



Commercial Combined Policy Wording

Allied World

Allied World Assurance Company (Europe) dac is a private company registered in Ireland with its registered office at 3rd Floor Georges Quay Plaza, Georges Quay, Dublin 2, Ireland and its UK branch office at Floor 19, 20 Fenchurch Street, London EC3M 3BY. The company is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. Details of the extent of regulation by the Financial Conduct Authority are available on request.

Other Insurers

Where insurance under this policy is provided by an insurer other than Allied World Assurance Company (Europe) dac the details of that insurer's company registration, authorisation and regulation will be stated in the **Schedule**.

Notices

Any notices to the **Insurer** or the **Insured** must be sent in writing to the relevant address shown in the **Schedule**.

Interpretation

This document, the **Schedule** and any **Endorsements**, memoranda or specifications are to be read together as one contract. Any word with a defined meaning appears in **bold print** and its definition can be found either within the Section or **Endorsements** containing that word or in the General Definitions.

References to the singular include the plural and vice versa. The masculine includes the feminine and vice versa. A statute, statutory instrument, regulation or order includes any amendment or re-enactment of that statute, statutory instrument, regulation or order.

Observance

The **Insured** and any other persons indemnified by the **Insurer** under this **Policy** must observe the terms of the **Policy** and, to the extent that they relate to anything to be done or complied with, such observance is a condition precedent to the **Insurer's** liability to indemnify under the relevant Section of the **Policy**.

Complaints Procedure

Allied World Assurance Company (Europe) dac is dedicated to providing every **Insured** with excellent service and is committed to handling any enquiry or complaint fairly and promptly. If an **Insured** is dissatisfied in any way with this **Policy** or wishes to make an enquiry, the **Insured** should contact either the intermediary that arranged this **Policy** or the Allied World Assurance Company (Europe) dac Complaints Team at the address shown on the **Schedule**.

If the Complaints Team is unable to resolve this within 24 hours from receipt of the complaint, the issue will be forwarded to the relevant insurers who will deal with the complaint in accordance with the FCA guidelines. The **Insured** will be immediately informed who will be handling its complaint and their contact details.

Where insurance under this policy is provided by an insurer other than Allied World Assurance Company (Europe) dac the details of that insurer's contact details for complaints will be stated in the **Schedule**.

Financial Ombudsman Services

If in the opinion of the **Insured** the complaint has not been satisfactorily handled, in certain circumstances it may be possible to refer the complaint to the Financial Ombudsman Service. Contact details for the Financial Ombudsman Service are set out below:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Telephone: 0800 023 4567
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Financial Services Compensation Scheme

Allied World Assurance Company (Europe) dac is covered by the Financial Services Compensation Scheme. This means that in the unlikely event that the company cannot meet its obligations under this **Policy**, the **Insured** may be entitled, depending on the type of insurance, size of the **Insured's** business and the circumstances of the claim against this **Policy**, to compensation under the scheme.

Data Protection

Allied World Assurance Company (Europe) dac is committed to compliance with the E.U. General Data Protection Regulation and any applicable implementing or supplementing laws, rules or regulations, and as each may be updated, amended or superseded from time to time. The **Insurer** may collect, use, store, disclose and otherwise process personal data for purposes such as assessing risk and providing insurance, administering a policy and assessing and managing claims. Personal data may be obtained by the **Insurer** directly from the **Insured** or via a third party such as an insurance intermediary. If such personal data is not provided, the **Insurer** may not be able to provide insurance, administer the policy, process a claim or make payments.

The **Insurer's** personal data privacy policy statement contains information on the types of personal data the **Insurer** collects; from where it collects such personal data; the purposes and lawful bases for why it collects such personal data; to whom it discloses or transfers such personal data, such as to related parties or third parties (including outside of the European Economic Area) to, among other things, provide services associated with this **Policy** or to verify information or prevent or detect fraud; and the retention of such personal data. It also contains information on how the **Insured** can exercise its rights, including, under certain circumstances, a right to access the personal data the **Insurer** holds about the **Insured**, to seek rectification or erasure of such data, to restrict or object to the processing of such data, to data portability, to lodge a complaint, or, where processing is based on consent, the right to withdraw consent.

Please see the **Insurer's** personal data privacy policy statement for further information in accordance with applicable laws at <https://www.alliedworldinsurance.com/europe-uk>

A copy may also be requested from, or any personal data privacy queries directed to, dataprotection@awac.com

Commercial Combined Policy

This **Policy** is designed to provide property and liability covers for businesses and commercial enterprises. Please read this **Policy** together with the **Schedule** to ensure that it meets with the **Insured's** requirements.

This **Policy** only provides insurance in respect of the Sections shown as operative in the **Schedule**.

