

PROPERTY OWNERS PROSPECTUS



General

This insurance is specially designed to meet the requirements of Property Owners in a simple and cost effective way. The policy offers a wide range of covers to provide protection for:

- (1) Buildings and Landlords Contents in common parts
- (2) Rental Income
- (3) Property Owners Liability
- (4) Employers Liability.

Insurance for the buildings is compulsory. However, cover for Landlords Contents, Rental Income, Property Owners Liability and Employers Liability is at your option.

This Prospectus provides you with a general summary of the cover provided by our Property Owners policy. For precise details of cover, including the conditions and exclusions that apply, the policy document itself should be referred to.

A copy will be supplied upon request.

Choice of Perils

The policy provides cover for loss, destruction or damage to Buildings and Landlords Contents. These will consist of:

- (a) fire and specified perils – these comprise fire, lightning, earthquake, explosion, aircraft, riot, malicious damage, storm, flood, escape of water, impact or theft
- (b) subsidence, ground heave or landslip
- (c) accidental loss, destruction or damage

All policies should include (a) above, but the addition of (b) or (c) is at your option.

Terrorist Damage

The ever-present threat of terrorist activity has resulted in the insurance industry and government representatives working together to maintain the availability of cover for such acts. We will always endeavour to offer an indemnity for such loss or damage in line with standard market practice, but the level of insurance obtainable will vary from time to time. If you wish to establish the full extent of cover we are able to provide for acts of terrorism, please contact your insurance intermediary.

Average

It is important you ensure that the sums insured you request are adequate. Should the sums insured not represent the full amount required by the policy, in the event of a claim your payment may be proportionately reduced.

Be sure to avoid this penalty by insuring for the correct amount.

Guidance on the calculation of sums insured is provided either under the following heading 'Inflation Protection' or within the Summary of Cover.

In order to facilitate the correct calculation of sums insured, a complete record of all property owned by your business should be made, with a copy kept elsewhere than at the premises.

Inflation Protection

Your sums insured for Buildings and Contents can be protected against inflation in one of two ways:

(1) Index Linking

The sums insured on Buildings and Contents will be increased during each period of insurance to help counter the effects of inflation.

(2) "Day One"

You select your own inflation provision for Buildings and Contents. In the event of loss, the percentage you have allowed for is automatically applied to the sum insured. By this method inflation cover is provided after a loss and during renovation or rebuilding. It also offers a suitable alternative for Buildings which, due to special features such as age, design or type of materials used, cannot rely on standard index provisions to protect them against inflation.

You will be given the option on the Proposal to choose the method you wish and for "Day One" the percentage uplift required.

Deductible

Under certain covers you will have to bear the first amount of each and every claim.

Details of the deductibles that apply to the policy are provided in the Summary of Cover.

Complaints Procedure

It is always our intention to provide you with a first class standard of service. However, if you are unhappy in any way with your insurance, in the first instance please contact your insurance intermediary. If the matter is not resolved to your satisfaction and you wish to make a complaint, you should contact us. If you remain dissatisfied, a more formalised complaints procedure will be found in your policy document, or on request.

Law

There is a choice of law applicable to this insurance, but unless agreed otherwise English Law will apply.

Insurer

The insurer for the insurance described herein is Lloyd's Syndicate 2001 managed by Amlin Underwriting Limited through its service company Amlin Insurance Services.

Financial Services Authority

AUA INSURANCE and the Insurers are authorised and regulated by the Financial Services Authority.

SUMMARY OF COVER

Buildings and Contents

Loss or destruction of or damage to Buildings and Landlords Contents.

Buildings shall include landlords fixtures and fittings, outbuildings, extensions, annexes, gangways, wall, gates, fences, yards, car parks and piping, ducting, cables, wiring and control gear extending to the public mains for which you are responsible.

Additionally, cover includes:

- (1) the cost of removing debris after a loss
- (2) professional fees incurred in reinstating the Buildings
- (3) additional costs incurred, following a loss, to comply with public authority requirements.

The basis of payment in the event of destruction will be reinstatement of the Building to a condition equal to, but not better or more extensive than before the loss. In calculating your sum insured, you should therefore calculate your full reinstatement value bearing in mind the cover provided by (1) – (3) above. If you are in doubt regarding the reinstatement value of the Buildings, we suggest you seek the services of a professional valuer.

Contents shall consist of furniture and furnishings in the common areas of your Buildings.

The basis of payment for Contents in the event of their loss or destruction shall be replacement to a condition equivalent to, or substantially the same as but not better or more extensive than, their condition as new.

