

Section 2K

Income

(Operative only if so stated in the schedule)

Definitions

British Isles

Great Britain, Northern Ireland, the Isle of Man and the Channel Islands, but not the Republic of Ireland.

Business

As stated in the schedule.

Damage

Loss, destruction or damage.

Event Insured

- a) An event defined in Appendix A and stated in the schedule to be an event insured
- b) accidental **damage** to fuel oil or underground water or gas supply pipes or underground electricity or telecommunication cables extending from the buildings to the public mains
- c) falling trees or parts of trees, excluding
 - i) **damage** caused during a felling or lopping operation by or on behalf of the Insured
 - ii) **damage** caused to fences, gates or hedges
 - iii) the cost of removing fallen trees or parts of trees, except where they have given rise to a valid claim under this section
- d) falling television or radio aerials or aerial fittings or masts
- e) escape of oil from a fixed heating installation or apparatus connected therewith
- f) escape of fertiliser from any storage tank
- g) explosion of any boiler or economiser on the **premises**.

Income

The money paid or payable to the Insured for goods sold and delivered and for services provided in course of the **business** at the **premises**.

Indemnity Period

The period, beginning with the happening of **insured damage** and not extending beyond the maximum indemnity period stated in the schedule, during which the results of the **business** are affected in consequence of **insured damage**.

Insured Damage

Damage to property, used by the Insured at the **premises** for the purpose of the **business**, by an **event insured**.

Machinery or Plant - solely in respect of event O

Plant and machinery permanently at the **premises** excluding

- a) Office machinery, computers and other data processing equipment

- b) Plant and machinery which is
 - i) prototype or experimental or otherwise not proven under normal operating conditions
 - ii) more than 15 years old unless on the happening of an **event insured** the necessary parts to repair the plant and machinery are either held by the Insured or are obtainable from the manufacturer or the agents or factors of the manufacturer at listed prices
- c) Tools, dies or moulds.

Premises

As stated in the schedule.

Cover

If the **business** is interrupted or interfered with in consequence of **insured damage** happening during the **period of insurance**, **NFU Mutual** will indemnify the Insured by payment in accordance with the terms applying to each of the items.

Provided that

- 1) there is an insurance in force covering the Insured's interest in the property **damaged** and liability has been admitted under that insurance, unless
 - a) such liability is not admitted due solely to the insurance excluding liability for **damage** below a specified amount
 - b) the damage is to agricultural or horticultural produce grown for sale or livestock reared for sale
- 2) **NFU Mutual's** liability (including under cover extensions) will not exceed
 - a) in respect of each item, the sum insured on that item
 - b) in all, the total sum insured,at the time of the **insured damage**.

Exclusion

NFU Mutual will not be liable under any item for any consequence of interruption or interference resulting from **damage** caused by

- a) riot or civil commotion (unless event E, event F or event R is insured in respect of such item)
- b) earthquake or subterranean fire (unless event J or event R is insured in respect of such item)
- c) pollution or contamination, except for any consequence of interruption or interference resulting from **insured damage**, not otherwise excluded, caused by

- i) pollution or contamination, which itself results from **insured damage**
- ii) **insured damage**, which itself results from pollution or contamination.

Cover Extensions

1 Additional Increased Cost of Working

In respect of agricultural and horticultural businesses only, **NFU Mutual** will pay the additional expenditure reasonably incurred during the **indemnity period**, in consequence of **insured damage**, to minimise reduction in **income**.

NFU Mutual's maximum liability is 20% of the sum insured.

NFU Mutual's liability is in addition to the sum insured.

2 Additional Insured Costs

Each item insuring **income** includes costs and expenses necessarily incurred in

- a) removing debris of goods which sustain **insured damage**
- b) extinguishing or attempting to extinguish a fire involving such goods.

NFU Mutual will not be liable for any costs or expenses

- a) incurred in removing debris, except from the site of the **insured damage** and the area immediately adjacent to such site
- b) arising from pollution or contamination of goods not sold in course of the **business**.

3 Book Debts

Cover includes money owed to the Insured by customers which, in consequence of **insured damage** cannot be collected.

NFU Mutual will pay

- a) the difference between the money owed and collected
- b) expenses incurred with **NFU Mutual's** agreement in tracing money owed.

NFU Mutual's maximum liability is £25,000.

NFU Mutual's liability is in addition to the sum insured.

4 Cattle Passports

Insured damage includes **damage** to cattle passports by an **event insured**.