Contents

Important Information.....	6
General Definitions.....	7
General Conditions.....	12
General Exclusions.....	17
Property Insurance	
Perils Applicable.....	19
Conditions and Exclusions.....	22
Property Damage Section.....	26
Business Interruption Section.....	37
Terrorism Section.....	44
Machinery Breakdown Section.....	46
Goods In Transit Section.....	48
Specified All Risks Section.....	50
Money Section.....	51
Book Debts Section.....	54
Personal Accident Section.....	56
General Liability Insurance	
Extensions, Conditions and Exclusions.....	60
Employers Liability Section.....	64
Public Liability Section.....	66
Products Liability Section.....	70

Cyber Section.....	72
Professional and Corporate Liability Insurance	
Definitions and Conditions	87
Directors and Officers Liability Section.....	94
Corporate Legal Liability Section.....	100
Employment Practices Liability Section.....	106
Professional Indemnity Section.....	109
Commercial Legal Protection Section.....	124
Healthcare Section.....	147

Important Information

Commercial Legal Protection Section

Where operative, the insurance provided under the Commercial Legal Protection Section is underwritten by the **Insurer** named in the **Schedule**. Please refer to the Claims Information section of the **Schedule** for relevant contact details and other important information.

General Definitions

Applicable to all Sections other than the **COMMERCIAL LEGAL PROTECTION SECTION**

The words defined below will have the same meaning wherever they appear in bold letters within the **Policy**, the **Schedule** and **Endorsements**

Buildings means the buildings at the **Premises** and including:

1. landlords' fixtures and fittings
2. outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture
3. walls, gates and fences
4. drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the **Premises** and extending to the public mains but only to the extent of the **Insured's** responsibility
5. yards, car-parks, roads, pavements, forecourts all constructed of solid materials
6. windows, fanlights, rooflights, skylights and glazing

Business means as described in the **Schedule** and will include:

1. the ownership repair and maintenance of the **Insured's** own property
2. the provision and management of canteen, social sports and welfare activities for the benefit of the **Insured** or **Employees**
3. the provision and management of first aid, fire, security and ambulance services
4. the performance of private duties carried out by **Employees** with the written consent of the **Insured** for any director, partner or senior official of the **Insured**

Contents means the contents at the **Premises**, the property of the **Insured** or held by the **Insured** in trust for which the **Insured** is responsible including so far as they are not otherwise insured **Employees'**, directors' and visitors' personal effects of every description (other than motor vehicles) for an amount not exceeding £500 in respect of any one person but excluding:

1. **Buildings, Stock, Target Stock, Office Computer Equipment, and Portable Power Tools**
2. **Money**
3. Documents, manuscripts and business books except for the cost of the materials and of clerical labour expended in reproducing such records
4. computer systems records except for an amount not exceeding £10,000 in respect of the cost of the materials and of clerical labour and computer time expended in reproducing such records
5. any expense in connection with the production of the information to be recorded in documents, manuscripts, business books or computer systems records
6. vehicles licensed for road use including accessories thereon

Damage means sudden, accidental and direct physical loss, destruction or damage.

Data means data of any sort whatever, including but without limitation tangible or intangible data, and any programmes or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

Denial of Service Attack means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or computer or other equipment or system which processes, stores, transmits or receives **Data** and includes but is not limited to the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks, and the procurement of such actions or instructions by other computers, equipment or system.

Employee means:

1. any person under a contract of service or apprenticeship with the **Insured**
2. whilst working for the **Insured** in the course of the **Business**
 - a. any labour master or labour only sub-contractor or person supplied by any of them
 - b. any self-employed person
 - c. any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the **Insured**
 - d. a prospective employee who is undergoing practical work experience or any person participating in any Government or otherwise authorised work experience, training study exchange or similar scheme
 - e. any person who is an outworker or home worker
 - f. any person who is a voluntary helper

Endorsement means an additional contractual term of this **Policy** agreed in writing between the **Insurer** and the **Insured** and incorporated by reference in the **Schedule**

Excess means the first amount for which the **Insured** is responsible as specified in the **Schedule**

Goods means goods belonging to the **Insured** or for which the **Insured** is responsible all pertaining to the **Business**

Hacking means unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data

Injury means accidental: death; bodily injury, illness or disease; any psychiatric injury that results from accidental bodily injury, illness or disease

In Transit means being carried from the time the **Goods** are lifted to the time they are unloaded at their destination including:

1. loading and unloading
2. the use of recognised 'roll-on roll-off' vehicle ferries provided no unloading or re-loading of the **Vehicle** is involved
3. whilst temporarily housed on or off the **Vehicle** in the course of the said carriage but excluding any dismantling, installation, erection or testing

Insured means the person or persons or corporate body named in the **Schedule**

Insurer means the entity named as "Insurer" in the **Schedule**. Where any Section of this **Policy** is provided by more than one insurer as listed in the **Schedule**, use of "the **Insurer**" in the singular refers to all subscribing insurers of that Section

Limit of Indemnity means the applicable limit, including any sub-limit or inner-limit, of the **Insurer's** maximum liability for any relevant claim under the **Policy**, as shown in the **Schedule** or stated in this document

Limit of Liability means the applicable limit, including any sub-limit or inner-limit, of the **Insurer's** maximum liability for any relevant claim under the **Policy**, as shown in the **Schedule** or stated in this document

Machinery Breakdown means unforeseen, sudden, accidental and direct physical loss or destruction of, or physical damage to, any machinery or plant belonging to the **Insured** or held in trust and for which the **Insured** is responsible at the **Premises**, while in ordinary use caused by:

1. actual failure, breaking, distortion or burning out of any part of the machinery or plant arising from:
 - a. mechanical or electrical defects in the machinery or plant; or
 - b. failure or fluctuation of power supply; or
 - c. operator error or omission other than failure to maintain; or,
2. fracturing of any part of the machinery or plant by frost which renders the item inoperative

Machinery Breakdown also includes the resultant loss of coolant, lubricant, insulant, refrigerant or brine

Money means coin, bank and currency notes, postal and money orders, bankers' drafts, cheques, giro cheques, crossed warrants, bills of exchange, securities for money, postage revenue, national insurance and holiday with pay stamps, stamped national insurance and holiday with pay cards, national savings stamps or certificates, war bonds, premium savings bonds, franking machine impressions other than unused units in postage stamp franking machines, credit company sales vouchers, luncheon vouchers, trading stamps and VAT invoices, phone cards, which is the property of the **Insured** or for which the **Insured** is responsible in the course of the **Business**

Office Computer Equipment means office computer equipment at the **Premises** the property of the **Insured** or held by the **Insured** on trust for which the **Insured** is responsible including media and peripherals used in connection with such equipment

Offshore means from the moment in time that an **Employee** embarks onto any conveyance at the point of final departure on land to any offshore installation until the moment in time that an **Employee** disembarks from any conveyance onto land upon their return from any offshore installation

Perils means the operative perils specified in the **Schedule**, as more fully detailed within the Property Insurance part of this **Policy**.

Period of Insurance means the period stated in the **Schedule**

Personal Effects means personal belongings of the **Insured's** drivers or attendants, excluding **Money**, credit cards, car audio equipment, televisions or jewellery

Phishing means any access or attempted access to **Data** or information made by means of misrepresentation or deception

Policy means this insurance policy wording document, the **Schedule** and any **Endorsements**, memoranda or specifications relating to this policy

Pollution or Contamination means:

1. all pollution or contamination of buildings or other structures or of water or land or the atmosphere and
2. all loss or damage or injury directly or indirectly caused by such pollution or contamination

Portable Power Tools means portable power tools at the **Premises** for use solely by the **Insured**, the property of the **Insured** or held by the **Insured** in trust, for which the **Insured** is responsible

Premises means the premises declared to and accepted by the **Insurer** that are used by the **Insured** for the purpose of the **Business** and stated in the **Schedule**

Premium means the amount stated in the **Schedule**, payable by the **Insured** to the **Insurer**

Professional Business means the professional business specified in the **Schedule**

Property Insured means the relevant property described in the **Schedule**

Rent means **Rent Payable** or **Rent Receivable**

Rent Payable means periodic payments made by the **Insured** for the lease of **Premises** not belonging to the **Insured**

Rent Receivable shall mean the amount of rent received or receivable from, and payments for services provided in respect of, the letting of the **Premises**

Schedule means the schedule attached to this document that forms part of this **Policy**

Stock means stock and materials in trade excluding **Target Stock** and **Stock In The Open** at the **Premises** described in the **Schedule** the property of the **Insured** or held by the **Insured** in trust for which the **Insured** is responsible

Stock In The Open means stock and materials in trade stored in the open at the **Premises** described in the **Schedule** excluding **Target Stock** the property of the **Insured** or held by the **Insured** in trust for which the **Insured** is responsible

Sum Insured means the relevant sum as specified in the **Schedule**

Target Stock means stock and materials in trade at the **Premises** described in the **Schedule** comprising cigarettes, cigars and tobacco, audio visual equipment, computer equipment, computer games, mobile phones and radios, photographic equipment and binoculars, non-ferrous metals, jewellery (including precious metals and stones), wines, fortified wines and spirits

Tenants Improvements means tenants improvements and alterations to the **Premises**

Territorial Limits means anywhere in Great Britain, Northern Ireland, the Channel Islands and the Isle of Man

Terrorism means any action, threat of action, or attempt at action, by any individual or group of individuals or body or organisation, whether acting alone, on behalf of, or in concert with any other body, organisation, or government, where such action, threat, or attempt is designed to influence, intimidate, or coerce, any government or international governmental organisation or the population or any section of the population, or any community, and the action, threat, or attempt, is made for the purpose of advancing a political, religious, or ideological cause

Unoccupied means empty, disused, unfurnished or no longer in active use by the **Insured** or any of the **Insured's** tenants

Vehicle means a mechanically driven conveyance including trailers whether attached or temporarily detached from such vehicle whilst **In Transit**

Virus or Similar Mechanism means programme code programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, or otherwise adversely affect, infiltrate or monitor, computer programmes, **Data** files or operations whether involving self-replication or not, including but not limited to Trojan horses, worms and logic bombs, and the exploitation of bugs or

vulnerabilities in a computer programme to damage, interfere with, adversely affect, infiltrate or monitor as above.

