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Insolvency Open Cover

A Guide for Clients - May 2019

Prepared by Insolvency Risk Services
5th Floor, City Gate East, Tollhouse Hill, Nottingham, NG1 5FS
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Section 1 – Introduction

This guide has been produced by Insolvency Risk Services (IRS).

This guide is a summary of the cover available and the procedures you must follow. This guide does not contain full policy wordings but does highlight important exclusions, terms and conditions which apply. Full policy wordings are provided in the “Master Policy Wordings” document and these contain all conditions and exclusions.

Where indicated, this document does contain extracts from the policy wordings.

Section 2 – About IRS

The expertise you need

Insolvency Risk Services (IRS) has a strong and well established presence in the industry and a substantial number of the UK insolvency profession utilise our services. Our market knowledge and close relationship with underwriters gives us a powerful voice when arranging cover on behalf of our clients.

We are a specialist insurance broker providing localised service through teams of experts with knowledge of the area and market in which you operate. Our dedicated insolvency staff are based in Glasgow, Chelmsford, Manchester and Nottingham. The experience and expertise at our disposal enables us to provide advice and solutions for our clients.

We make it our business to understand yours

IRS continues to design solutions to meet the individual requirements of our clients. We take the time to listen to you, get to know your staff, understand how your company operates and become part of the 'team'. When companies enter into an insolvency situation their existing insurance position is often problematic and complex. Our ability to provide solutions to these problems is based on a genuine appreciation of the commercial realities you face. Over the years, we believe we have set the standards for others to follow and we will continue to innovate and expand our product range in the future.

Demands & needs

We will act in your interests on all appointments where you are the office holder and where we have received your instructions to arrange insurance cover. Our Open Cover facility meets the demands and needs of Insolvency Practitioners and Receivers requiring immediate cover in respect of the assets and liabilities of insolvent companies or individuals over which they have been appointed

We will firstly seek to place the cover under binding authorities held by us. A binding authority agreement delegates authority from the insurer to us and allows us to agree cover, issue documents on insurer's behalf and collect premiums.

The cover arranged is based on the Open Cover standard policy wordings, as contained in the Master Policy Wordings documents. These wordings contain the specific terms, conditions, limits and exclusions that apply.

We will not undertake any investigation of the general insurance market to obtain any alternative cover unless it cannot be placed under the binding authorities. If the cover cannot be placed under the binding authorities held by us, we will then endeavour to place the cover on the open market.

Based on our understanding of the individual circumstances of each appointment, we will endeavour to arrange cover to satisfy your insurance requirements.

Should we be unable to obtain any aspect of cover you require, you will be notified immediately.

We will continue to act in your interest throughout the period that cover is required and will implement changes to the cover as requested.

Your duty of disclosure (what you must tell insurers)

It is your responsibility to disclose all information that is known to you about the risk and which might influence the judgment of insurers in determining the scope of cover, the price or whether or not to accept your risk.

This applies even where you complete a proposal form. The insurer is not required to make enquiries - the onus falls on you.

If you fail to disclose material information this may entitle insurers to avoid cover from inception (the starting date of your policy) and seek repayment of claims they may have paid to you. If insurers avoid cover you will no longer have an insurance policy and claims will not be paid.

If you are unsure whether information may be material, you should disclose it.

A service designed with you in mind

Our philosophy is to form a partnership with our clients that enables us to deliver solutions.

Our Open Cover is comprehensive and includes:

- Automatic cover
- Site visits and risk appraisal
- Management and supervision of pre-appointment insurance, whether continued or cancelled
- Loss Recovery and claims assessment
- Insurance training for Insolvency Practitioners and staff
- After the Event litigation insurance
- Newsletters and reporting on matters of interest

We provide training sessions for clients and a typical session will encompass:

- Pre-appointment cover
- Notification of appointments

- Essential information and timescales
- Unoccupied property requirements
- Premium and costings

Technical issues:

- Products Liability and provision of 'Run-off' cover
- Risk assessments
- Health and Safety
- Environmental Liability
- Additional support products and services

Section 3 – Guidance on Open Cover

3.1 Arranging Cover

Commercial Risks

Open Cover will commence as soon as you are appointed, provided:

- We receive notification within 5 working days

and

- The business/trade is not subject to an automatic exclusion or cover restriction. See page 7.

Notifying a new appointment

- New appointments can be notified by telephone, e mail, letter or fax to any IRS office. In order for IRS to obtain details of existing insurance arrangements you may be required to provide IRS with a Letter of Authority. A draft example is detailed here.....

Dear Sirs

Name of case – nature of appointment

Following the appointment of [myself](#) and [Practitioner 2](#) of [this firm](#) as [Nature of Appointment](#) with effect from [Date of Appointment](#), I hereby appoint Insolvency Risk Services as insurance brokers to act on behalf of the [Nature of Appointment](#).

I would be grateful if you could provide Insolvency Risk Services with full details of the insurances arranged by you, including sums insured, rating, premiums (including payment position), claims details, policy summaries and any other relevant information they may require.

Please ensure that no policies are cancelled without the instructions of Insolvency Risk Services pending their review of the existing arrangements.

Yours faithfully

Initial risk information required

- Name of case
- Date of appointment
- Type of appointment
- Practitioners appointed
- Trading/Non trading
- Business description
- Risk locations including post codes
- Motor vehicles (within 7 days)

Full risk information must be provided within 30 days from the date of appointment to ensure continuance of cover

Businesses/Trades subject to cover restrictions or exclusions

Cover for the majority of trades and businesses is automatic, however, there are a few exceptions where cover restrictions or exclusions apply. The following are the businesses/trades, which are subject to cover restrictions or exclusions.

