be less than the sum produced by multiplying the *Rate of Gross Profit* to the *Annual Turnover* (or proportionately increased multiple thereof where the *Maximum Indemnity Period* exceeds twelve months) the amount payable shall be proportionately reduced.

Definitions

1. *Gross Profit* shall mean the amount by which:
 - (a) the sum of the amount of the *Turnover* and the amounts of the closing stock and work in progress shall exceed
 - (b) the sum of the amount of the opening stock and work in progress and the Uninsured Working Expenses.

NOTES

- (a) The amounts of the opening and closing stock and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.
- (b) To the extent that the Insured are accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.
- (c) For the purposes of these definitions, any adjustment implemented in current cost accounting shall be disregarded.

- (d) The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured.
2. **Gross Profit** shall mean the amount declared by the Insured to the Insurer as representing not less than the *Gross Profit* which is it anticipated will be earned by the *Business* during the financial year most nearly concurrent with the Period of Insurance (or as proportionately increased multiple thereof where the Maximum *Indemnity Period* exceeds 12 months).
 3. **Turnover** shall mean the amount paid or payable to the Insured for goods sold and delivered and for services rendered in course of the *Business* at the *Premises*.
 4. **Indemnity Period** shall mean the period beginning with the occurrence of the Damage and ending not later than the Maximum *Indemnity Period* thereafter during which the results of the *Business* shall be affected in consequence of the Damage.
 5. **Rate of Gross Profit** shall mean the *Rate of Gross Profit* earned on the *Turnover* during the financial year immediately before the date of the Damage. to which such adjustments shall be made as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business* either before or after the Damage or which would have affected the *Business* had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.
 6. **Standard Turnover** shall mean the *Turnover* during that period in the twelve months immediately before the date of the Damage which corresponds with the *Indemnity Period*

Alternative Premises Clause

If during the *Indemnity Period* goods shall be sold or services shall be rendered elsewhere than at the *Premises* for the benefit of the *Business* either by the Insured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account into account in arriving at the *Turnover* during the *Indemnity Period*.

Uninsured Standing Charges Clause

If any Standing Charges of the *Business* be not insured by this Section (having been deducted in arriving at the *Gross Profit*) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the *Gross Profit* bears to the sum of the *Gross Profit* and the uninsured standing charges.

Premium Adjustment Clause

1. ***Declaration***

The Insured shall provide to the Insurer not later than six months after the expiry of each Period of Insurance a declaration certified by the Insured's auditors of the *Gross Profit* earned during the financial year most nearly concurrent with the Period of Insurance.

2. ***Adjustment***

In the event of the gross profit earned (or a proportionately increase multiple thereof where the maximum indemnity period exceeds twelve months) during the financial year most nearly concurrent with nay period of insurance being less than the respective sum insured thereon a pro rata return of premium not exceeding 50% of the premium paid on such sum insured for such period of insurance will be made in respect of the difference. If any damage shall have occurred, giving rise to a claim under this policy such return shall be made in respect only of so much of the said difference as in not due to such damage.

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Supplementary Conditions

1. **Accountants**

Any particulars or details contained in the Insured's books of account or other *Business* books or documents which may be required by the Insurer under General Condition 3 of this Policy for the purpose of investigating or verifying any claims 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.

2. **Payments on Account**

Payments on account may be made to the Insured during the *Indemnity Period* at the discretion of the Insurer but in no case shall any payment exceed the Insurer's liability in respect of reduction in *Turnover* for each Item for the period in respect of which payment is to be made.

3. **Accumulated Stocks**

In adjusting any loss, account shall be taken and an equitable allowance shall be made if any shortage in *Turnover* due to the Damage is postponed by reason of the *Turnover* being temporarily maintained from accumulated stocks of finished goods.

4. **Departmental**

If the *Business* be conducted in departments the independent trading results of which are ascertainable, the provisions of Clauses (a) and (b) of the item on *Gross Profit* shall apply separately to each department affected by the Damage except that if the sum insured by the said item be less than the aggregate of the sums produced by applying the *Rate of Gross Profit* for each department of the *Business* (whether affected by the Damage or not) to its relative Annual *Turnover* (or to a proportionately increased multiple thereof where the Maximum *Indemnity Period* exceeds twelve months) the amount payable shall be proportionately reduced.

5. **Automatic Sum Insured Reinstatement**

In the absence of written notice by the Insurer to the contrary the Insurer's liability shall not stand reduced by the amount of any loss, the Insured undertaking to pay the appropriate additional premium for such automatic reinstatement of cover.

6. **Salvage Sale**

If following Damage giving rise to a claim under this Section the Insured shall hold a salvage sale during the *Indemnity Period* clause

(a) of the Item on *Gross Profit* shall for the purpose of such claim read as follows:-

- (a) in respect of reduction in *Turnover*: the sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* (less the *Turnover* for the period of the salvage sale) shall in consequence of the Damage fall short of the *Standard Turnover* from which sum shall be deducted the *Gross Profit* actually earned during the period of the salvage sale.