General Conditions

Applicable to all Sections unless otherwise stated

Alteration in Material Facts (not applicable to Property Insurance)

After commencement of the **Policy** the **Insured** must give immediate notice to the **Insurer** of any alteration of fact or circumstance that materially alters the risk insured under this **Policy** including but not limited to any material change in the nature of or cessation of the **Business** or **Professional Business**; until the **Insurer** is advised of that alteration or circumstance and has expressly agreed in writing to accept liability for that altered risk, and the **Insured** has paid or agreed to pay the additional **Premium** (if any), the **Insurer** will not be liable to indemnify the **Insured** in respect of any loss due wholly or partially to that alteration or circumstance.

Arbitration

In the event of a dispute arising out of:

1. the interpretation of the **Policy**, including any question regarding compliance with its terms, its existence, validity or termination; or
2. the quantification of any amount payable under the **Policy**;

the dispute will be referred to an arbitrator, who will be appointed by the parties in accordance with the LCIA Arbitration Rules and the making of an award will be a condition precedent to any right of action against the **Insurer**.

Assignment

This **Policy** and any rights under it cannot be assigned without the prior written consent of the **Insurer**.

Authorisation

The **Insured** will act on behalf of any person forming part of the **Insured** for:

1. Notification of any claim, loss, or circumstance;
2. Any other notifications required under this **Policy**;
3. Payment of **Premium**, including additional premium, or the receipt of returned **Premium**;
4. Negotiation and agreement of any **Endorsement** to this **Policy**;
5. Requests, and any subsequent agreement, of any extended notification period.

Cancellation

The **Insurer** may cancel this **Policy** during the **Period of Insurance** by giving 14 days' notice in writing. On cancellation by the **Insurer** the **Insured** will be entitled, subject to the application of the Premium Payment Condition and the Premium Adjustment and Audit Condition, to a pro rata return of **Premium** equal to the number of days unexpired of the **Period of Insurance** but subject to a minimum retention of 15% of the **Premium**, provided

that no claim under the **Policy** has been paid or is outstanding (including the notification of any claim, circumstance or loss).

Notwithstanding this, subject to the Premium Payment Condition and the Premium Adjustment and Audit Condition, where the Directors and Officers Liability Section is stated in the Schedule as operative, the **Insurer** will continue to provide cover under the Directors and Officers Liability Section until the end of this **Period of Insurance**.

Coinsurance

Where this **Policy** is provided by the **Insurer** and co-insurers, as named in the **Schedule** (and notwithstanding the use of 'the **Insurer**' in this **Policy**), the legal obligations of each insurer are several and not joint and are limited solely to the extent of that insurer's proportion of risk as shown in the **Schedule**.

Excess (not applicable to Employers' Liability Section or Professional Indemnity Section)

The cover provided under each Section of the **Policy** will be subject to the **Excess** for which the **Insured**, and not the **Insurer**, is liable. The **Insurer** may pay all or part of the **Excess** in respect of the settlement of any claim under this **Policy** and seek reimbursement from the **Insured**. If it does so, the amount of **Excess** paid by the **Insurer** must be reimbursed by the **Insured** at the **Insurer's** request.

Fraudulent Claims

If under this **Policy** an **Insured** or anyone acting for an **Insured**:

1. knowingly makes a fraudulent or an exaggerated claim under this **Policy**; or
2. knowingly makes a false statement in support of a claim under this **Policy** or submits false or forged document in support of such claim; or
3. makes a claim under this **Policy** caused by or in connection with the **Insured's** wilful misconduct or caused or in connection with the **Insured's** agreement, knowledge or collusion; or
4. otherwise knowingly provides untrue or misleading information to the **Insurer** or those acting for the **Insurer**, whether or not such information is material to the **Insured's** right to recover under this **Policy**;

the **Insurer** will refuse to pay such claim or any other claim under this **Policy** thereafter and will terminate this **Policy** without any refund of **Premium**.

If any of the acts or omissions set out in clauses 1 to 4 of this condition are committed by or on behalf of an **Insured Person** and not by or on behalf of any other **Insured**, this condition should be read as applying only to that **Insured Person's** claim and references to "this **Policy**" should be read as references to the cover effected for that **Insured Person** alone and not to the **Policy** as a whole.

Law and Jurisdiction

Any dispute concerning the interpretation or application of the **Policy** is to be subject to, and will be construed in accordance with, the law of England and Wales; the parties further agree, subject first to the Arbitration condition, to submit to the exclusive jurisdiction of any competent court within England and Wales and to comply with all requirements necessary to give that court jurisdiction.

Legal Representatives

In the event of the death of the **Insured** the **Insurer** will indemnify the **Insured's** estate, heirs or legal personal representatives in respect of liability previously incurred by that **Insured** that they would otherwise have been entitled to an indemnity under the **Policy**, provided that the estate, heirs or legal personal representatives observe, fulfil and be subject to the terms, conditions and limitations of the **Policy** in so far as they can apply.