We require immediate notice or, if possible, prior notice should your appointment involve any of the following as cover is not automatic:

Abattoirs/Slaughterhouses	Farmers	Plastics and Plastic Goods Manufacturers and Reprocessors
Adhesives Manufacturers	Fertilizer manufacturers, inc Nitrates/Ammonia Synthesis	
Aerosol Manufacturers	Fibreglass Goods Manufacturers	Polish Manufacturers
Aerospace / Aviation / Airside Risks		Poultry, Farms & Hatcheries
Agricultural Contractors	Firework Manufacturers	Poultry Processors and Packers
Ammunition Manufacturers/Retailers	Fish Farm and Hatcheries	Prisons/Remand Centres
Amusement Arcades	Foamed Plastic and Rubber	Quarries
Amusement Parks	Food Manufacturing -Frying	Railway Operators
Animal Feed Stuff Manufacturers	Fuel Oil/ Petroleum Distributors	Recycling
Bedding & Mattress Manufacturers	Fur Farms	Rubber Goods
Betting Shops	Furriers	Sawmills
Bleachers and Dyers	Gaming Clubs	Scaffolders
Bonded Stores	Gas Works	Schools inc Special Needs and Colleges
Bullion Dealers	Glass Reinforced Plastic Goods	Scrap Metal Merchants
Candle manufacturers	Goldsmiths	
Carbon Manufacturers	Grain & Grass Driers	Silversmiths
Carpet & Rug Manufacturers/Warehouses	Grain Merchants	Sports Clubs, Pavilions and Stadia
	Gunsmiths	Stevedores
Casinos/Gaming Clubs	Holiday Camps inc Holiday Chalets & Flats in Caravan Parks	Tar Manufacturers
Cellular Plastics and Cellular Plastic Goods Manufacturers	Hostels/Boarding Houses/Hotels-Local Authority	Timber Growing and Crop Growing Tobacco Warehouses or Manufacture
Cellulose Paint Spraying	Houses of Multiple Occupancy	Tunnelling
Chemical Works		Tyre Distributors
Circuses	Insecticide Manufacturers	Tyre Retreaders/ Shredders/ Reprocessors
Composite Panels (trade with heat processes)	Jetties	Upholsterers
	Jewellers	
Contractors' All Risks	Laundrettes	USA/Canada Exports
Corn Merchants or Mills	Livestock	Vegetable Oil Refiners-With Solvent Extraction
Cosmetics Manufacturers	Mining	Vegetable Oil Refiners-With Solvent Extraction
Cotton Mills/Warehouses	Motor Vehicle Manufacturers	Vehicles Carrying Petroleum or Goods of a Dangerous or Explosive Nature
Crew of Vessels/Aircraft	Motor Vehicle Breakers	Vehicles carrying Radioactive, Explosive, Nuclear Waste or Nuclear Components
Driers	Night Clubs	
Disposable Nappy & Padded Paper Manufacturers	Offshore Work	Vehicles carrying Radioactive, Explosive, Nuclear Waste or Nuclear Components
	Oil Extraction	
Divers	Pavilions & Stands	Vessels, Ships & Yachts
Drilling &/or Refining of Liquids/gases	Pawnbrokers	Waste Transfer
Fairgrounds	Pharmaceutical Product Manufacturers	Waste Other
	Piers	

Residential Risks

Open Cover will commence as soon as you are appointed, providing we receive notification within 30 days

Notifying a new appointment

- New appointments can be notified by telephone, e mail, letter or fax to any IRS office. In order for IRS to obtain details of existing insurance arrangements you may be required to provide IRS with a Letter of Authority - see draft letter on Page 5 of this guide.

Initial risk information required

- Name of case
- Date of appointment
- Type of appointment
- Practitioners appointed
- Risk locations including post codes

There is no requirement to confirm a sum insured on Residential Buildings where the reinstatement value is less than £500,000 unless it has listed status or is of non standard construction. If the construction is non standard the risk may require referral to underwriters prior to Open Cover being granted. If the reinstatement cost is greater than £500,000 you will need to provide us with a reinstatement value.

Full risk information must be provided within 45 days from the date of appointment to ensure continuance of cover

Following notification

- If you provide details of the pre-appointment brokers we will contact them and request details of:
 - Pre-appointment policies
 - Premium payment position
 - Outstanding claims
 - We will request that existing policies remain in force pending further instruction
- If a site meeting is required we will visit within 5 working days and discuss post appointment insurance requirements
- If a site meeting is not required, risk information can be provided as follows:
 - By telephone
 - By e-mail
 - By letter/fax

Pre-appointment policies

- The decision to cancel pre-appointment policies and transfer risk to Open Cover must be made within 30 days of appointment for commercial risks or 45 days for residential risks otherwise there will be a charge for the cover provided automatically by the Open Cover insurers
- Pre-appointment policies may be continued if there is a significant advantage in doing so which outweighs the benefits and convenience of Open Cover
- For pre-appointment policies to continue:
 - it will be necessary to obtain the agreement of the current insurers. However, some insurers may refuse to continue policies or restrict cover after you have been appointed
 - premium payments must be up to date, premium instalments must continue to be paid and it will be necessary to obtain the agreement of any Premium Finance Company involved in the premium payment arrangements
- When the pre-appointment policies are cancelled we will recover any premium refunds due to the insured

- Continuance of any existing policy must be carefully considered. You may not be in possession of full policy details and may therefore be unaware of conditions or warranties which apply. Any breach of these may result in a claim being declined
- You are likely to have no knowledge of the risk information given to the insurers at the time the policy was taken out or renewed. Non-disclosure of a material fact may also result in a claim being rejected
- If an existing policy is maintained, it is essential that you are shown as the insured (or joint insured if there is more than one interested party). This ensures you have the right to make and negotiate claims and that the policy should not be cancelled without your knowledge
- If another policy is discovered after specific cover has been put in place we can undertake a review of its adequacy and suitability and report back to you. If a decision is then made to continue with the other policy and cancel Open Cover, then Open Cover insurers will reduce the premiums charged by 50%
- If after the review of existing covers a decision is made to continue Open Cover, then the full premium will be charged

3.2 Providing Full Risk Information

IRS staff will discuss your cover requirements with you in detail.

The following notes may help you appreciate the relevance of some of the questions you are likely to be asked.

Details of Assets

Buildings and premises

- For leasehold properties, it is essential that we determine which risks, if any, are insured by the landlord. If you declare the name and address of the landlord, we will ascertain the cover arranged by them
- If there is a sprinkler system installed, please advise IRS immediately
- If you have unoccupied property, or if a property becomes unoccupied part way through the appointment, refer to Unoccupied Property Requirements, Section 6.1 of this guide

Unless otherwise requested, cover is arranged on a reinstatement basis. A number of other options are available and are explained in Section 3.3 of this guide.

Chattel assets

Reinstatement cover is recommended for appointments where trading is continuing with a view to the sale of the business.

The sum insured must be sufficient to cover the new replacement value of the property insured. The policy is subject to average and a claim settlement would be reduced in the event of underinsurance.

If you are satisfied that there are no circumstances under which you would choose, or be required to reinstate, you should select Indemnity cover. Again, the policy is subject to average and your chosen sum insured must be sufficient to cover the maximum realisable value.

Third party property

Consideration should be given to machinery or equipment on lease, or subject to finance, or property in your custody or control and for which you are responsible.

You may choose not to insure such property, however, you may have difficulty in avoiding liability in the event of loss or damage. If there is a formal lease or agreement, you may be required to insure on a reinstatement basis.

