

Matrix Underwriting Management

Commercial Insurance Policy

Insurance cover specifically designed to meet the needs of Commercial Enterprises

Summary of Cover

This policy summary does not contain the full terms and conditions which can be found in the policy document, a copy of which is freely available on request from your professional insurance adviser or Matrix Underwriting Management.

This Summary does not constitute any evidence of insurance.

Confidentiality

You are promised complete confidentiality and security in all matters relating to your insurance arrangements.

Satisfaction

Your premium will be refunded in full if you are not satisfied with the cover provided by your policy if it is returned within 14 days of issue, **but** if there has been an incident which has resulted or could result in a claim you must reimburse any amounts which have paid or may be required to be paid in respect of that incident.

Minimum premiums

The policy may be subject to a minimum premium.

IMPORTANT

To obtain the full benefit from your insurance it is important that the sums insured are adequate at all times. If they are inadequate then in the event of a claim the amount payable will be reduced in proportion to the degree of underinsurance.

Seek professional advice to ensure that the sums insured are correct. Insurance cover does not commence until confirmed by Matrix Underwriting Management or through your professional adviser.

You will be required to complete a proposal form or a statement of fact will be issued. Insurance cover is subject to acceptance of the proposal form or statement of fact by Matrix Underwriting Management. To avoid any delay in the acceptance of your application please answer all questions fully and provide any supplementary information which is required.

General Policy Conditions and Exclusions

Your policy contains general policy conditions such as cancellation, change of risk, reinstatement of sums insured, reasonable care, subjectivity, compliance with warranties and fraud. This is not an exhaustive list. All sections may be subject to special conditions. Please refer to a specimen policy wording for full details.

Your policy contains general policy exclusions which are summarised below

- radioactive contamination (but such contamination caused by terrorists may be covered under the Terrorism section, if selected)
- war, invasion, civil war, rebellion or revolution
- any act of terrorism, other than in respect of bodily injury to an employee arising out of and in the course of employment in the business (Note: cover for most acts of terrorism is available under the Terrorism section)
- sonic bangs
- confiscation, nationalisation or requisition by any government or authority
- computer viruses
- gradual pollution or contamination
- property undergoing heating process
- overrunning or self-heating of electrical machines not resulting in fire
- theft by you or any of your directors, partners or employees
- theft, malicious damage, escape of water or oil or breakage of glass or sanitary ware when your business has ceased to trade or your premises are unfurnished or untenanted
- disappearance, unexplained loss or inventory shortage
- failure of any computer to recognise a valid date.

Additional Clauses

The Covers provided under Section 1 - Property Damage and Section 9 - All Risks are extended to provide you with comprehensive protection.

- architects' and surveyors' fees
- capital additions up to 10% (maximum £500,000)
- collusion
- debris removal (including stock)
- refilling of fire extinguishing equipment following its use
- incompatibility of computer records up to £50,000
- involuntary betterment up to 10% or £50,000 whichever is the lesser amount
- reinstatement of landscaped gardens and grounds following damage by the fire brigade up to £50,000
- service pipes or cables
- temporary removal (including documents and computer systems records)
- damage to the premises (including glass) caused by theft involving forcible and violent entry
- costs of tracing source of water or oil leaks up to £10,000

Automatically included under Section 1 - Property Damage only

- theft of fixed materials forming part of the buildings up to £5,000
- contract price
- contracting purchaser
- customers' goods
- property at trade shows or exhibitions up to £10,000
- external CCTV and security lighting equipment up to £5,000
- replacement of locks and keys following theft of keys up to £2,000
- loss of metered gas or water up to £10,000
- money up to £1,000 (excluding theft)
- public authorities costs
- seasonal increase of 25% in respect of stock items
- tobacco and alcohol kept for entertainment purposes up to £500

Section 1 - Property Damage

Loss or damage to Trade Contents or Buildings (and resultant loss of Rent, if required) caused by fire - lightning - explosion - earthquake - aircraft - theft involving forcible and violent entry or exit and theft involving assault of or violence to you or your employees - riot or civil commotion - malicious damage - impact - storm - flood - escape of water or oil - collapse of television or radio aerials - falling trees or branches - accidental damage - subsidence