Other Insurance

If any:

1. **Damage to Property Insured**, or
2. business interruption or interference, increased costs of working or loss of rent; or
3. legal costs and expenses or liabilities to third parties

covered by this **Policy** is also covered in whole or in part by any other insurance (or would be so covered save for the existence of this **Policy**) then:

- a. In respect of **Damage to Property Insured**, the liability of the **Insurer** under this **Policy** will be limited to their rateable proportion of that **Damage**. If that other insurance is subject to any condition of Average, this **Policy** if not already subject to any such condition of Average, will be subject to Average in like manner. If that other insurance is subject to any provision that prevents it from ranking concurrently with this **Policy**, either in whole or in part, or from contributing a rateable proportion, the liability of the **Insurer** under this **Policy** will be limited to that proportion of the **Damage** which the **Sum Insured** under this **Policy** bears to the value of the **Property Insured**
- b. In respect of business interruption or interference, increased costs of working or loss of rent the liability of the **Insurer** under this **Policy** will be limited to their rateable proportion of such loss;
- c. In respect of legal costs and expenses or liabilities to third parties, the **Insurer's** liability will apply in excess of and not in contribution with that other insurance.

Notification

Sections of the **Policy** contain terms relating to the **Insured's** obligation to notify the **Insurer** of matters for which the **Insured** may wish to seek an indemnity for under that Section. The **Insured** is required to carefully read and comply with such terms as appropriate; some of these have the force and effect of conditions precedent which means that any failure to comply with them may affect the **Insured's** entitlement to indemnity under the **Policy**.

Premium Adjustment and Audit

Where any part of the **Premium** is based on estimates furnished by the **Insured**, the **Insured** must:

1. keep an accurate record containing all relevant particulars,
2. allow the **Insurer** to inspect those records,
3. supply those records as the **Insurer** may require within 30 days from the expiry of the **Period of Insurance**;
4. supply an auditor's certificate in support of those records if so requested by the **Insurer**

Based on those records, the **Premium** will be adjusted by the **Insurer**, subject to any minimum that may apply. If the **Insured** fails to supply the records within the period stated above, the **Insurer** reserves the right to make an estimate of the records and adjust the **Premium** accordingly.

Premium Payment

The **Insurer** must receive the **Premium** due under this **Policy** on or prior to the commencement of the **Period of Insurance** and in default of such payment this **Policy** is voidable.

Reasonable Precautions

The **Insurer's** liability to indemnify will only arise if the **Insured**:

1. takes all reasonable precautions to avoid or diminish any liability or loss which may give rise to or has given rise to a claim under this **Policy**
2. takes all reasonable precautions to prevent accidents or any activity that might give rise to a liability to a third party
3. takes all reasonable steps to comply with all applicable national or local laws, requirements and regulations
4. exercises due care in the selection and supervision of **Employees**

Renewal

This **Policy** or any Section of it will not automatically renew and unless an offer to renew is accepted, this **Policy** or any relevant Section will expire at the end of the **Period of Insurance** without notice.

Rights of Third Parties

Other than where expressly provided for within the **Policy**, a person or company who is not a party to this **Policy** has no right under the Contracts (Rights of Third Parties) Act 1999 or any subsequent legislation or amendment to enforce any term of this **Policy** but this does not affect any right or remedy of a third party which exists apart from that Act.

Severability

In the event that any portion or Section of the **Policy** is found to be invalid or unenforceable, the remainder will remain in full force and effect.

Statutory Regulations

The **Insurer's** liability to pay any claim under this **Policy** relating to any pressure vessel or other machinery or apparatus (or its contents) belonging to or under the control of the **Insured**, which requires inspection or test under any statute or order or regulation, will not accrue unless that pressure vessel or other machinery or apparatus vessel, has been appropriately and satisfactorily inspected or tested and the **Insured** can demonstrate that it has implemented any actions thereby required.

Subrogation

Any claimant under this **Policy** must at the request and at the expense of the **Insurer** do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the **Insurer** for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the **Insurer** is, or would become, entitled or subrogated upon its paying for or making good any loss under this **Policy** whether such acts and things are or become necessary or required before or after his indemnification by the **Insurer**.

General Exclusions

Not applicable to Terrorism Section

Applicable to all other Sections unless stated otherwise

Asbestos Exposures

Not applicable to Employers' Liability Section

This **Policy** does not cover any loss, cost or expense or liability directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Fines and Penalties

This **Policy** excludes any liability for taxes, fines or penalties, punitive, aggravated, multiple, liquidated, exemplary or other non-compensatory damages or the consequences of non-payment or any additional damages under Section 97(2) of the Copyright, Design and Patents Act 1988 or any statutory successor to that section or any claim for indemnity deemed uninsurable by law.

Northern Ireland Civil Commotion

This **Policy** excludes, in respect of Northern Ireland:

1. **Damage** occasioned by or happening through or in consequence directly or indirectly of riot or civil commotion;
2. **Damage** occasioned by or happening through or in consequence directly or indirectly of strikers, locked out workers or persons taking part in labour disturbances or malicious persons save for **Damage** by fire or explosion.

Radioactive and Nuclear Hazards

Not applicable to Healthcare Section

This **Policy** does not cover

1. **Damage** to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss; or
2. Any liability of whatsoever nature;

in either case, directly or indirectly caused by or contributed to by or arising from:

- a. ionising radiations or contamination by radioactivity from nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or

- b. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

but as far as concerns **Injury** to any **Employee** which arises out of and in the course of his employment or engagement by the **Insured** this exception will apply only in respect of

1. liability of any principal
2. liability assumed by the **Insured** by agreement and which would not have attached in the absence of such agreement.