Please confirm the basis on which you wish to be insured and make certain that sums insured are adequate. Refer to Cover Options, Section 3.3 of this guide.

Motor Vehicles

It is important you tell us which vehicles remain in use as the cover and premium will reduce once the vehicle is out of use.

In order to ensure you hold appropriate compulsory motor insurance you must supply details of all motor vehicles requiring cover within 7 days of your appointment.

Changes in the use or disposal of any vehicle must also be notified to IRS within 7 days.

3.3 Cover Options

The risk details provided by you will form the basis of the contract with insurers. It is therefore important to select the most appropriate cover for each individual risk.

In the event of under insurance, average will apply and you will not be fully indemnified by insurers.

Under normal circumstances, Buildings and Plant/Machinery are insured on a reinstatement basis. It is not uncommon, however, for reinstatement to be inappropriate in insolvency situations and consideration should be given to the alternative forms of cover available.

Reinstatement

The sum insured should represent the cost of rebuilding, replacing or repairing Buildings and Plant/Machinery including an amount for Professional Fees, Demolition and Site Clearance Costs, Local Authority Requirements and VAT (if appropriate).

Choosing the reinstatement option will enable repair work to commence with the minimum of delay following a loss, with the added comfort of knowing that the repair costs will be met in full by insurers.

Cover for Residential Buildings up to £500,000 on a reinstatement basis is provided with no requirement to confirm a sum insured. If the reinstatement cost is greater than this, or the property is listed or of non standard construction you will need to provide us with a sum insured.

Reinstatement Market Value

This cover is designed to cater for property which is no longer suitable for its original purpose and, whilst the reinstatement cost could be substantial, the market value may be a fraction of the reinstatement figure.

The reinstatement market value option allows you to choose the market value of the land and buildings as the sum insured and any partial losses up to the sum insured can be settled on a reinstatement basis.

If the property suffered major damage and repair costs were in excess of the market value sum insured, then insurers' liability would be limited to the sum insured.

Indemnity/Market Value (plant/machinery only)

Consideration should be given to this basis of cover when you have plant/machinery which, in the event of a loss, you would not wish to repair or reinstate.

The sum insured should represent the market value of the plant/machinery.

In the event of a total or partial loss, insurers would make a cash settlement offer based on the market value.

Debris Removal

Debris removal cover is suitable only for distressed properties with no value. With insurers' consent, they will pay costs and expenses necessarily incurred in the shoring up or demolition and site clearance following loss or damage by Fire, Lightning, Aircraft and Explosion.

Stock and Work in Progress

The basis of cover is Indemnity. The stock sum insured should therefore represent the cost of replacing the items or the maximum realisable value, depending on whether trading is continuing.

Day One Cover

The Open Cover facility provides "Day One" cover. This means that you are only responsible for establishing a sum insured sufficient to cover the cost of reinstating the property at the time of your appointment. Subsequent inflation is covered up to 15% of the Declared Value.

VAT

VAT applies to all new construction and complete rebuilding except for private housing.

This has no effect on your position if the insured are VAT registered and able to recover all VAT - in such circumstances there is no need for you to include any allowance for VAT in the sum insured.

If, however, the insured is not registered, exempt or partially exempt, you need to make allowances for VAT when calculating the sum insured.

3.4 Pre-Appointment Cover

Under the Open Cover facility, automatic cover only commences after the appointment has been confirmed. If cover is required prior to a creditors' meeting or before the appointment is confirmed, you must let us have the appropriate instructions.

When you are involved prior to the appointment, we recommend the following course of action:

- Check that adequate insurance is in force and that the premiums are paid.

and

- Where adequate cover does not exist, contact IRS immediately. You will need to provide **full** details of the cover required to enable the insurers to assess the risk and confirm cover.

Cover can only be arranged where payment of the premium is guaranteed by you.

3.5 Unoccupied Property

Definition of Unoccupied Property - Commercial

The following is the definition of unoccupied commercial property as contained in the Property Owners' Insurance and Commercial Combined policy wordings.

“The premises or portions thereof are deemed to be unoccupied if, at the time of cover commencing or during the policy period, they are not occupied during normal business hours for the purposes of continuing the business or for the purposes of winding up the business and disposal of the assets or are not occupied by tenants or other authorised persons.”

Definition of Unoccupied Property - Residential

The following is the definition of unoccupied residential property as contained in the Property Owners' Insurance and Residential Property policy wordings.

“Unoccupied residential premises are deemed to be

- a) individual private dwelling houses or dwelling houses within a portfolio;*
- b) blocks of flats (if more than 50% of the apartments are vacant);*
- c) any individual apartments within a block of flats (if you are not responsible for the building);*
- d) any newly constructed private dwelling house which is secure and weatherproof; and*
- e) any newly constructed block of flats (if more than 50% of the apartments are vacant) which is secure and weatherproof*

which are not occupied by persons authorised by you.

For the purpose of this definition, vacant shall mean there has been no sale of the property or apartment, no sale of a lease or no short term tenant/occupant.

Properties temporarily unoccupied up to a maximum of 28 days will be deemed to be occupied.”

Compliance with unoccupied property conditions

We recommend you send a copy of the unoccupied property condition to your agent with instructions to inspect the property and make certain that all of the requirements have been carried out.

Full details of the unoccupied property requirements appear in Section 6 Policy Conditions of this guide.

Failure to comply with the unoccupied property condition may result in insurers declining a claim.

The following is a summary of the unoccupied property conditions which apply when a property is unoccupied:

- All external doors must be secured
- Functioning Intruder and Fire Alarms must be kept operational
- If there is an alarm system it is a requirement that at least two keyholders are in place. If the previous keyholders are no longer available you will need to engage new keyholders or the services of a dedicated keyholding company to ensure compliance

The following are examples of keyholding companies:

www.keyholding.co.uk

www.g4s.uk.com

www.chubb.co.uk

- Gas must be kept shut off
- Water must be kept shut off at the stopcock. All pipes, tanks, radiators and any other water apparatus must be drained down
- For residential property, you have the option of either draining down the water system, or maintaining the building's internal temperature at a minimum of 8°C
- Electricity must be kept shut off unless agents making regular checks of the premises or showing around potential purchasers require lighting or an Intruder Alarm or Fire Alarm is operational
- The property must be cleared of all waste materials inside and outside

Where property is already unoccupied at the Date of Appointment or where property becomes unoccupied after the Date of Appointment the requirements must be carried out within 14 days.

3.6 General Procedures

Evidence of cover

When acknowledging your instructions on a new appointment we will issue an Evidence of Cover which confirms Open Cover is in force.

Statement of fact

Upon receipt of the full risk information, we will send you a Statement of Fact setting out the risk details you have provided.

