

## PROPERTY – LOSS OF INCOME

Please read the schedule to see if **your** loss of **income** or loss of **gross profit** and **additional expenses** are covered.

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

### SPECIAL DEFINITIONS FOR THIS SECTION

|                                   |  |
|-----------------------------------|--|
| <b>Income</b>                     | The total income of the <b>business</b> carried out from <b>your office</b> .  |
| <b>Indemnity period</b>           | The period beginning at the date of the <b>insured damage</b> , or the date the restriction is imposed, and lasting for the period during which <b>your income</b> is affected as a result of such <b>insured damage</b> or restriction, but for no longer than the number of months shown in the schedule.                              |
| <b>Insured damage</b>             | <p><b>Damage</b> to property provided that:</p> <ul style="list-style-type: none"> <li>a. the <b>damage</b> is not otherwise excluded by the Buildings or Contents section of this <b>policy</b>; and</li> <li>b. payment has been made or liability admitted by the insurer under any insurance covering such <b>damage</b>.</li> </ul> |
| <b>Specified working expenses</b> | Purchases less applicable discounts, and bad debts.  |

### WHAT IS COVERED

**We** will insure **you** for **your** loss of **income** or loss of **gross profit** and **additional expenses**, as specified in the schedule, resulting solely and directly from an interruption to **your business** caused by **insured damage** to **your contents** or to any other property used by **you** at the **office** premises.

#### **Additional cover**

**We** will also insure **you** for **your** loss of **income** or loss of **gross profit** and **additional expenses** up to the limit of £100,000 resulting solely and directly from an interruption to **your business** caused by the following:

- a. **insured damage** to property in the vicinity of the **office** which prevents or hinders **your** access to the **office**;
- b. **insured damage** at the premises of one of **your** suppliers operating and based in the European Union, other than water, gas, electricity or telecommunications services;
- c. failure in the supply of water, gas, electricity or telecommunications services supplied by a supplier operating and based in the European Union to the **office** for more than 24 consecutive hours caused by **insured damage** to any property;
- d. **your** inability to use the **office** due to restrictions imposed by a public authority following:
  - i. a murder or suicide;
  - ii. an occurrence of a notifiable human disease;
  - iii. injury or illness of any person traceable to food or drink consumed on the premises;
  - iv. vermin or pests at the premises.

WHAT IS NOT COVERED

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

HOW MUCH WE WILL PAY

**We** will pay up to the **amount insured** shown in the schedule for each of the following items, unless limited below.

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

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

|  |  |
|--|--|
| <b>Loss of income</b>                      | The difference between <b>your</b> actual <b>income</b> during the <b>indemnity period</b> and the <b>income</b> it is estimated <b>you</b> would have earned during that period or, if this is <b>your</b> first trading year, the difference between <b>your income</b> during the <b>indemnity period</b> and during the period immediately prior to the loss, less any savings resulting from the reduced costs and expenses <b>you</b> pay out of <b>your income</b> during the <b>indemnity period</b> . |
| <b>Loss of gross profit</b>                | The amount by which the sum of <b>your income</b> and <b>your</b> closing stock and work in progress exceeds the sum of <b>your</b> opening stock, work in progress and <b>specified working expenses</b> .  |
| <b>Additional expenses</b>                 | The necessary and reasonable additional costs and expenses <b>you</b> incur in order to continue <b>your business</b> during the <b>indemnity period</b> .   |
| <b>Outstanding debts</b>                   | Any of <b>your</b> outstanding debts which <b>you</b> are unable to recover as a direct result of <b>insured damage</b> to <b>your</b> accounting records.   |
| <b>Accountant's charges</b>                | The amount <b>we</b> will pay for loss of <b>income</b> , or loss of gross profit if applicable, includes the reasonable charges <b>you</b> pay to <b>your</b> professional accountant for producing information <b>we</b> require in support of a request for settlement under this section.  |
| <b>Special limit for additional covers</b> | Where one of the additional covers applies, <b>we</b> will not pay more than the amount shown in the schedule for that additional cover  |
| <b>Under insurance</b>                     | If <b>your</b> actual <b>income</b> , or <b>your</b> actual gross profit if applicable, during the 12 months immediately preceding the date of the <b>damage</b> or restriction is less than 85% of the <b>amount insured</b> , the amount <b>we</b> pay will be reduced in the same proportion as the under insurance.  |

**YOUR  
OBLIGATIONS**

**If any damage occurs**

**We** will not make any payment under this section unless **you** notify **us** promptly of any **damage** or event which might prevent or hinder **you** from carrying on **your business**.

**Property insurance**

Where the **damage** involves property **you** own or are legally responsible for, **we** will not make any payment unless **you** have property insurance in force covering the **damage** and payment has been made, or liability admitted, under that insurance for the **damage**.

With regard to breakdown damage to computers and ancillary equipment, this requirement is satisfied if **you** have in force a manufacturer's guarantee or a maintenance contract providing free parts and labour in the event of breakdown.

**Accounts records**

**We** will not make any payment for outstanding debts unless **you** keep a record of all amounts owed to **you** and keep a copy of the record away from the **office**.