Main exclusions

- the relevant excess as stated in the schedule
- damage caused by wear, tear or any gradually operating cause
- electrical or mechanical breakdown
- loss resulting from shop- lifting
- use of any article contrary to manufacturers' instructions or maintenance procedures
- damage to property by any process it is undergoing
- faulty or defective workmanship or operational error or omission
- loss consisting of change of temperature, colour, flavour, texture or finish

Security

Your policy will contain a general condition precedent to the liability of the Underwriters that all security devices are put into full and effective operation whenever the premises are closed for business or left unattended.

Additionally, there may be specific warranties concerning security and fire alarms and fire extinguishing equipment as appropriate to particular premises.

All changes of or to security devices must be notified to Matrix Underwriting Management

Section 2 - Business Interruption

This section affords protection against financial loss during the period taken for the business to return to normal following loss or damage by any of the perils selected by you under the Property Damage section. Reasonable costs incurred to maintain the business following loss or damage are included.

You can select one of three bases of cover

Gross Profit based on turnover/sales and appropriate to the majority of manufacturers and wholesalers where the sale of stock is the prime source of income

Gross Revenue based on income and appropriate to businesses where little or no stock is involved e.g. service or processing industries

Additional Expenditure a limited cover providing indemnity solely in respect of additional expenditure necessarily and reasonably incurred to resume or maintain the business.

The sum insured should be based on an estimate of your annual gross profit or gross revenue. Remember to make allowances for anticipated growth, inflationary factors and the period necessary to reinstate your business fully. If you need help on how to establish the correct sum insured please consult your professional insurance adviser.

If the sum insured selected under either of the Gross Profit or Gross Revenue bases is inadequate at the time of loss the amount paid will be proportionately reduced.

Additional cover

- prevention of access to the premises following damage to nearby property caused by a peril insured
- failure of public electricity, water or gas supplies following damage at the land based premises of the supplier
- closure by a competent authority because of defective sanitation, infestation by vermin or pests at the premises
- poisoning caused by food or drink
- infectious or contagious disease at the premises
- murder, suicide or rape in the vicinity of the premises
- loss caused by damage at the premises of any customer up to £25,000
- loss caused by damage at the premises of any supplier up to £25,000

Main exclusion

corruption of computer records by malicious persons or accidental damage

Section 3 - Money and Personal Assault

The standard cover will provide protection for loss of money whilst

- in transit or in a bank night safe, up to £3,000
- on the premises during business hours, up to £3,000
- in a locked security safe, up to £1,500
- on the premises outside business hours and not in a locked security safe, up to £500
- at your home or the home of an authorised employee, up to £500.

Should these limits not meet your requirements, consideration will be given to increasing them, on application.

Recorded crossed cheques, crossed postal orders, credit card sales vouchers and VAT purchase invoices are covered up to £250,000.

Automatically included

- repair or replacement as new of safes, postal franking machines, security cases, bags or waistcoats following theft up to £2,500 in any one period of insurance
- fraudulent use of any credit, debit, cash or charge card issued solely for the business up to £2,500 in any one period of insurance.

Main exclusions

- the relevant excess as stated in the schedule
- shortages due to error or omission
- fraud or dishonesty of any director, partner or employee unless the loss is discovered within seven working days of its occurrence
- dishonoured cheques or the use of counterfeit money
- loss from any coin-operated vending, gaming or amusement machine or payphone
- theft damage to tills or cash registers outside business hours unless the drawer has been left open

Note: special terms may apply to some types or values of money in transit by either your own employees or a specialist security company or organisation approved by Matrix Underwriting Management.

Personal Assault

Principals and employees (ages 16 - 65 inclusive) are automatically covered as part of the Money section for the following benefits if they sustain bodily injury or death following an assault whilst handling money on your business

Limit

- death, loss of limbs or eyes, permanent total disablement £10,000
- temporary total disablement (not exceeding 104 weeks) £100 per week

Also covered

- damage to personal effects £500 per person.