Cover summary

Confirmation of the cover arranged will be sent to you in the form of a Cover Summary.

Where applicable we issue Employers' Liability Certificates, Motor Certificates and Terrorism Certificates.

Change in circumstances

You must notify IRS immediately when any of the following arise:

- Business ceases to trade
- Property becomes unoccupied
- Occupants/tenants change
- Assets are moved to a different location

Invoicing of Premiums

- Commercial - Premiums are invoiced on a quarterly basis and the invoice will be issued approximately 45 days after the commencement of cover. If the annual premium is less than £600 premiums will be invoiced on an annual basis
- Residential - Premiums are invoiced on an annual basis and the invoice will be issued approximately 45 days after the commencement of cover.

Disposals of assets/reductions in cover will be taken into account when issuing the charges.

In the event that you decide to cancel your policy we reserve the right not to refund our commission.

Terms of Credit

- Invoices are due for payment upon receipt
- If there are any issues regarding payment of premium, please contact our credit control department to discuss. See section 9 of this guide for contact details.

Fee work

Where we have undertaken work on an appointment, but cover has not been placed under the Open Cover facility, our services will be charged on a time spent basis. You will agree any fee before it is charged to you.

Disposal of assets

We must be notified within 90 days of any disposals or reductions in sums insured.

For motor vehicles, we must be notified within 7 days of disposal.

Complaints

We take complaints made against us very seriously and maintain a procedure to ensure that complaints are dealt with promptly and fairly.

If you wish to register a complaint, please notify the Complaints Representative of IRS at the following address

5th Floor

City Gate East

Tollhouse Hill

Nottingham

NG1 5FS

Tel: 0115 9084999

Email: IRScomplaints@insolvencys.com

If we cannot resolve your complaint straight away, we will acknowledge its receipt promptly and arrange for a senior manager to investigate the matter and provide you with a response.

If your complaint is not resolved to your satisfaction or if you are unhappy with the way in which your complaint has been handled, you may be eligible to refer the matter to the Financial Ombudsman Service (FOS). Details of how to contact the FOS and the applicable eligibility rules can be found at www.financial-ombudsman.org.uk.

We will send you details of how to refer to the FOS when we send you your final written response or at 8 weeks after receipt of your complaint (whichever occurs first).

Financial Services Compensation Scheme

You may be entitled to compensation from the Financial Services Compensation Scheme (FSCS). Details of the FSCS and the circumstances in which you may be entitled to compensation can be found on the FSCS website: www.fscs.org.uk

Section 4 – Notifying Claims

The following is a guide to the claims procedures. These differ depending on the type of claim you wish to make. Contact details for the claims department are shown on page 40.

Property and Business Interruption

- All incidents to be reported immediately with an indication of the size of the loss. If required, IRS will issue a claim form
- The Insurers may appoint a Loss Adjuster to act on their behalf
- In the event of a loss exceeding £10,000 a Loss Assessor will be appointed to act on your behalf providing Loss Recovery insurance is in force
- In all cases involving theft or dishonesty, advise the police immediately and make a note of the crime reference number allocated
- Take steps to make the property secure to prevent further loss
- If required, send the completed claim form to IRS together with two estimates for repair or replacement

Motor

- All incidents to be reported immediately. IRS will issue a claim form
- Claim forms must be completed and returned as soon as possible
- Obtain a repair estimate and request approval
- Confirm where the vehicle can be inspected and provide a telephone contact
- Notify us immediately if you receive a Writ or Summons. You must send us unanswered every letter, claim, Writ or Summons in connection with the incident, immediately on receipt

Public and Products liability

- All incidents to be reported immediately
- If an accident report form is required this will be issued by IRS and must be completed and returned as soon as possible
- Notify us immediately if you receive a Writ or Summons. You must send us unanswered every letter, claim, Writ or Summons in connection with the incident, immediately on receipt

Employers' liability

- All incidents to be reported immediately
- All accidents involving injury during the course of employment must be reported in the Accident Book and statements obtained from any supervisor and witnesses
- In cases involving occupational disease or illness, send all correspondence to us immediately. Liability will fall on the Insurers providing cover during the period of the claimant's employment. If known provide details of the company's previous insurers
- Notify us immediately if you receive a Writ or Summons. You must send us unanswered every letter, claim, Writ or Summons in connection with the incident, immediately on receipt

Pre-appointment claims

- Our fee scale for pre-appointment claims administration will be negotiated on an individual case basis.

Section 5 – Summary of Open Cover

5.1 Property and Business Interruption

Risks Insured	Risks Insured
Commercial Risks	Limits of Indemnity
Fire, Lightning, Subterranean Fire, Aircraft, Explosion, Earthquake, Riot and Civil Commotion, Malicious Damage, Storm, Tempest, Flood, Bursting and Overflowing of Water apparatus, Impact (including by own vehicles), Loss or Damage to Buildings resulting from Theft or Attempted Theft, Subsidence, Heave or Landslip, Theft involving entry to or exit from the premises by forcible and violent means excluding Theft of property in the open and Accidental Damage.	£25,000,000 (Combined Material Damage/Business Interruption/Book Debts) any ONE FIRE RISK, i.e. any one building or range of buildings and the contents thereof constituting ONE FIRE RISK Cover is limited to £15,000,000 if the premises are unoccupied
Sprinkler Leakage.	£2,500,000
Property in the open: Within the confines of the Insured's own premises and within a secured area protected by a perimeter fence and locked gates is insured for All Perils other than Water Damage and Storm Damage.	£5,000 any one loss excluding the first £500
Street furniture i.e. CCTV equipment, lampposts etc. is insured for Fire, Aircraft, Explosion, Riot, Earthquake and Impact cover only. Additional Perils considered on receipt of details.	£25,000 any one loss excluding the first £500
Loss of perishable foodstuffs resulting from a breakdown of refrigeration plant.	£1,000
Outstanding Debit Balances/Additional Expenditure Incurred	£2,000,000 £500,000
Residential Risks	Limits of Indemnity
Fire, Explosion, Lightning, Aircraft, Earthquake, Smoke Damage, Escape of Water or Oil from any fixed water or heating installation or domestic appliance, Impact (including by own vehicles), Falling Trees or Branches, Falling Aerials, Riot, Civil Commotion, Strike, Labour Disturbance, Malicious Damage, Storm or Flood, Burst Pipes, Subsidence, Heave or Landslip, Theft or Attempted Theft, Accidental Damage and Rent.	£25,000,000 any one private dwelling house and/or block of flats (buildings, contents and rent combined) Cover is limited to £15,000,000 if the premises are unoccupied

5.2 Terrorism Insurance

Cover Options

Automatic terrorism cover

Automatic terrorism cover is available on all appointments taken or on all commercial (non-residential) appointments or by lender.

