

KennCo Underwriting Ltd.

Business Interruption Exclusions & Conditions

B001 Alternative Accommodation

Insofar as it is the responsibility of the Insured and where the premises or any part thereof described in the schedule are not the subject of a Loss of Rent claim under this Section then in respect of such premises the insurance by this Section shall include the reasonable cost of comparable alternative accommodation incurred by private residential tenants if the Buildings are made uninhabitable by any DAMAGE covered under this Section or if the private residential tenants are denied access to their portion of the Buildings following DAMAGE elsewhere within the Buildings covered under this section but only in respect of the period necessary for Reinstatement subject to the Company's liability not exceeding a limit of 25% of the Building sum Insured or the sum Insured stated on the schedule.

B002 Gross Revenue

(this clause is only applicable to your Policy if stated to be operative in the **Schedule**)

The cover is limited to:

- a) loss of **Gross Revenue**; and
- b) **Increase in Cost of Working** (defined at (ii) below for the purposes of this **Gross Revenue** Clause).

The amount payable as indemnity shall be:

- i) in respect of loss of **Gross Revenue**:

the amount by which the **Gross Revenue** during the **Indemnity Period** shall fall short of the **Standard Gross Revenue** in consequence of the Incident; and

- ii) in respect of **Increase in Cost of Working**:

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Gross Revenue** which, but for that expenditure, would have taken place during the **Indemnity**

Period in consequence of the **Incident** (but not exceeding the amount of the reduction in **Gross Revenue** thereby avoided), **less** any sum saved during the **Indemnity Period** in respect of such charges and expenses of the **Business** payable out of **Gross Revenue** as may cease or be reduced in consequence of the **Incident**.

Proportionate Reduction

Payment under this Gross Revenue Clause will be subject to the following proportionate reduction:

If the **Sum Insured** by the item on **Gross Revenue** is less than the **Annual Gross Revenue** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds twelve months) the amount payable shall be proportionately reduced.

For the purpose of this Memorandum (i.e. the **Gross Revenue** clause above) the Gross Revenue clause Definitions immediately below apply.

For other defined terms in the **Gross Revenue** Clause above (that do not appear in the list immediately below) the definition in Section 2 of the Policy applies. Where a defined term is used in the **Gross Revenue** Clause above and is not defined in either Section 2 of the Policy or in the list immediately below, the definition in the General Definitions section of the Policy applies.

Definitions:

Annual Gross Revenue:

The Gross Revenue during the twelve months immediately before the date of the Incident.

Gross Revenue:

The money paid or payable to the **Insured** for services rendered in the course of the **Business** at the Premises less the amount of any Uninsured Working Expenses.

Standard Gross Revenue:

The **Gross Revenue** during the period in the twelve months immediately before the date of the **Incident** which corresponds with the **Indemnity Period**.

Sum Insured:

The sum or limit specified in the Schedule as applying to the relevant Section of this Policy or items.

Indemnity Period:

The period beginning with the occurrence of the **Incident** and ending not later than the **Maximum Indemnity Period** following the Incident during which the results of the **Business** shall be affected as a result of the Incident.

Incident:

- a) **DAMAGE** to property used by the **Insured** at the Premises for the purpose of the **Business**; or
- b) Any of the contingencies in respect of which cover is provided by the Extensions, if operative, to Section 2 (in addition to the standard extensions, any operative optional extensions will be shown in the **Schedule**).

Maximum Indemnity Period:

The Period as stated in the Schedule.

Schedule:

The **Schedule** is part of this contract of insurance and contains Your details and the Period of Insurance and the Sum(s) Insured.

Uninsured Working Expenses:

Purchases (less discounts received) and discounts allowed.

Note: The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of the Insured.

For the purpose of this Memorandum (i.e. the **Gross Revenue** clause above) the following Uninsured Working Expenses wording applies and replaces the Uninsured Working Expenses wording in the Policy.

Uninsured Working Expenses:

If any working expenses of the **Business** are not insured by this **Gross Revenue** Clause (having been deducted in arriving at the **Gross Profit** as defined in this Policy) then in calculating the amount recoverable under this **Gross Revenue** Clause as an Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the **Gross Profit** bears to the sum of the **Gross Profit** and the **Uninsured Working Expenses**.