Main exclusions

- death or disablement caused by the influence of drugs or liquor
- any pre-existing physical or mental disability or infirmity, medical condition or chronic or recurring ailment, pregnancy, childbirth, Aids or an Aids related condition or other communicable disease.
- pain in or disorder of the spine

Section 4 – Glass

Providing protection for

- breakage of or damage to fixed plain plate or sheet or wired glass in doors and windows
- resultant damage to framework
- boarding up costs
- fixed mirrors, fixed glass in show cases, counters and display cabinets
- fixed external signs

Automatically included

- the cost of repair of alarm foil or other security devices
- lettering or designs on glass

up to £2,000.

Main exclusions

- the relevant excess as stated in the schedule
- glass which was flawed, broken or cracked before the insurance commenced
- breakage or damage due to insecure fitting or caused during installation or removal or whilst repairs or alterations are being carried out

Note: armoured, bent or other special glass is not insured unless advised to and accepted by Matrix Underwriting Management

Section 5 - Employers' Liability

Legal liability for injury to employees as required by current UK legislation, up to a limit of £10,000,000 (£5,000,000 if arising out of terrorism) any one cause inclusive of legal defence costs.

Additional cover

- legal costs incurred in the defence of criminal proceedings brought for a breach of the Health and Safety at Work Act 1974 to a limit £250,000 in any one period of insurance.

Main exclusions

- work in connection with asbestos
- work in connection with power stations, refineries and in other hazardous situations
- actions brought outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Section 6 - Public Liability

Legal liability for accidental injury to the public or damage to their property as a result of defects in your premises or negligence by you or your employees in the conduct of your business, up to a limit of £2,000,000 any one cause plus legal defence costs incurred with our written consent.

Additional cover

- obstruction, trespass or nuisance
- contingent motor liability for non-owned vehicles
- damage to leased, hired or rented premises (excluding the first £250)
- liability incurred under the Defective Premises Act 1972
- legal costs incurred in the defence of criminal proceedings brought for a breach of the Health and Safety at Work Act 1974 with a limit of £250,000 in any one period of insurance

Main exclusions

- work in connection with asbestos
- work in connection with power stations, refineries and in other hazardous situations
- watercraft unless hand propelled or less than 7 metres in length, or aircraft
- any machinery or boiler that does not have an inspection certificate as required by law
- vehicles used in circumstances where road traffic legislation requires insurance or security
- liability arising from products
- treatment, therapy, medical advice, fitness instruction or administration of drugs or medicines
- use of solaria, sunbeds, saunas and hydro-massage facilities
- the cost of cleaning up or removal of or damage to property arising out of asbestos
- professional liability
- provision of advice or any plan, design, formula or specification given separately for a fee
- fines, penalties or liquidated, punitive or exemplary damages
- the use of welding or flame cutting equipment or asphalt, bitumen or tar heaters away from your premises
- the relevant excess as stated in the schedule in respect of property damage claims occurring away from your premises
- actions brought outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- fungus, mould and mildew

Note: special conditions apply in respect of the use of blow lamps, blow torches or hot air guns and the burning of waste or other materials.

Section 7 - Products Liability

Legal liability for accidental injury to the public or damage to their property caused by products sold, supplied, processed, delivered, installed, tested, repaired, serviced, altered, treated or hired out by you and no longer in your possession or control, up to a limit of £2,000,000 in any one period of insurance plus legal defence costs incurred with our written consent.

Additional cover

- legal costs incurred in the defence of criminal proceedings in respect of a breach of the Consumer Protection Act 1987 or the Food Safety Act 1990 with a limit £250,000 in any one period of insurance.

Territorial limits

- products sold or supplied anywhere in the world.