A deductible of £250 applies, other than in respect of claims for subsidence, ground heave or landslip, when an increased deductible of £1,000 will apply for normal risks.

Cover also extends to include:

- (1) Trace and access – the reasonable costs incurred in locating the source of damage caused by escape of water or oil, up to £2,500 any one claim.
- (2) Glass, sanitaryware and underground services – accidental damage to glass and sanitaryware and underground services pipes and cables for which you are responsible.
- (3) landscaped gardens – damage to landscaped gardens by the Emergency Services whilst attending the premises as a result of the operation of an insured event, subject to a limit up to £1,000 in any one period of insurance.
- (4) Loss of metered water or oil – the cost or value of metered water or domestic heating oil lost following accident to fixed water or heating installations at the premises, up to £1,000 in any one period of insurance.
- (5) Clearance of drains – the cost of clearing drains, gutters, sewers, drain inspection covers or similar underground service areas for which you are responsible in consequence of the operation of an insured event, up to £2,500 any one claim.
- (6) Theft of keys – cost of replacement locks following theft of keys to the Buildings, up to £500 in any one period of insurance.
- (7) Temporary removal of Contents – loss or destruction of or damage to Contents whilst temporarily removed to other premises for the purpose of cleaning, renovation or repair, to a limit not exceeding 10% of the sum insured on Contents.

Rental Income

Loss of your income for tenancies and other charges and for services rendered in the course of your business as property owner, together with additional expenditure incurred to maintain said income, as a result of:

- (1) loss or destruction of or damage to Buildings and/or Contents insured by the policy
- (2) loss or destruction of or damage to surrounding property which prevents or hinders access to your Buildings.

Cover includes the cost of employing professional accountants to produce information required by us in the event of a claim within the sum insured and an allowance should be made for this.

Cover applies for a minimum period of interruption to your Rental Income of 12 months. If this period is not adequate to cover the minimum period that a destroyed building can be rebuilt and a new tenant installed, you may choose an increased period up to a maximum of 36 months. The period chosen is described on the Proposal as the Maximum Indemnity Period.

The sum insured you select should be the actual annual Rental Income at the commencement of the period of insurance, proportionately increased where the indemnity period exceeds 12 months, with an allowance provided for professional accountants fees.

We recognise that during the period of insurance and thereafter the Maximum Indemnity Period, annual Rental Income will increase following rent reviews. To allow for this we provide an automatic increase to the sum insured for Rental Income of 50% without charge. If you do not consider this uplift to be adequate, you will have an opportunity to request a higher amount on the Proposal.

The sum insured chosen is subject to Average and should this figure prove to be inadequate in the event of a claim, any payment will be subject to the proportional reduction.

In respect of (2) above, insurers' maximum liability shall not exceed £100,000.

Property Owners Liability

Liability at law for compensation together with costs and expenses for:

- (1) accidental death or bodily injury to persons (other than employees)
- (2) accidental loss of or accidental damage to material property

arising out of your ownership or responsibility for the Buildings and Contents insured by the policy.

Cover extends to include:

- (a) compensation of up to £250 per day for you or any of your directors or partners, or £100 per day for any employee, who attended court at our request in connection with a claim
- (b) your liability under the Defective Premises Act 1972
- (c) legal costs and expenses defending any prosecution or appealing against a conviction under the Health and Safety at Work etc. Act 1974.

You will be given a choice of the limit of indemnity to be applied to this insurance for compensation payable of either £1,000,000, £2,000,000 or £5,000,000. In addition to the limit of indemnity, we will pay costs and expenses, both awarded against you and incurred by you, with our written consent.

A deductible of £250 applies only in connection with claims arising in connection with (2) above.

Employers Liability

Liability at law for compensation, together with costs and expenses for death, bodily injury or disease to your employees arising in the course of their employment by you in connection with your business.

Cover extends to include:

- (a) compensation of up to £250 per day for you or any of your directors or partners, or £100 per day for any employee, who attended court at our request in connection with a claim.
- (b) legal costs and expenses in defending any prosecution or appealing against any conviction under the Health and Safety at work etc. Act 1974
- (c) at your request, payment to any of your employees or their representatives who have been awarded damages or costs by a court within the Geographical Limits, against someone other than you in respect of death, bodily injury or disease arising in the course of your employees employment by you, which has remained unsatisfied in whole or part for over six months.

This insurance is subject to a limit of indemnity for compensation, together with costs and expenses of £10,000,000.



Registered in England No 789566 Registered Office St Helen's 1 Undershaft London EC3A 8ND
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