5 Damage at Other Premises

Insured damage includes **damage** by an **event insured**

- a) at the land-based premises located in the **British Isles** of
 - i) any of the Insured's suppliers of goods or materials or of the Insured's customers with whom, at the time of **damage**, the Insured has contracts or trading relationships to supply goods or services
 - ii) suppliers of electricity, gas, water or telecommunications services

provided that the maximum liability of **NFU Mutual** under each of i) and ii) above in respect of each item stated in the Schedule will not exceed, in respect of any one occurrence of **insured damage**, 15% of the sum insured on such item

- b) to property in the vicinity of the **premises** which prevents or hinders the use of or access to the **premises**.

Proviso 1 of Cover does not apply to this extension.

6 Farming Property Elsewhere

If agricultural or horticultural property is used by the Insured for the purpose of the **business** then the expression **insured damage** extends to include **damage** by an **event insured** to such property while

- i) at any situation in the **British Isles** owned or used by the Insured in connection with the **business**
- ii) temporarily at any other situation but remaining in the **British Isles** or in the Republic of Ireland.

7 Professional Accountants' Charges

NFU Mutual will pay the professional accountants' charges reasonably incurred by the Insured for producing information required by **NFU Mutual** under the terms of the general conditions of this policy and reporting that such information is in accordance with the Insured's accounts.

NFU Mutual will accept, in connection with the general conditions, the information so produced.

8 Unexplained Disappearance

Event K in Appendix A (if insured under this section) extends to include **damage** as a result of the unexplained disappearance of livestock for all relevant items insured for a period exceeding 30 days from the date such disappearance is notified to **NFU Mutual** provided that

- a) **NFU Mutual** will not be liable for **damage** as a result of straying
- b) if the **property insured** or any part of such property is recovered or returned, the insured will refund to **NFU Mutual** the amount paid by **NFU Mutual** in respect of such returned or recovered property less any expenditure reasonably incurred by the Insured in connection with the recovery or return of such property.

Terms Applying to Items Insuring Income

The amount payable will be

- a) for reduction in **income** the amount by which, in consequence of **insured damage**, the **income** during the **indemnity period** falls short of the **income** that would have been obtained if the **insured damage** had not occurred
- b) for increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **income** which, but for that expenditure, would have taken place during the **indemnity period** in consequence of **insured damage**, but not exceeding the amount of the reduction in **income** avoided by such expenditure,

less any savings in expenses of the **business** in consequence of **insured damage**.

Special Conditions

1 Alternative Trading

If, during the **indemnity period**, goods are sold or services provided elsewhere than at the **premises**, either by the Insured or by others on his behalf, the money paid or payable in respect of such sales or services will be brought into account in arriving at the **income** during the **indemnity period**.

2 Single Farm Payments Exclusion

The definition of **income** excludes money paid or payable under the Single Farm Payments Scheme.

3 Cessation of the Business

NFU Mutual will have no liability if the business is wound up, or carried on by a liquidator or receiver, or permanently discontinued, unless it agrees in writing to the insurance being continued.

4 Current Cost Accounting

For the purpose of the definitions in this section, any adjustment implemented in current cost accounting will be disregarded.

5 Early Settlement Option

At the option of the Insured the amount payable for reduction in **income**, in consequence of **insured damage** to crops, will be replaced with the following

- a) for harvested crops, their market value on the date of the **damage**
- b) for growing crops, their market value on the date they would have been harvested but for the **damage**,

less any savings in expenses of the business in consequence of **insured damage**.

6 Refund of premium

The premium paid in respect of each item insuring **income** may be adjusted on receipt by **NFU Mutual** of a declaration of the **income** earned during the financial year most nearly concurrent with the **period of insurance**.

If any **insured damage** has happened, resulting in a claim under this section, the above mentioned declaration will be increased by **NFU Mutual**, for the purpose of premium adjustment, by the amount by which the **income** was reduced during the financial year solely in consequence of the **insured damage**.

If the **income** declared (adjusted as provided for above and proportionately increased where the maximum indemnity period exceeds twelve months) is less than the sum insured on such **income** for the relative **period of insurance**, **NFU Mutual** will allow a proportionate return of premium, not exceeding 50% of the premium paid.

7 Underinsurance

NFU Mutual's liability under an item will be proportionately reduced where the sum insured is less than the **income** that would have been obtained during the twelve months immediately after the date of **insured damage**, had such **damage** not occurred.

Where the maximum indemnity period exceeds twelve months, such income will be increased proportionately.

8 Value Added Tax

To the extent that the Insured is accountable to the tax authorities for Value Added Tax, all terms are exclusive of such tax.

