

- 2 If at the expiry of the Second Period
- a. the Loss Ratio exceeds 40% for each of the Initial and Second Periods or
  - b. the Prior Years Loss Ratio exceeds 30%
- the Company reserve the right to terminate the Agreement or re-negotiate the premium or rates for application to the Third Period

3 Any premiums or claims in respect of any reinsurance to governmental or non-governmental insurance schemes or pools shall not be taken into account in arriving at the Loss Ratio or Earned Premium

#### Special Provisions

#### Declaration of Claims

A declaration of all paid and outstanding claims by the previous Insurer for the three years prior to the commencement of this agreement shall be provided to the Company prior to the expiry of the Initial Period and prior to the expiry of the Second Period for the purposes of calculating the Prior Years Loss Ratio

In respect of any class of business provided by the Policy that were placed with the Company for the full period of three years prior to the commencement of the Agreement a declaration of claims is not required

#### Rights of the Company

The Company reserve the right regardless of the Loss Ratio to:

- 1 adjust the premium or rates restrict the cover or vary the terms or conditions to reflect changes which have a material effect upon the scope of cover or indemnity provided by the policy or extent of risk being
  - a) acquisitions or disposals of property or companies or changes in the business carried on by the Policyholder
  - b) the Company adopting a change in the underwriting policy in respect of any class of business included in the policy or imposing limits of loss or liability to all policies in any class of business included in the policy
  - c) any limitation reduction in capacity or rate increase imposed by any re-insurer of the Company
  - d) any change in market practice
  - e) legislation being any enactment subordinate legislation law regulation decree treaty or instrument in force in any country or territory covered by the policy
  - f) judgements awards or decisions made by any court tribunal or arbitration any government or regulatory body or ombudsman

2 adjust the premium or rates restrict the cover or vary the terms or conditions or terminate the Agreement:

- a) to reflect a legal requirement to do so
- b) if at any time the Policyholder shall be merged with acquired by or otherwise absorbed or controlled by any individual or corporation or other business entity of any kind
- c) if at any time the Policyholder shall go into any form of liquidation bankruptcy receivership or administration or equivalent status or become the subject of an action in bankruptcy
- d) if at any time the Policyholder fails to complete any requirements agreed with the Company within the agreed timescales

3 adjust the Building and Contents sums insured in line with the Insurers published index linking guides

### **Rights of the Policyholder**

1 If the Company elect to change the terms in accordance with any of the Adjustment Provisions or Special Provisions then the Policyholder may at its option terminate the Agreement without penalty

2 The Policyholder may cancel the agreement at expiry of the Initial Period (or Second Period) without the Insurer activating its rights within the Adjustment Provisions or Special Provisions subject to a payment of 45% of the annual premium which would have been payable for the Second (or Third Period)

### **Memoranda**

If at any time the Policyholder shall be merged with acquired by or otherwise absorbed or controlled by any individual or corporation or other business entity of any kind provided the entity continues to trade in the name stated within this agreement then the Agreement shall be considered to still be in force

### **Profit Rebate Clause**

For the purpose of this endorsement

Eligible lines of business are Material Damage, Business Interruption, Employers Liability and Public/Products Liability

'Cut Off Date' means the date at which the Loss Ratio will be calculated

Provided that the Loss Ratio for each Period of Insurance does not exceed 25% at the Cut Off Date on the Commercial Combined Policy the Company shall allow a return premium on the Net Earned Premium based on the following scale of rebate provided that the loss ratio does not exceed the amount shown at the Cut Off Date in respect of the Period of Insurance shown below

All claims outstanding at the Cut Off Date shall be regarded as paid for the purposes of this endorsement

The payment of the profit rebate is conditional on the renewal of the policy with the Company at the expiry of each period of insurance specified below

Period of Insurance 01/04/2019 - 31/03/2022

Cut Off Date 3 Months following renewal of this policy

Commercial Combined Policy  
Loss Ratio % Return Premium %

< 25% 2.5%

< 20% 5.0%

< 15% 7.5%

### **Valuables**

This clause applies to the Property Damage Insurance section of this Policy

General Contents are deemed to include curios pictures and other works of art stamp collections articles of precious metal, jewellery and furs up to a limit of £50,000 in all.

No one article to exceed £10,000

### **Virus, Disease and Pandemic Exclusion**

(except Terrorism Insurance, Liability Insurance, Fidelity Insurance, Personal Accident Insurance and Legal Expenses Insurance)

Notwithstanding any provision to the contrary within the Policy, the Policy does not cover loss, destruction or damage, or any costs or expenses of whatsoever nature directly or indirectly occasioned by, arising from, caused by, happening through or in consequence of, or otherwise attributable to:

A) Coronaviruses

B) Coronavirus disease (COVID-19);

C) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

D) Any mutation of or variation of A), B) or C) above;

E) any infectious disease that is designated or treated as a pandemic by the World Health Organisation

F) Any fear or anticipation of A), B), C), D) or E) above.