Main exclusions

- professional liability
- provision of advice or any plan, design, formula or specification given separately for a fee
- liability arising from properly prepared products failing to perform the function for which they were intended
- loss of or damage to products or the cost of making good or recalling products or rectifying defective work
- any drug or medical preparation obtainable on prescription from a medical practitioner
- any cosmetics, toiletries, animal feeds, seeds, fertilisers, insecticides or pesticides unless of proprietary manufacture
- the cost of cleaning up or removal of or damage to property arising out of asbestos
- liability arising in the USA or Canada from any products which with your knowledge will be sold or supplied to or used within those countries unless advised to and accepted by Matrix Underwriting Management
- liability arising from products which with your knowledge are used in the motor industry other than those not affecting the safety, stability, steering or braking of any vehicle
- liability arising from any products which with your knowledge are used in the aircraft, space, petrochemical, gas, offshore, ship building and repair or nuclear industries
- fines, penalties, or liquidated, punitive or exemplary damages
- actions brought outside Great Britain, the Isle of Man or the Channel Islands
- fungus, mould and mildew

Section 8 - Deterioration of Refrigerated Stock

Deterioration of stock caused by breakdown of refrigeration units or failure of public electricity supply. The policy automatically provides cover up to £1,000 but a higher sum insured can be selected if necessary.

Note: the cover requires you to have a manufacturer's guarantee or a maintenance contract for any refrigeration unit which does not have hermetically sealed motors and compressors.

Main exclusions

- the relevant excess as stated in the schedule
- deliberate act of the electricity supply authority
- loss in any unit which is over 10 years old at the commencement of any period of insurance

Section 9 - All Risks

As an alternative to covering your business machines (e.g. computers, calculators and communication equipment) against the specified perils under the Property Damage section, you may wish to select the wider cover available under this section. This will provide cover for any accidental loss or damage, and you can choose the territorial limits within which this cover will apply to each item you wish to insure, the options being:

Premises - at any of your premises insured by the policy

United Kingdom - Great Britain, Northern Ireland, the Isle of Man and the Channel Islands

Europe - the United Kingdom and the countries of the European Union

Worldwide - anywhere in the world

Main exclusions

- the relevant excess as stated in the schedule
- wear, tear or depreciation or diminution in value
- inherent vice, latent defect, defective design or use of faulty materials
- faulty or defective workmanship, operational error, or use contrary to manufacturer's instructions
- marring, scratching, denting or mechanical or electrical breakdown
- any gradually operating cause, rot, fungus, rust, corrosion or pests
- damage to property caused by any process it is undergoing
- loss consisting of change of temperature, colour, flavour, texture or finish
- theft from any vehicle which is not locked with the property secured in the locked boot or closed glove compartment when unattended or which is not locked and kept within a secure building overnight or after the completion of any working day of the driver
- theft from any unattended building unless it is fully locked and the theft involves forcible and violent entry or exit
- breakage of brittle articles unless forming part of photographic equipment.

Note: special terms may apply to some categories of equipment

Section 10 - Book Debts

Loss of outstanding debit balances owed by customers which you are unable to trace following loss of or damage to books of account and other records caused by a peril insured by Section 1, including the additional expenditure incurred in tracing the amounts owed.

If you have chosen to insure Gross Profit or Gross Revenue under the Business Interruption section, cover for outstanding debit balances for a sum insured of £25,000 will be provided automatically. Cover for higher sums insured is available on request.

Main exclusions

- deliberate falsification of business records
- erasure or distortion of information on computer systems and other records
- corruption of computer records by malicious persons or accidental damage

Section 11 - Goods in Transit

Providing protection for goods pertaining to the business which you have chosen to insure against loss or damage whilst in transit by your vehicles or other carriers anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Additional cover

- damage occurring during loading or unloading
- debris removal up to £2,500
- costs of transfer to another vehicle and completion of transit following fire or accident to the vehicle, up to £2,500
- loss of or damage to tarpaulins, sheets, ropes, chains, straps and packing materials up to £2,500.

Main exclusions

- the relevant excess as stated in the schedule
- theft from any vehicle owned or operated by you which is not locked when unattended or which is not locked and kept within a secure building or yard overnight or after the completion of the working day of the driver
- theft or attempted theft of goods in open topped or open sided vehicles or trailers unless arising from theft or attempted theft of the conveying vehicle
- storm or malicious damage to goods in open topped or open sided vehicles or trailers

- the following property unless specially agreed:
 - a) livestock or other living things
 - b) jewellery, watches, precious metals and stones, nonferrous metals, bullion, furs, works of art, money, securities or stamps
 - c) explosives or other dangerous goods.