You must provide all necessary risk information within 30 days of inception so a premium can be calculated.

Failure to comply with this timescale will invalidate the automatic Terrorism cover.

Selective terrorism cover

For individual appointments where Terrorism cover is required, this is subject to confirmation of the locations and sums insured and a quotation being provided and accepted (cover does not attach until acceptance of the quotation).

Terrorism cover is not available for risks in Northern Ireland or overseas.

5.3 Money

Risks Insured	Limits of Indemnity
1) Crossed cheques, crossed money orders, crossed postal orders etc.	£250,000
2) Money in safe or strongroom on premises outside business hours: i) During the first 30 days of any appointment ii) Thereafter: Free Standing Safe Other Safe Money not contained in a safe or strongroom on premises outside business hours or at the dwelling of any authorised person	£15,000 £1,500 £2,500 £500
3) Money in gaming machines	£500 per machine £2,500 per premises
4) All other losses	£25,000

Note the following requirements for cash in transit:

- 1 Cash up to £3,000 should be carried by at least one able-bodied adult.
- 2 Cash in excess of £3,000 and less than £5,000 should be accompanied by at least two able-bodied adults.
- 3 Cash in excess of £5,000 and less than £10,000 should be accompanied by at least three able bodied adults.
- 4 Cash in excess of £10,000 and less than £15,000 should be taken by car. In addition to the driver, who should remain with the car, the cash should be accompanied by at least three able bodied adults.
- 5 Cash in excess of £15,000 should be divided between at least two cars, each car being staffed as in 4 above.
- 6 Wherever possible, cash should be divided between the accompanying persons.

Where a security firm has previously handled transit of cash, such an arrangement should be continued except with the prior approval of Insurers. In any event, it is recommended that such an arrangement be made where transits of £10,000 or more are involved.

5.4 Goods In Transit

Limit of Indemnity	
£250,000 any one vehicle	

Cover in respect of tools of trade is excluded.

Cover in respect of theft from an unattended vehicle only applies if

- i) all doors, windows and other access points have been securely closed and locked;
- i) any security devices fitted are correctly set and in operation; and
- iii) all keys to doors, other access points and ignition have been removed from the vehicle.

5.5 Employers' Liability

Limits of Indemnity	
Any one occurrence	£10,000,000
Any one occurrence arising out of :	
Terrorism	£5,000,000
Exposure to Asbestos	£5,000,000

5.6 Public and Products Liability

Limit of Indemnity	
Public Liability	
Any one occurrence	£5,000,000
Products Liability	
In the aggregate	£5,000,000

Cover is limited to £2,000,000 in respect of any appointment where the trade includes the application of heat away from the insured's premises.

5.7 Motor

Risks Insured - Comprehensive Cover	Limits of Indemnity
Death or Bodily Injury	Unlimited
Damage to Third Party Property	£5,000,000
Airside Liability	£25,000

- **Cover for vehicles outside the UK is not automatic and must be agreed by insurers.**
- Loss or damage due to theft or attempted theft, occurring while the Insured's vehicle is left unlocked with the ignition key in or on the vehicle, is excluded.
- Cover for cars with a value over £50,000 and where the driver is under 25, is limited to Third Party, Fire and Theft.
- **Cover in respect of vehicles hired or lent to third parties is not automatic.** This includes vehicles being used for the business of a purchaser or successor of the insolvent company. Please contact us if cover is required.

We must be notified immediately of any additional vehicles or temporary substitutions.

5.8 Contractors All Risks

Limits of Indemnity	
Partially completed contracts started before the date of appointment where the company continues to be responsible for insuring the contract works: Any one Contract Site (Increased limits can be provided subject to details)	£500,000

5.9 Contractors' Plant

Limits of Indemnity	
1) The insured's own plant, tools, equipment, site huts on a contract site where the contract has not been terminated, whilst in transit, whilst at the premises of an agent or at the insured's own premises.	£250,000 any one incident £150,000 any one item of plant
2) Employees' Tools and Effects	£750 any one loss

- Claims covered by a policy arranged prior to the Insolvency Practitioner's appointment are excluded under Open Cover.
- Excluding theft or malicious damage on site unless there is 24 hour security.

5.10 Hired In Plant

Limit of Indemnity	
Any one incident	£ 250,000

- Claims covered by a policy arranged before the Insolvency Practitioner's appointment are excluded.
- Contracts of Hire arranged prior to the Insolvency Practitioner's appointment are excluded unless the Insolvency Practitioner has specifically continued the Hire Agreement.

5.11 Trade All Risks

Limits of Indemnity	
1) Equipment not at the premises	£25,000
2) Theft from unattended vehicles	£25,000

5.12 Computer Breakdown

Limits of Indemnity	
1) Material Damage: Computer and Peripheral Equipment including Consulting Engineers' Fees and Debris Removal Costs	£1,000,000
2) Additional Expenditure: 24 hour time exclusion applies The Indemnity period is limited to 6 months	£ 175,000
3) Recompilation of Data	£ 50,000

Breakdown cover is subject to a maintenance contract being in force.

5.13 Frozen Foods

Limits of Indemnity	
1) Lloyd's Registered Cold Stores	£500,000
2) Other Public and Private Cold Stores	£100,000
3) Other Equipment, i.e. Display Cabinets and Domestic Type Equipment	£ 5,000

Cover is subject to a maintenance contract being in force.

5.14 Machinery Movement

Limit of Indemnity	
Any one incident	£2,000,000

Cover is subject to receipt of full details and acceptance by Insurers **prior** to commencement of cover.

5.15 Fidelity Guarantee

Limit of Indemnity	
Any one claim and in all	£150,000

Cover is only available if previously insured.

5.16 Loss of Liquor Licence/Nursing Home Registration

Limits of Indemnity	
Depreciation in value/costs and expenses	£250,000
Loss of Gross Profit	£ 50,000

5.17 Road Haulage Contractors and Warehousekeepers' Liability

Limits of Indemnity	
Any one event	£100,000
Maximum Aggregate Limit	£500,000
Containers and Flats	£ 20,000
Removal of Debris/Transfer of Property/ Reloading	£ 5,000
Sheeting, Ropes and Stowage Accessories	£ 2,500
Target Goods	£ 15,000

Target goods:

- Clothing and Footwear
- Computers
- Non-Ferrous Metals
- Photographic Equipment
- Radios, Televisions, Audio/Visual Equipment (including CD's DVD's)
- Tobacco, Cigarettes, Cigars
- Wines, Spirits

5.18 Marine and Air Cargo

Limits of Indemnity	
Any one conveyance/location	£ 1,000,000

5.19 Loss Recovery Insurance

Material Damage and Business Interruption Claims	
Covers the cost of appointing a Loss Assessor from the Loss Recovery Insurer's panel	The Loss Assessor deals with matters relating to the quantum and settlement of your claim should this exceed £10,000.

