

# Book Debts Extension

## Definitions

### Event

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

- A. at the premises
- B. at any premises in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands 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 Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, 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**.

In consideration of the **Total Sum Insured** not being reduced by the amount of any claim, **the Insured** will pay the appropriate additional premium on the amount of the claim from the date of the **Event** to expiry of the **Period of Insurance**, but this shall not apply in respect of theft or attempted theft (as insured by this **Extension**)

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. Accountants Charges

If the 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 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**.

## 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**.