

Policy Guidance Notes

These notes are for guidance only and not specific to your policy. They should be read in conjunction with the full terms and conditions of your policy which will take precedence over these notes.

If you have any doubt concerning the cover arranged on your behalf, please refer to your policy document or contact us and we will be happy to discuss this with you.

Associated Companies

Cover is arranged in the name as shown on the policy schedule. Unless stated, there is no cover under any of your policies for Associated Companies.

Business Description

It is important that your FULL business description as declared to your Insurer and shown on your policy schedule caters for all your business activities. If there have been any changes to this description or you think is inadequate please contact immediately.

Policy Terms and Conditions

Please check all documents carefully to ensure that cover is acceptable to you and that you can comply with any terms or conditions applied by the Insurers. Please note in particular that if you hold Legal Expenses insurance or Professional Indemnity insurance, either as part of a package or as a 'stand alone' product, you must follow the procedures set out in the policy wording for cover to be operative especially regarding the reporting of potential claims.

Adequacy of Sums Insured/Basis of Settlement

It is your responsibility to ensure that all sums insured under any Material Damage section of your policy are adequate to reinstate or replace the property in the event of damage – this should take into account demolition, debris removal and professional fees along with any repair or rebuilding programme. To prevent 'average' applying in the event of a loss whereby any settlement would be reduced in direct proportion to the amount of under insurance, we strongly recommend that an inventory of your contents is carried out at regular intervals and, if you are the owner of a building, you commission a professional building valuation every three to five years to ensure sums insured are adequate.

Where cover is arranged on a 'standard reinstatement' basis, the sum insured should also take into account an amount to allow for inflation during the rebuilding period. Where cover is arranged on a 'Day One' basis, you should select the cost of rebuilding or replacing the property (including the additional costs as above) as at the first day of the period of insurance (Declared Value). A percentage will then be added to this to allow for inflation during the rebuilding period. Cover in respect of stock and work in progress is always arranged on an 'indemnity' basis which is the straight replacement cost.

Unless on an 'Additional Expenses Only' basis, sums Insured under any Business Interruption section of your policy should represent your full gross profit/revenue including wages and the indemnity period should be sufficient for the property to be repaired and the business to be fully restored to normal trading conditions.

Claims Procedures

The majority of insurance policies stipulate that claims must be notified to the Insurers within a specified time and that policy procedures are followed. Failure to observe this could result in a claim being prejudiced. It is particularly important for Liability claims or if you hold Legal Expenses insurance or Professional Indemnity insurance, either as part of a package or as a 'stand alone' product, that you follow the procedures set out in the policy wording as cover may not operate if these are not strictly observed. Please contact us immediately if circumstances arise that may give rise to a claim.

Consumer Insurance Act (Disclosure & Representations) Act

If you are a Consumer as defined under the Act, you must ensure that you take reasonable care to answer all questions honestly and to the best of your knowledge. If you do not, then your insurance may become fully or partially invalid or cancelled.

Employee

This will be defined in your policy but usually includes the following whilst engaged in your business: any person either temporary or permanent under a contract of service or apprenticeship; any Labour Master or Labour Only Sub Contractor or person supplied by them; any self employed person for labour only; any person on a work experience scheme; or any person hired or borrowed by you from another employer.

Insurance Act 2015

If you are a Commercial Customer as defined under the Act, you have "a duty of fair presentation" which means you must ensure that you tell us about all information you know (or ought to know) which could affect the Insurer's decision on whether to accept the risk and on what terms. Failing that you should give us enough information to put us on aware that we need to ask more questions. All information should be obtained from your senior management team and anyone else who plays a significant role in the business. Please note that under this Act, if a fraudulent claim is made, the Insurers may cancel the policy from the date of the fraudulent act and keep the premium. If you require any further information regarding The Insurance Act 2015 please contact us. You may also receive information from your Insurers.

Long Term Undertaking

If stated in your policy schedule, your policy is subject to a Long Term Agreement (LTA) or Long Term Undertaking (LTU). In return for a premium discount, you have agreed to offer renewal to the Insurers for a period of 3 or 5 years (as stated in the schedule) on the same terms, conditions and rates in force at the start of the agreement. If these are changed by the Insurers, your LTA is broken and you are not tied in to the LTA

Material Circumstance

This is something that would affect the judgement of a prudent insurer in deciding whether to take the risk on and, if so, on what terms. This would include special or unusual facts relating to the risk or any particular concerns that led you to seeking insurance.

Reasonable Precautions

It is a condition of insurance policies that you must take reasonable precautions to prevent a loss and operate a 'Duty of Care' to protect the health and welfare of all employees and other persons.

Retention of Documents

We strongly recommend that certificates of Employers Liability are retained indefinitely after expiry, including those of former and future subsidiary companies. Although the Insurance Industry has set up a new Employers Liability Tracing Office (ELTO) to identify Insurers of those who have suffered injury or disease in the workplace, the responsibility ultimately rests with employers to prove their cover. If the Insurers cannot be traced, any damages and costs awarded may fall back on to the employer.

Risk Improvements

Insurers may carry out a survey of a risk and ask for Risk Improvement Requirements to be carried out within a given timescale. They may also make Recommendations to mitigate claims.

Subjectivities

At the start of any period of insurance, Insurers may offer cover subject to you providing additional information or completing agreed actions. When the outstanding matters have been resolved or if they are not completed within the timescale given, the Insurers may amend their terms or adjust the premium required.

Warranties and Conditions

A breach of a warranty under a policy enables to your Insurers to suspend cover for the period during which the warranty is not complied with. The Insurers will again be liable for losses once the breach has been remedied. The Insurers cannot avoid paying a claim for a breach that could not have increased the risk of an unrelated loss e.g. a flood claim cannot be refused because of the breach of an alarm warranty/condition. Any deliberate or reckless breaches can result in the Insurers avoiding the policy from inception and keeping the premium. Please check your policy documents carefully to ensure that you can comply with *all* warranties and conditions.

If you require any further information on anything contained within the document, please contact us.