5.20 Personal Accident/Travel

Benefits	
Death/Disablement	Up to 4 x Annual Salary Maximum £250,000 per person Maximum £1,000,000 per event
Medical Expenses	£1,000,000
Personal Belongings	£20,000
Business Equipment	£ 1,500
Money	£ 5,000
Cancellation/Curtailment	£10,000
Personal Liability	£5,000,000
Legal Expenses	£50,000

5.21 Table of Standard Excesses

COMMERCIAL PROPERTY	
Subsidence	£1,000
Theft and Malicious Damage for unoccupied risks	£1,000
Damage to property involving a flat roof	£2,500
All other losses	£250
RESIDENTIAL PROPERTY	
Subsidence	£1,000
Theft and Malicious Damage for unoccupied risks	£1,000
All other losses (Occupied risks)	£100
All other losses (Unoccupied risks)	£250
BUSINESS INTERRUPTION	
Failure of Supplies	4 Hours
Computer Expenditure	24 Hours
All Other Losses	£250
CONTRACTORS ALL RISKS, CONTRACTORS PLANT	
Theft or Malicious Damage	£2,500
Employees' Tools and Effects	£50
All other losses	£500
FIDELITY GUARANTEE	£1,000
HIRED IN PLANT	
Theft and Malicious Damage	£1,000
All other losses	£500
FROZEN FOODS	5% or £500 whichever is the greater
MACHINERY MOVEMENT	£500
EMPLOYERS' LIABILITY	Nil
PUBLIC/PRODUCTS LIABILITY	
Property Damage	£250
Damage to Underground Services	£500
MOTOR	
Accidental Damage, Fire, Theft and Glass	£250
Additional Excess -Young and new drivers :	
Under 21 years	£500
21 - 25 years	£400
With less than 12 months experience	£400
ALL OTHER LOSSES	£250

Section 6 – Policy Conditions & Requirements

6.1 Unoccupied Property Conditions

The following conditions apply to unoccupied commercial property covered under the Property Owners' Insurance and Commercial Combined policy wordings. This is an extract from the policy wordings.

Conditions applying – Commercial Premises

*“It is a condition precedent to our liability that in respect of property already **unoccupied** at inception of the policy or becomes **unoccupied** during the period of insurance that the following requirements are carried out within 14 days or as specified.*

- a) ***You** are required to secure the **premises** against illegal entry. All external doors must be secured either by bolts on the inside of the door or by a 5 lever mortise deadlock or by a substantial closed shackle padlock.*
- b) *All windows must be closed and fastened securely. Any broken windows must be replaced or boarded up immediately.*
- c) *It is a requirement that any letterboxes are sealed shut should the **premises** be unoccupied in excess of 6 months.*
- d) *It is a requirement that all internal and external waste materials must be removed from the **premises**. This includes residual company books, records, trade waste, free newspapers, flammable liquids and the like.*
- e) *Gas must be kept shut off at the switch where it enters the **premises**.*
- f) *Water must be kept shut off at the stopcock where it enters the **premises** insured and all pipes, tanks, radiators and any other water apparatus drained down.*
- g) *Electricity must be kept shut off at the switch where it enters the **premises** unless*
 - i) *agents making regular checks of the **premises** or showing around potential purchasers require lighting. The lighting circuits should remain in use with all others disconnected.*
 - ii) *an intruder alarm or fire alarm is operational.*
- h) *The minimum requirement is one visit every 14 days incorporating the following procedures.*
 - i) *All visits must be logged, with a record kept of time and date of visit and the identity of the person who carried out the inspection.*
 - ii) *Visits must involve a thorough internal and external examination of the **premises**.*
 - iii) *Any findings (such as but not limited to broken windows, evidence of intruders, damage to fencing) must be recorded, rectified and immediately notified to Insolvency Risk Services.*

2 Theft damage to buildings

*Where **unoccupied** buildings are insured under section 1 – Material Damage, **we** will indemnify **you** in respect of damage to the buildings at the premises for which you are responsible by theft or attempted theft but not damage*

- a) *caused to any property other than buildings;*
- b) *caused by any person lawfully on the **premises**;*
- c) *more specifically insured by **you** or on **your** behalf*

The maximum amount we will pay is 50,000 GBP in any one period of insurance.

3. *Unauthorised persons on the premises*

- a) *upon your discovery of unauthorised persons being on the **unoccupied premises** you must inform us immediately.*
- b) *It is a condition precedent to **our** liability that **you** take all reasonable measures to remove any unauthorised persons from the **premises** and that **we** are informed of progress on a weekly basis.*

*Unauthorised persons are deemed to be persons entering and remaining on the **premises** without legal entitlement or **your** permission.”*

Conditions applying – Residential Premises

If the property insured is residential, the following is added to the standard unoccupied property conditions This is an extract from the Property Owners’ Insurance and Residential Property policy wordings.

*“If a property is **unoccupied** and **you** fail to comply with these conditions within 45 days from the date that cover incepted, a 2,500 GBP excess will apply to each and every claim under Section 1 – Material damage.*

*If after 45 days from the date that cover incepted, **you** fail to comply with these conditions, **your** cover may be prejudiced unless **you** are unaware that the property is **unoccupied**, in which case a 2,500 GBP excess will apply to each and every claim under Section 1 – Material damage.”*

In addition, the requirement for the draining of water systems is amended as follows. This is an extract from the Property Owners’ Insurance and Residential Property policy wordings.

*“Water must be kept shut off at the stopcock where it enters the **premises** insured and all pipes, tanks, radiators and any other water apparatus drained down. In respect of residential property, **you** have the option of draining down the water system or maintaining the building’s internal temperature at a minimum of 8° C by the heating system being switched on and in automatic operation.”*

Static site security

If static site security is required by insurers, this must be provided by a contractor who is a member of the Security Industry Authority’s Approved Contractor Scheme.

A full listing of approved contractors can be found on the SIA website

<http://www.sia.homeoffice.gov.uk>

6.2 Commercial Risks

The following conditions apply to commercial risks. Failure to comply with these conditions will prejudice your cover. The following are extracts from the Property Owners' Insurance and Commercial Combined policy wordings.