Sanctions

The **Insurer** shall not be deemed to provide cover nor be liable to pay any claim or provide any benefit under this **Policy** to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Terrorism

Not applicable to Employers' Liability Section

This **Policy** excludes **Damage**, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with

1. **Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
2. any action taken in controlling preventing suppressing or in any way relating to **Terrorism**

If the **Insurer** alleges that by reason of this exclusion any **Damage** cost or expense is not covered by this **Policy** the burden of proving the contrary will be upon the **Insured**. In the event that any portion of this exclusion is found to be invalid or unenforceable the remainder will remain in full force and effect.

War and Civil War

This **Policy** does not cover **Damage** or legal liability directly or indirectly occasioned by happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or **Damage** to property by or under the order of any government or public or local authority.

Property Insurance

PERILS APPLICABLE

The following **Perils** are only applicable if indicated in the **Schedule** to be operative

1. Fire

- a. Fire but excluding **Damage** caused by
 - i. **Property Insured** undergoing any heating process or any process involving the application of heat but this shall not exclude subsequent **Damage** by fire to other **Property Insured** resulting therefrom
 - ii. earthquake or subterranean fire
- b. Explosion of gas or boilers used for domestic purposes only
- c. Lightning

2. Theft

Theft or attempted theft involving breaking into or out of the **Buildings** by forcible and violent means or robbery or attempted robbery committed in the **Premises** including any directly resulting **Damage** to the **Buildings** falling to be borne by the **Insured** but excluding any **Damage**

- a. to or from any outbuilding or other **Property Insured** in the open
- b. contributed to or caused by any person lawfully on the **Premises**
- c. caused by or consisting of theft of the fabric of the Buildings
- d. to Money and stamps (including National Insurance stamps) bonds and securities

3. Explosion

4. Aircraft

Aircraft or other aerial devices or articles dropped therefrom

5. Riot and Malicious Persons

Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons, excluding **Damage**

- a. arising from confiscation, requisition or destruction by order of the government or any public authority
- b. arising from cessation of work
- c. caused by theft or attempted theft by malicious persons (not acting on behalf of or in connection with any political organisation)

6. Earthquake

Earthquake including:

- a. **Damage** consequent upon such earthquake but only if caused directly by that earthquake.
- b. volcanic eruption, which includes explosion or effusion, and any subsequent **Damage** but only if caused directly by that volcanic eruption

7. Subterranean Fire

8. Storm and Flood

Storm or flood excluding **Damage**

- a. attributable solely to a change in the water table level
- b. caused by frost subsidence ground heave or landslip
- c. any fences, gates, or other **Property Insured** in the open

9. Escape of Water

Escape of water from any tank apparatus or pipe excluding **Damage** caused by water discharged or leaking from any automatic sprinkler installation

10. Impact

Impact by any mechanically propelled vehicle or by articles falling therefrom

11. Subsidence

Subsidence or ground heave or landslip excluding **Damage**

- a. caused by or consisting of
 - i. the normal settlement or bedding down of new structures
 - ii. the settlement or movement of made-up ground
 - iii. coastal or river erosion
 - iv. defective design or workmanship or the use of defective materials
 - v. fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- b. resulting from
 - i. **Damage** which originated prior to the inception of the **Period of Insurance**
 - ii. demolition construction structural alteration or repair of any **Property Insured**
 - iii. groundworks or excavation at the same **Premises**

12. Accidental Damage

Damage excluding

- a. **Damage** by
 - i. any of the **Perils** (1) to (11) inclusive and (13)
 - ii. any of the causes expressly excluded from such **Perils**
- b. **Damage** caused by
 - i. joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels of any range of steam and feed piping
 - ii. **Machinery Breakdown** in respect of the particular machinery or plant in which such breakdown originates

but this will not exclude

- (1) such **Damage** which itself results from other **Damage** and is not otherwise excluded
- (2) subsequent **Damage** which itself results from a cause not otherwise excluded

- c. **Damage** caused by
 - i. **Pollution or Contamination**
 - ii. acts of fraud or dishonesty
 - iii. disappearance unexplained or inventory shortage misfiling or misplacing of information
- d. **Damage** to
 - i. fences, gates, or other **Property Insured** in the open by wind rain hail sleet snow flood or dust
 - ii. **Property Insured** resulting from its undergoing any process of production packing treatment testing commissioning service or repair
 - iii. **Property Insured** in transit
 - iv. **Money** and securities of any description
 - v. vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock or aircraft

- vi. **Property Insured** or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection
- e. loss by delay loss of market consequential loss of any and every description other than provided under the Business Interruption Section

13. Sprinkler Leakage

Accidental escape of water from any automatic sprinkler installation in the **Premises** excluding **Damage** caused by explosion, earthquake, subterranean fire, or heat caused by fire