Note: special terms may apply to some categories of goods

Section 12 - Loss of Licence

The depreciation in value of your interest in the premises or the business following forfeiture or non-renewal of your licence to sell excisable liquors at the premises, by any cause beyond your control.

The policy automatically provides cover up to £100,000 but a higher sum insured can be selected if necessary.

The sum insured selected should represent the estimated total reduction in value of your interest in the premises or the business.

Additional cover

- costs and expenses in connection with any appeal against forfeiture or non-renewal.

Main exclusions

- non-renewal for which compensation is available under any Act of Parliament
- forfeiture or non-renewal due to Town and Country planning requirements, compulsory purchase or alterations in the law.

Section 13 – Terrorism (Optional)

Damage caused by an act of terrorism committed in England, Wales or Scotland (but not adjacent territorial seas nor the Isle of Man or the Channel Islands) to all of the property in those areas that you have insured under the Property Damage and All Risks sections of the policy, up to the sums insured that you have selected.

In addition, you can choose to insure consequential loss or irrecoverable outstanding debit balances resulting from damage to that property caused by an act of terrorism, up to the sums insured you have selected under the Business Interruption and Book Debts sections of the policy.

Note: - “act of terrorism” means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty’s government in the United Kingdom or any other government de jure or de facto - the cover will apply to most causes of terrorism damage even if the cover under the other section(s) of the policy is limited to certain specified contingencies

- any cover against loss of rent or alternative accommodation provided by the Property Damage section of the policy can be insured as consequential loss under the Terrorism section
- the cover is not subject to any provision for the automatic reinstatement of sums insured or for inflation protection, nor any Long Term Agreement or Undertaking which may apply to any other section of the policy.

Main exclusions

- riot, civil commotion and war risks
- virus or similar mechanism, hacking or denial of service attack in respect of computer equipment
- any nuclear installation or nuclear reactor
- any property not being a block of flats which is insured in the name of a private individual and is occupied by that individual for residential purposes
- any property covered under any transit or aviation or marine policy other than the Goods in Transit section of the policy
- any property specifically excluded from any section of the policy,

Section 14- Legal Expenses

a1) Contract disputes (optional)- Disputes with suppliers and customers concerning a contract for the sale, or supply of goods or services provided:

- ▶ The amount in dispute exceeds £1,000 (or as otherwise agreed)
- ▶ If the dispute relates to monies owed to you , you notify the designated debit collection service within 30 days and agree to instruct them on a no win no fee basis
- ▶ Legal expenses incurred in the pursuit of any claim or legal proceedings shall be limited to 75% of the amount in dispute

Excluding:

- Contracts where the rights or liabilities are incurred through an agent
- Employment Contracts
- Contracts governed by the consumer credit act 1974
- Contracts for the use of your property
- Constructions contracts

a2) Construction contract disputes (optional)- Disputes about the supply of goods or services in a construction contract provided that:

- ▶ Adjudication expenses and/or legal expenses incurred in the pursuit of any claim shall be limited to 75% of the amount in dispute
- ▶ The sum in dispute exceeds £5,000 (or as otherwise agreed)
- ▶ The contract is in writing, stating the parties to the agreement, the work to be done and the payments to be made
- ▶ If variations are made to the contract there is evidence of the extra work, the instructions for the extra work and the agreed cost of the extra work.
- ▶ All adjudication expenses shall be the first met out of any damages, compensation or monies received in that adjudication or subsequent litigation

Excluding:

- Contracts where the rights or liabilities are incurred through an agent
- Employment Contracts
- Contracts governed by the consumer credit act 1974
- Contracts for the use of your property

b) Criminal Prosecution

- Defence of criminal prosecutions an appeals against improvement notices under the health and safety at work act or the food safety act

Excluding:

- Arising from HMRC investigations
- Allegations of offences against the person or dishonesty
- Allegations of speeding or driving whilst under the influence of alcohol or drugs or allegations of non endorseable road traffic offences

c) Employment Disputes- Defence of disputes with prospective employees, employees or ex-employees concerning their contract of employment, or any employment related legislation and indemnity for awards of compensation, all providing you have followed the advice of the legal advice line:

- Prior to carrying out a disciplinary procedure
- Prior to dismissal of an employee
- Prior to instituting a redundancy programme and prior to making an employee redundant
- Prior to notifying an employee of their intended retirement date or retiring an employee
- Upon notification of a grievance
- Upon notification of a complaint of discrimination
- Prior to any adverse variation, or proposed adverse variation of the terms and conditions of employment (including hours, time, place of work, demotion or reduction in an employees remuneration)
- Immediately an employee walks out
- Upon receipt of an appeal by an employee of a disciplinary or grievance decision.

d) Tax Protection

- Expert representation for your business in the event of either an in-depth tax or an aspect investigation, a VAT tribunal, or an Employer Compliance dispute

Excluding:

- Technical or routine treatment matter
- Defence of a criminal prosecution
- Taxation proceedings arising out of negligent misstatements or omissions by you or a lack of reasonable care in keeping your business books and records
- Investigations solely into earlier accounts of records
- Where corporation tax and income tax self assessment returns are submitted outside statutory time limits
- Preparation or correction of a self assessment return
- Investigations by the special civil investigations or criminal investigations office of HMRC
- Disputes concerning working families tax credit, national minimum wage, IR35 legislation.
- Where the anti avoidance intelligence unit of HMRC are involved.

e) Property Disputes- Pursuit of defence of disputes over:

- Possession of your property
- The terms of your tenancy agreement
- Alleged negligence, damage or nuisance to your property

Excluding:

- Payment of rent, tax or service charges
- Planning or building regulations
- Renewal of your tenancy agreement
- A contract relating to your property (other than a tenancy agreement)

f) Data Protection

- Defence of claims arising out of an application or appeal under the data protection act and payment of compensation awards made against you under the act

g) Statutory Licence

- An appeal against the suspension, revocation, imposed alteration of, or refusal to renew a statutory licence

Excluding:

- Disciplinary or internal hearings by authorities regulating you.
- Where alteration or refusal to renew follows an act of parliament
- Costs incurred to comply with an order
- Driving licences

h) Personal Injury

- Pursuit of claims for compensation following a personal injury

i) Wrongful arrest claim

- ▶ Defence of claims alleging wrongful arrest or malicious prosecution

Excluding:

- Allegations made by employees or ex-employees

j) Jury service allowance

- ▶ To pay the amount you are liable to pay employees when they attend on jury service

Excluding:

- Limited to £100 a day and £1,000 any one claim

k) Pensions trustee defence

- ▶ Defending claims against you in your capacity as a trustee of a pension fund for the benefit of your employees

Information

Law applicable to the contract

Matrix underwriting Management proposes to choose English law as the law applicable to the contract unless we agree another choice of law with you prior to the start date.

Premiums

Premiums are payable annually. Insurance premium tax, as imposed by current legislation, is incorporated into all premiums.

Financial Services Compensation Scheme

Insurance Experts Ltd trading as Matrix Underwriting Management is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claims. Further information about compensation scheme arrangements is available from the FSCS.

Notification of a claim

If you have a claim, or are aware of an incident that could result in a claim, please contact Matrix Underwriting Management

Under Section 14 initial notification of a claim must be made immediately by writing to the claims department at Abbey Legal protection, 2-5 Minories, London, EC3N 1BJ

Enquiries or complaints

If you have an enquiry or are dissatisfied regarding the suitability of this policy for your needs or the information you received whilst it was originally being arranged or discussed by Matrix Underwriting Management, please contact Insurance Experts Limited trading as Matrix Underwriting Management. It would be useful if you have the policy and/or the claim number available

In relation to section 14 please contact: The Customer services manager, Abbey Legal protection, 2-5 Minories, London, EC3N 1BJ

If you are not satisfied with the way your complaint has been handled, you may be able to refer to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR; telephone 0845 080 1800. Please note that the Financial Ombudsman Service will normally only consider a complaint once Insurance Experts Ltd have issued a final decision.