Security Requirements

*“The following security precautions apply in respect of buildings occupied by **you**, for which the security is the direct responsibility of **you** or **your** agents or in respect of any empty or disused buildings of which we have been notified.*

- a) *All external doors and any internal doors leading to other **premises** must be secured either by bolts on the inside of the door, by mortise deadlocks and box striking plates which conform to current British Standard 3621 specification, by a substantial closed shackle padlock or by other locking devices as agreed by us;*
- b) *All opening sections of external ground floor windows and other windows which are accessible from roofs, fire escapes or downpipes must be fitted with key operated window locks.*
- c) *Any additional protection required by us shall be fitted in accordance with our requirements and, together with all other devices for the protection of the property insured, shall be kept in good order and put into full and effective operation whenever the premises are closed for business or are left unattended.*
- d) *All keys, including duplicate keys, relative to the security of a portion of the **premises** or to any safe or strong room containing property insured shall be removed from that portion of the **premises** whenever they are closed for business or left unattended.*

Any door or window officially designated a fire exit by the fire authority is excluded from this condition.”

Survey

*“It is a condition precedent to any liability that if **we** require a survey of the risk covered by this policy as a condition of providing cover but the survey has not been completed before the policy documents have been issued, **you** shall comply with any risk improvements required as a result of the survey within the agreed time limits specified by **us**.*

***We** reserve the right to cancel, suspend or alter the terms applying to any part of this policy for which cover has been provided if, as a result of the survey, the risk or any part of it is in **our** opinion unacceptable to **us**.”*

In addition to the above, insurers may apply further conditions or cover restrictions to specific cases. We will advise you of any additional terms applied.

Section 7 – Risks Falling Outside Open Cover

Certain risks are outside the scope of insurance provided by our Open Cover facility. Where the trade or business requires such risks to be insured, we will obtain quotations for acceptance.

7.1 Examples

Aviation insurance hull and liability

Aircraft, Airlines or any risks associated with the manufacture, operation or repair of aircraft.

Automotive industries

Manufacture of motor vehicles and components.

Block policies for bankers and jewellers

Risks associated with banks and the jewellery trade.

Breach of copyright/breach of patent

This provides an indemnity for legal expenses incurred either in defence or pursuit of a claim. It will be necessary to complete a detailed proposal form before cover can be considered.

Cyber liability

Risks associated with e-commerce.

Directors and officers liability

Personal Liability of Directors/Officers for wrongful acts.

Employee benefits

Group Life Assurance, Pensions and Medical Benefits cover.

Financial loss cover

Liability for Third Party financial loss where there is no bodily injury or property damage.

Life assurance

Life assurance for key individuals.

Libel and slander

This provides an indemnity for legal expenses and damages arising out of defamatory statements written or spoken.

Livestock, bloodstock and fish farms

Full cover in respect of Cattle, Horses, Pigs, Sheep, Poultry and Fish Farms.

Marine hull and liability

Ships, boats and other marine craft.

Nuclear/radioactive substances

Oil rigs and oil exploration risks

Overseas risks

Companies or property in a country outside of the United Kingdom and Eire, except residential property in the EU.

Products guarantee

Warranty Policies.

Products recall

Protection against the costs involved in recalling faulty or dangerous products.

Products liability for aircraft and marine vessels

Products installed in aircraft and marine vessels .

Professional indemnity

Errors and omissions and all risks associated with professional negligence.

Section 8 – Additional Support Products & Services

Fire Risk Assessments

Health & Safety/Environmental surveys

Recoveries

Refunds of premium from pre-appointment insurers.

Negotiation and settlement of outstanding claims.

Commercial litigation insurance

Adverse Costs Insurance

After the Event Insurance (ATE)

Special indemnities

Missing Documents.

Defective Title.

Restrictive Covenant.

Section 9 – Key Staff Directory

Nottingham Office

5th Floor, City Gate East
Tollhouse Hill
Nottingham NG1 6FS

Tel: 0115 908 4999

Fax: 0115 908 4990

Adam Loveitt
Managing Director

Direct Line: 0115 908 4931

Mobile: 07885 264111

e-mail: aloveitt@insolvencys.com

Tim Bevan
Client Service Manager

Direct Line: 0115 908 4971

Mobile: 07827 993263

e-mail: tbevan@insolvencys.com

Vincent Claxton
Client Service Manager

Direct Line: 0115 908 4981

Mobile: 07725 207333

e-mail: vclaxton@insolvencys.com

New Appointments

Angela Rudd
Senior Account Handler

Direct Line: 0115 908 4935

e-mail: arudd@insolvencys.com

Mike Holt
Senior Account Handler

Direct Line: 0115 908 4973

e-mail: mholt@insolvencys.com

Claims

Ros Briggs
Claims Handler

Direct Line: 0115 908 4950

e-mail: rbriggs@insolvencys.com

Richard Turton
Claims Handler

Direct Line: 0115 908 4985

e-mail: rturton@insolvencys.com

Manchester Office

2nd Floor
3 Hardman Square
Spinningfields
Manchester M3 3EB
Tel: 0161 914 9813

Ailsa Townsend	Direct Line:	0161 914 9811
Client Service Executive	Mobile:	07836 710567
	e-mail:	atownsend@insolvencyrs.com
Elizabeth Greenwood	Direct Line:	0161 914 9812
Client Service Manager	Mobile:	07775 827426
	e-mail:	egreenwood@insolvencyrs.com

Section 10 – Glossary of terms

After the event litigation insurance	An insurance policy taken out after a legal dispute has arisen to protect against the risk of having to pay the opponent's legal costs if the case is lost.
Automatic cover	Cover provided for the Open Cover period up to agreed sum insured limits with minimal initial risk information required.
Average	If the sum insured at the time of a loss is less than the insurable value of the insured property, the amount claimed under the policy will be reduced in proportion to the under-insurance. e.g. if the sum insured is 50% of the value of the insured property only 50% of the claim will be met.
Business Interruption	Cover for loss of income during periods when the business insured cannot trade as normal due to an unexpected insured event such as a fire or flood.
Chattel Assets	Items of property which are movable, as distinguished from Buildings, Improvements or land.
Composite basis	Where more than one party is insured on a policy the acts of one party will have no effect on the rights of the other. When considering whether to continue existing cover, it is recommended that any policies including third parties are arranged on this basis.
Conditions	A policy term requiring the insured to do, or not to do something. Failure to comply with a condition may mean a claim is not met by insurers.
Contribution	Sharing of loss by insurers when more than one policy is in force covering the same subject matter.
Cover Restriction	A reduction in the cover available, normally imposed by insurers in response to risk information submitted.
Day one cover	When cover is provided on a Day One Reinstatement Basis, the sum insured is declared as at the first day of the insurance and an inflation provision is applied to reflect the effect of inflation during the policy period.
Debris removal	Insurance to cover the costs of removing debris, dismantling, demolishing, shoring or propping up, or boarding up, following damage to a property.
Declared Value	When insurance is in place on a Day One Reinstatement Basis, the sum insured declared at the first day of the insurance.
Demands & Needs	A summary of your demands and needs in relation to the contract of insurance and any recommendations given by us.
Demolition and site clearance costs	See Debris Removal. These costs must be included when setting the sum insured for all types of building cover.
Directors and Officers Insurance (D & O)	Cover for company directors/ managers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Also covers the company if they have paid a claim on behalf of the director/manager.
Employee	An individual who has entered into a contract of service. The contract can be expressed or implied, oral or in writing. Sub-contractors may be deemed to be employees if they are working under the direction of the insured.
Employers' Liability	Insurance obtained by employers in respect of their liability to employees for injury or disease arising out of and in the course of their employment. With some exemptions, this insurance is compulsory in the United