Property Insurance

PROPERTY INSURANCE – CONDITIONS

Alteration in Material Facts

This **Policy** will be terminated by the **Insurer** with respect to any of the **Property Insured** regarding which there is any alteration after the commencement of the **Period of Insurance**:

1. By removal; or
2. Whereby the interest of the **Insured** ceases except by will or operation of law; or
3. Whereby the risk of **Damage** is increased providing that if the increase could not reasonably have been known to the **Insured** or the increase is beyond its control this **Policy** will continue, subject to the **Insured**:
 - a. notifying the **Insurer** of the increase of risk within fourteen (14) days of it becoming aware of the increase; and
 - b. the **Insured** will pay additional premiums promptly to the **Insurer**, such amount to be calculated at the **Insurer's** discretion unless otherwise agreed by the **Insurer** in writing, but excepting that workmen are allowed in and about the **Premises** for the purpose of carrying out minor alteration, decoration, repairs, general maintenance or the like.

Unless otherwise agreed by the **Insurer** in writing.

Claims Procedures

The following are conditions precedent to the **Insurer's** liability under every Property Insurance Section:

1. In the event of **Damage** in respect of which a claim is or may be made under this **Policy** (including, without limitation, where a claim may fall within any **Excess** under the **Policy**)) the **Insured** must:
 - a. notify the **Insurer** as soon as reasonably practicable but, in any event, within twenty eight (28) days of occurrence of such **Damage**; and
 - b. notify the police immediately if it becomes evident that any **Damage** has been caused by malicious persons or thieves; and
 - c. carry out and permit to be taken any action which may be reasonably practicable to prevent further **Damage**; and
 - d. deliver to the **Insurer** at the **Insured's** expense and within thirty (30) days after such **Damage** (seven (7) days in the case of **Damage** caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons) or such further time as the **Insurer** may allow:
 - i. full information in writing of the **Damage**; and
 - ii. details of any other insurance on any property hereby insured; and
 - iii. all such proofs and information relating to the claim as may reasonably be required; and
 - iv. if demanded, a statutory declaration of the truth of the claim and of any matters connected with it.

Contracting Out – The Insurance Act 2015

This Property Insurance contains certain conditions that are expressed to be conditions precedent, namely

- » Intruder Alarm
- » Minimum Security Standards
- » Records and Keys
- » Unoccupied Buildings

In addition to these, conditions precedent may be contained in this Property Insurance by endorsement. The effect is that if the **Insured** fails to comply with any of the conditions precedent, the **Insurer's** liability under the **Policy** is automatically discharged, irrespective of whether:

1. the breach of condition precedent is subsequently remedied; or
2. breach or non-compliance with the condition precedent could not have increased the risk of the loss, if any, which actually occurred in the circumstances in which it occurred.

Reasonable Precautions

The **Insurer's** liability to indemnify under this Property Insurance will only arise if the **Insured** takes all reasonable precautions to prevent **Damage** to the **Property Insured**, including:

1. carrying out appropriate maintenance and repair of all **Premises, Buildings**, plant, works, and machinery; and
2. remedying or making good any defect or hazard that might become manifest in any **Premises, Buildings**, plant, works or machinery
3. exercising due care in the selection and supervision of **Employees**
4. taking all reasonable precautions for the safeguarding and protection of the **Property Insured**
5. maintaining in good order all **Vehicles** operated and all locking and other protective devices.

PROPERTY INSURANCE – EXCLUSIONS

Applicable to every Property Insurance Section unless otherwise indicated

Except to the extent provided in the Terrorism Section, if operative, no Section covers:

Electronic Risk

1. **Damage** to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives **Data**, or any part thereof, whether tangible or intangible, including, but without limitation, any information or programs or software and whether the property is insured or not where such **Damage** is caused by **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**
2. Loss resulting from interruption of or interference with the **Business** directly or indirectly caused by or arising from **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**

but this will not exclude subsequent **Damage** or loss resulting from interruption of or interference with the **Business**, which results from a **Peril** hereby insured but excluding the acts of malicious persons which do not involve physical force or violence.

Pollution or Contamination

1. **Damage** caused by **Pollution or Contamination** but this shall not exclude destruction of or **Damage** to the **Property Insured** not otherwise excluded caused by
 - a. **Pollution or Contamination** which itself results from a **Peril** hereby insured against
 - b. any **Peril** hereby insured against which itself results from **Pollution or Contamination**
2. Loss resulting from **Pollution or Contamination** but this will not exclude loss resulting from property used by the **Insured** at the **Premises** for the purpose of the **Business** being lost, destroyed or damaged by
 - a. **Pollution or Contamination**, which itself results from a **Peril** hereby insured against
 - b. any **Peril** hereby insured against, which itself results from **Pollution or Contamination**

Sonic Bangs

Damage directly caused by, or loss resulting from, pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

Miscellaneous

Damage or loss caused by or consisting of:

1. inherent vice, latent defect, gradual deterioration, wear and tear or frost in the Property Insured; or
2. faulty or defective design, materials, workmanship or construction in the Property Insured; or
3. change in water table level; or
4. faulty or defective workmanship, operational error or omission, on the part of the Insured or any of its employees or connected with the correction of defects in design or content of any computer records or program and any costs and expenses associated therewith; or
5. corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects; or
6. change in temperature, colour, flavour, texture or finish; or
7. collapse or cracking of a building or structure; or
8. the bursting by steam pressure of a boiler, economiser, vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured other than:
 - a. a boiler used for domestic purposes only; or
 - b. in respect of the Business Interruption Section, any boiler or economiser on the **Premises**

but no Section covers subsequent **Damage** or loss that itself results from a cause not otherwise excluded.

