

Book Debts Extension

Definitions

Event

Destruction of or damage to **the Insured's Records**

- A. at the **Premises**
- B. at any premises in the **United Kingdom** occupied by persons acting on behalf of **the Insured**, to which **Records** have been temporarily removed
- C. in transit, including sea or air transit, within the **United Kingdom**, but excluding such destruction or damage by theft or attempted theft.

Records

The Insured's books of account or other business books or records.

Outstanding Debit Balances

The total recorded by **the Insured** under the provisions of the Outstanding Debit Recording Condition adjusted for

- A. bad debts
- B. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through **the Insured's** books at the time of the **Event**) to Customers' Accounts in the period between the date to which the total last recorded relates and the date of the **Event**
- C. any abnormal condition of trade which had or could have had a material effect on the **Business** so that the adjusted figures represent as near as reasonably practicable results which but for the **Event** would have obtained at the date of the **Event** had the **Event** not occurred.

Cover

The Insurer will pay the Insured for Outstanding Debit Balances following any Event covered under the Business Interruption Section of this Policy.

Basis of Settlement

The **Insurer** will pay **the Insured** the amount of their claim for **Outstanding Debit Balances** if in consequence of an **Event** **the Insured** are unable to trace or establish **Outstanding Debit Balances** in whole or in part.

The most **the Insurer** will pay for any one claim is the **Total Sum Insured** at the time of the **Event**.

The **Sums Insured** or limits of liability shall not be reduced by the amount of any claim as insured under this **Extension** provided that

- a. **the Insurer** does not give written notice to the contrary within 30 days of the notification of any **Event**
- b. **the Insured** pays the appropriate additional premium on the amount of the claim from the date of the **Event** to the expiry of the **Period of Insurance**
- c. **the Insured** agrees to comply with any security recommendations or other measures **the Insurer** may require to reduce the risk of an **Event**.

The insurance under this **Extension** is limited to loss sustained by **the Insured** directly due to the **Event** and the amount payable shall not exceed

- A. the difference between
 - i. the **Outstanding Debit Balances**, and
 - ii. the total of the amounts received or traced in respect of such balances
- B. the additional expenditure incurred with **the Insurer's** previous consent in tracing and establishing customers' debit balances after the **Event**.

Basis of Settlement Adjustments

In calculating the amount **the Insurer** will pay **the Insured**, adjustments shall be made in accordance with the following clauses.

1. Average (Underinsurance)

If the **Total Sum Insured** at the time of the **Event** is less than the **Outstanding Debit Balances**, the amount payable will be proportionately reduced.

2. Auditors and Accountants Charges

If the auditors or professional accountants of **the Insured** produce any particulars or details required by **the Insurer** from **the Insured's** books of account or other business books or documents, or any other proofs, information or evidence under the terms of Condition 2 of this **Extension**, **the Insurer** will pay **the Insured** the reasonable charges payable by **the Insured** to their auditors or professional accountants, provided that the sum of such reasonable charges and any other amount payable under this **Extension** shall not exceed the liability of **the Insurer** under this **Extension**.

3. Claims Preparation Expenses

Cover extends to include the necessary and reasonable costs, expenses and charges incurred by **the Insured** in producing and certifying any particulars or details required by **the Insurer** in connection with any claim under this **Section** and which are incurred with the consent of **the Insurer** and for which **the Insurer** has admitted liability, provided that

- i. such costs and expenses are limited to
 - any additional costs and expenses incurred by any employees of **the Insured** and the cost of materials used in furnishing **the Insurer's** requirements
 - the reasonable charges payable by **the Insured** to their auditors or professional accountants for producing such information as may be required by **the Insurer**
- ii. **the Insurer** shall have the right to review and audit all documentation relating to such costs and expenses
- iii. such costs expenses and charges are not otherwise recoverable under this **Extension** or the **Policy**
- iv. an **Excess** of £500 shall apply in respect of each and every claim
- v. the liability of **the Insurer** shall not exceed £25,000 in respect of any one claim, and such limit shall apply in addition to the **Sums Insured** or limits applying under this **Extension**.

Extension Conditions

Business Interruption Section Conditions 1, 2, 3, 4, 5 and 6 apply to this **Extension**, and in addition

1. Outstanding Debit Recording

At the end of each month **the Insured** shall record the total amount outstanding in Customers Accounts at that time, and keep a copy of such records at a place other than **the Insured's Premises**.

2. Additional Claims Condition

In the event of any **Event** in consequence of which **the Insured** make or may make a claim under this **Extension**, **the Insured** shall at their own expense deliver to **the Insurer** full information in writing of the particulars of the claim, together with details of all other policies covering **Outstanding Debit Balances** or any part of them, and the amount of any resulting **Outstanding Debit Balances**.

The Insurer will not pay for any claim unless the terms of this condition have been complied with, and any payment on account already made shall be repaid to **the Insurer**.