	Kingdom and can only be provided by an authorised insurer.
Engineering Inspection	Inspections of plant required under various statutes e.g. Lifting Operations & Lifting Equipment 1998. Items requiring inspection include lifts, fork lift trucks and boilers etc.
Environmental Liability	Principle-based obligation of a polluting party to pay for any and all damage the party caused to the environment.
Excess	The first portion of a loss or claim which is borne by the insured.
Exclusions	A provision in a policy that excludes the insurer's liability in certain circumstances or for specified types of loss.
Fidelity Guarantee Insurance	Covers financial loss suffered by the Insured as a result of fraud/dishonesty by employees of the insured.
Indemnity	A principle whereby the insurer seeks to place the insured in the same position after a loss as he was in immediately before the loss.
Insured	The person whose property is insured or in whose name the policy is issued.
Insurers	An insurance company which agrees to pay an insured for losses suffered pursuant to the terms of an insurance policy, for which the insurance company receives a payment, or premium.
Interested party	A party, other than the insured, who may have an interest in the subject matter of the insurance.
Keyholder	An individual or firm responsible for attending the property in the event of an alarm activation or other incident requiring access.
Letter of Authority	Proof to an interested party of the appointment of a practitioner confirming appointment details.
Liability	The legal responsibility for the actions or omissions of the insured.
Limits	The insurer's maximum liability under an insurance policy. This may be expressed 'per accident', 'per event', 'per occurrence', 'per annum', etc.
Local Authority requirements	Requirements relating to the repair or replacement of a damaged building imposed by a public authority.
Loss Adjuster	Professional appointed by an insurer to confirm the circumstances of a claim, the extent of any damage caused and to make sure the claim is covered by a policy. The loss adjuster will report to insurers recommending the amount that should be paid.
Loss Assessor	An independent person who evaluates and negotiates a claim on behalf of the insured.
Loss Recovery	Insurance policy which provides the services of a Loss Assessor in respect of material damage and business interruption claims over £10,000 in value.
Master Policy Wordings	The Policy Wordings applicable under Open Cover. (see Policy Wording)
Material (facts or information)	A fact or information which influences a prudent underwriter in deciding whether to accept or decline a risk, and in determining the rate of premium or the imposition of any special conditions.
Open Cover	An insurance scheme providing a period where cover is granted prior to the submission of full risk information.
Open Cover Period	Cover is in force for 30 days (45 for residential) pending confirmation of risk information.
Partial Loss	A loss that does not completely destroy the insured property or render it useless.
Policy Wording	Any document containing written evidence of the contract between the insurer and the insured; if the full terms of the contract are located in more than one document, all relevant documents taken together constitute the

	policy.
Pre appointment	Situations and arrangements that were in place prior to the appointment of the practitioner.
Pre Appointment Cover	Cover arranged prior to the appointment of the practitioner.
Premium Finance Company	A company providing finance to fund insurance premiums.
Products Liability Insurance	Covers the cost of compensating anyone who is injured by a faulty product that a business designs, manufactures or supplies, where the business is found to be legally liable.
Professional Fees	Additional costs incurred in repairing or rebuilding a property. i.e. Surveyors fees, Architects fees etc. These fees should be included when setting the sum insured.
Professional Indemnity Insurance	Covers claims made for loss or damage due to negligent advice or services. Cover is on a claims made basis meaning the cover must be in force at the time the claim is made.
Public Liability Insurance	Covers the cost of claims made by third parties for incidents that occur in connection with the business activities and where the insured is found to be legally liable. Public liability insurance covers the cost of compensation for death, personal injuries and loss of or damage to property.
Reinstatement cost	The full cost of reinstating the property/item damaged to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new. For buildings, this should also include professional fees, demolition and site clearance costs and the cost of complying with any local authority requirements.
Reinstatement market value	Insurance providing reinstatement cover on a property, but where the ability to reinstate is limited to the market value of the property (plus the costs of site clearance). Policy clauses in respect of under insurance do not apply to this cover. This cover is suitable for properties with a low value in comparison to the cost of rebuilding e.g. Old mill buildings.
Residential	A property designed for people to live in.
Risk Improvements	Changes to the risk required by insurers. These may be physical changes or changes in practices/processes.
Run Off Cover	Cover provided after the activity concerned has ceased. e.g. Products liability, when products are no longer being manufactured but may still cause injury or damage to third parties.
Salvage	Damaged property an insurer takes over to reduce its loss after paying a claim.
Scheme	The Open Cover Insurance Scheme - see "Open Cover" above.
Site Visit	A visit undertaken by IRS staff to gather information and provide advice on insurance related matters.
Sprinkler System	A fire-extinguishing system consisting of a network of overhead pipes that release water automatically when a predetermined temperature has been reached.
Subrogation	Subrogation is the process an insurance company uses to recover claim amounts paid to an insured from a negligent third party.
Sum Insured	The maximum amount payable in the event of a claim under a contract of insurance.
Survey	An inspection undertaken by insurers to confirm risk details and identify potential issues.
Terms	The cover granted by a policy which could be subject to conditions, warranties, clauses, restrictions, limitations and extensions etc. Also includes the payment of premium for the cover provided.

Terrorism	An act or threat made for the purpose of advancing a political, religious or ideological cause.
Total Loss	Where the subject matter of the insurance is lost, destroyed or damaged beyond economic repair.
Under insurance	Where the sum insured does not represent the insurable value of the property. See “Average” for an explanation of the consequences of under insurance.
Warranties	A strict condition in a policy imposed by an insurer. A breach entitles the insurer to deny liability irrespective of whether this was material to the loss. Open Cover does not apply warranties.
Waste materials	Materials stored on site which are of no value and are to be disposed of.