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Policy General Exclusions

1. ***This Policy Does Not Cover:***

loss or destruction of or 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
- (c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
- (d) confiscation, detention, destruction, nationalisation, requisition or enforcement by order of any Government, Power, Municipal, Local or Customs Authority
- (e) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

2. ***This Policy Does Not Cover:***

- (a) loss destruction or damage in England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 by fire or explosion occasioned by or happening through or in consequence directly or indirectly of Terrorism except to the extent stated in the Special Provision Terrorism
- (b) loss destruction or damage in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
 - (1) civil commotion
 - (2) Terrorism.

For the purposes of this General Exclusion Terrorism shall mean any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence.

In any action suit or other proceedings where the Insurer alleges that by reason of this definition any loss destruction or damage is not covered by this Policy (or is covered only up to a specified limit of liability) the burden of proving that such loss destruction or damage is covered (or is covered beyond that limit of liability) shall be upon the Insured.

Special Provision Terrorism is added:

Subject otherwise to the terms definitions exclusions provisions and conditions of the Policy this insurance includes loss destruction or damage in England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 by fire or explosion occasioned by or happening through or in consequence of Terrorism as defined in General Exclusion 2 provided that the liability of the Insurer in respect of such loss destruction or damage shall not exceed:

- (a) (1) in respect of Section A
£100,000 in total on Buildings during any one occurrence
 - (2) in respect of Section A
£100,000 in total on All property other than buildings any one occurrence
 - (3) in respect of Section B
£100,000 in total any one occurrence
 - (4) in respect of Section B, Book Debts if applicable
£100,000 in total any one occurrence
- or
- (b) any limit of liability or sum insured stated in the Policy as applying to that *Premises* whichever is the lower but subject to a combined limit for the covers any one occurrence of £400,000.

Any provision in this Policy which provides for any sum insured or limit of liability to be automatically reinstated following a loss shall not apply to losses covered under this Special Provision.

Cancellation

The Insurer may cancel the insurance by this Special Provision by giving thirty days notice by recorded delivery to the Insured's last known address provided that in the event of no claim having been made under this Special Provision in the current Period of Insurance the Insurer shall return to the Insured a proportionate part of any additional premium paid specially for this cover for the unexpired period of the Policy.

Policy General Conditions

1. *Reasonable Precautions*

The Insured shall:

- (a) maintain his *Premises* in a good state of repair
- (b) take all reasonable precautions to prevent and/ or minimise any loss destruction or damage.

2. *Misrepresentation*

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

3. *Claims*

On the discovery of any event which may give rise to a claim under this Policy:

(a) the Insured must:

- (1) notify the Insurer as soon as possible
- (2) inform the Police immediately if the loss destruction or damage is caused or appears to be caused by thieves, malicious persons or by malicious act
- (3) send to the Insurer a written claim not later than 30 days (7 days in the case of loss destruction or damage caused by riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons if insured by this Policy) after the loss destruction or damage has occurred providing at his own expense all the detailed particulars and evidence regarding the cause and the amount of the loss destruction or damage as the Insurer may reasonably require
- (4) forward to the Insurer immediately all letters claims writs or other documents. No admission of liability of promise or payment shall be made without the Insurer's written consent

(b) the Insurer will be entitled to:

- (1) enter any building where the loss destruction or damage has occurred and take and keep possession of the property
- (2) deal with the salvage in any reasonable manner provided that under no circumstances can the Insured abandon any property to the Insurer.

This Policy shall be proof that the Insured has given to the Insurer the license and authority which it may need to exercise its rights under this condition.

4. ***Fraudulent Claims***

If any claim upon this Policy be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

5. ***Contribution***

If at the time any claim arises under this Policy there be any other insurance effected by or on behalf of the Insured covering such loss destruction damage or liability or any part of it the liability of the Insurer hereunder shall be limited to its rateable proportion of such loss destruction damage or liability.

6. ***Subrogation***

Any claimant under this Policy shall at the request and at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon their paying for or making good any loss, destruction, damage or liability under this Policy whether such acts and things shall be or become necessary or required before or after his indemnification by the Insurer.

7. ***Arbitration***

If any difference shall arise as to the amount to be paid under this Policy (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 behalf 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 the Insurer.

8. ***Due Diligence***

The due observance and fulfilment of the terms and conditions of this Policy by the Insured insofar as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Insurer to make any payment under this Policy.

9. ***Cancellation***

This Policy may be cancelled by the Insurer giving 30 days notice of cancellation by recorded delivery to his last known address of the Insured, and in such event the Insured shall be entitled to a pro rata proportion of the premium.

10. ***Alterations***

This Policy shall be avoided if:

- (a) the *Business* be wound up or carried on by a Liquidator or Receiver or permanently discontinued or
- (b) the Insured's interest cease otherwise than by death or
- (c) any alteration be made either in the *Business* or in the *Premises* or property therein the occupation of any Insured Person or any other circumstances whereby the risk is increased at any time after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the Insurer.

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