### **Endorsement A - General Policy Exclusion**

The following General Policy Exclusion is added to the policy and applies to the Personal Accident & Travel sections

The Company will not pay any claim

3 which is directly or indirectly as a result of or is contributed to by or is as a consequence of

A. severe acute respiratory syndrome coronavirus 2 (SARS-COV-2) or

B. coronavirus disease 2019 (COVID-19) or

C. any derivative or mutation of either A. or B.



Conditions  
Precedent:

### **Minimum Standards of Security**

This clause applies to the Property Insurance section of this Policy

(Applicable to any cover granted in respect of Damage by Theft)

It is a condition precedent to any liability of the Company for Damage that the Policyholder shall have implemented the following security measures with effect from 01/04/2019

A) The Final Exit Door of the premises be fitted with a mortice deadlock which has 5 or more levers and/or conforms to British Standard 3621:1980 specification for thief resistant locks and matching boxed striking plate

B) All other external doors and all internal doors giving access to any part of the buildings not occupied by the Policyholder for the purpose of the Business be fitted with either

1) a mortice deadlock with matching boxed striking plate as specified in A) above

**or**

2) two key - operated security bolts for doors one fitted approximately 30cm from the top of the door and the other 30cm from the bottom

C) All ground floor and basement opening windows/skylights and other opening windows/skylights accessible from roofs decks balconies fire escapes canopies or down pipes be fitted with key-operated window locks

This requirement does not apply to window/skylights which are protected by solid steel bars grilles lockable gates expanded metal or weld-mesh provided agreement shall have been obtained from the Company and is stated on the Schedule

Any door or window officially designated a fire exit by the fire authority is excluded from these requirements

### **Alarm Condition - Audible Only**

The Business Premises must be protected by an intruder alarm system installed and maintained by a company which is acceptable to the police and is recognised as an installer of intruder alarms by either the National Security Inspectorate (NSI) or the Security Systems and Alarms Inspection Board (SSAIB)

The system must provide protection to all parts of the Business Premises and must

a) conform to Grade 2x in accordance with BSI Published Document PD6662 (or as otherwise agreed by the Company in writing)

b) incorporate audible only signalling

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### **Your duty of Fair Presentation**

Under the Insurance Act 2015 (which applies to all policies inceptioned, renewed or altered after 12th August 2016) you have a Duty of 'Fair Presentation'

You must: -

- Disclose all 'material circumstances' which you know or ought to know or, failing that,
- Provide sufficient information to put the underwriter on notice to ask further questions.

In providing a Fair Presentation you are deemed to know what your senior management knows, what the people arranging the insurance know and ought to know what would reasonably have been revealed by a reasonable search. There is no longer an exemption from providing information about matters which are subject to a warranty (including any breaches) which should now form part of the fair presentation.

You do not have to disclose information if the insurer knows it, ought to know it or is presumed to know it. The insurer knows what is actually known to its underwriter or their agent. The insurer is presumed to know what underwriters writing that class of business should know

**FAILURE TO COMPLY MAY ENTITLE THE INSURER TO AVOID THE POLICY, IMPOSE ADDITIONAL TERMS OR REDUCE CLAIMS PAYMENTS**

**Warranties and Risk Mitigation Terms**

The provisions in the Insurance Act relating to warranties apply to you. The Act does not introduce a new definition of 'warranty' however:

- Any term which seeks to make information provided when the policy was purchased into an insurance warranty will have no effect.
- Warranties have become a suspensive condition. Cover is suspended whilst you are in breach but will be restored once the breach is remedied.
- Warranties and similar terms which seek to mitigate risk will not be effective if you can show that non-compliance "would not have increased the risk of the loss which actually occurred in the circumstance in which it occurred"

**Making a Claim**

Your policy document details all the claims conditions and we would recommend that you familiarise yourself with these. One of the conditions is the requirement to notify any losses promptly, as failure to do so may invalidate your policy. Certain claims e.g. theft, loss of money or malicious acts must be immediately reported to the Police and you will be provided with a Police incident reference.

When you become aware of an incident that might give rise to claim, it is important that you either inform us as your brokers, or your insurers via their Claims Helpline Number as soon as practically possible.

**Terms of Business**

Our terms of business are attached for your information which confirms amongst other matters our authorisation and regulatory status with the Financial Conduct Authority.

**Renewing Cover**

To proceed with this renewal please confirm your instructions to us in writing prior to 1<sup>st</sup> April 2021 please note that no cover will attach until such time as we receive your instructions and confirm to you that the insurance is in place.

**Payment**

You currently pay by Cheque/bacs and your invoice will follow upon receipt of your renewal instructions.

Many thanks for asking us to look after your business and we look forward to receiving your instructions to continue to do so in due course.

Yours sincerely,



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Broker**

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