Damage or loss consisting of:

1. joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters and pressure vessels of any range of steam and feed piping in connection with them;
2. mechanical or electrical breakdown or derangement, including short-circuiting, of the particular machine, apparatus or equipment in which that breakdown or derangement originates;

but does cover:

1. this **Damage** or loss when resulting from a cause not otherwise excluded; or
2. subsequent **Damage** or loss that itself results from a cause not otherwise excluded.

Damage or loss caused by or arising from impact to any property by any waterborne vessel or craft.

Property which at the time of **Damage** is insured, or would but for the existence of this **Policy** be insured, by any marine policy.

Damage to overhead transmission and distribution lines and ancillary or supporting structures owned by the **Insured** or for which the **Insured** is responsible more than five hundred (500) feet from any **Premises** or loss arising out of that **Damage**.

Property Damage Section

PROPERTY DAMAGE – INSURING AGREEMENT

In the event of **Damage** to **Property Insured** by any of the **Perils** during the **Period of Insurance** the **Insurer** will pay to the **Insured** the value of the **Property Insured** at the time of **Damage** or at the **Insurer's** option reinstate or replace such **Property Insured** or any part of it

Provided that the liability of the **Insurer** under this Property Damage Section will not exceed

1. in the whole the total **Sum Insured** or in respect of any item its **Sum Insured** or any other **Limit of Indemnity** at the time of the **Damage**
2. the **Sum Insured** (or **Limit of Indemnity**) remaining after deduction for any other **Damage** occurring during the same **Period of Insurance** unless the **Insurer** has agreed to reinstate any such **Sum Insured** (or **Limit of Indemnity**)

PROPERTY DAMAGE – CLAUSES

Architects' Surveyors' Legal and Consulting Engineers' Fees

The insurance by each item of **Buildings** or **Contents** includes an amount in respect of architects', surveyors', legal and consulting engineers' fees necessarily and reasonably incurred in the reinstatement or repair of **Property Insured** consequent upon its **Damage** but not for preparing any claim under this **Policy** it being understood that the amount payable under the item will not exceed in total its **Sum Insured**

Automatic Reinstatement

In the absence of written notice by the **Insurer** or the **Insured** to the contrary the insurance hereby will not be reduced by the amount of any **Damage** in consideration of which the **Insured** will pay the appropriate extra premium on the amount of the **Damage** from the date thereof to the expiry of the **Period of Insurance**

Contract Price

In respect only of **Goods** sold but not delivered for which the **Insured** is responsible subject to a sale contract which, following **Damage** insured hereby, is cancelled by reason of its conditions wholly or to the extent of the **Damage**, the liability of the **Insurer** will be based on the contract price

Contracting Purchasers

If at the time of **Damage** the **Insured** has contracted to sell his interest in any **Buildings** hereby insured and the purchase has not been but will be thereafter completed the purchaser on completion of the purchase (if and so far as the **Buildings** are not otherwise insured against such **Damage** by him or on his behalf) will be entitled to benefit under this Property Damage Section without prejudice to the rights and liabilities of the **Insured** or the **Insurer** until completion

Customers' Goods

The **Insured** having intimated to their customers that they will accept responsibility for **Damage to Goods** the property of such customers or for which the said customer may be legally responsible whether manufactured by the **Insured** or not upon which work is to be, is being or has been done on behalf of customers by the **Insured** or which may be left in the **Insured's** custody it is hereby declared and agreed that all such **Goods** will be held to be insured by the item on the **Schedule** relating to **Stock** except in so far as they may be more specifically insured elsewhere

Designation

Subject to the Customers' Goods clause above, for the purpose of determining where necessary the heading under which any property is insured the **Insurer** agrees to accept the designation under which such property has been entered in the **Insured's** books

Non-Invalidation

The insurance by this Property Damage Section will not be invalidated by any act or omission or by any alteration whereby the risk of **Damage** is increased unknown to or beyond the control of the **Insured** provided that the **Insured** immediately they become aware thereof will give notice to the **Insurer** and pay an additional premium if required

Removal of Debris

The insurance by all items of this Property Damage Section, except those applying wholly or in part to **Stock** if insured, includes reasonable costs and expenses necessarily incurred by the **Insured** with the consent of the **Insurer** in

1. removing debris from
2. dismantling and/or demolishing
3. shoring up or propping
4. boarding up

the portion of the **Property Insured** lost, damaged or destroyed by any **Peril** hereby insured against.

The liability of the **Insurer** under this Property Damage Section in respect of any item will in no case exceed the **Sum Insured** thereby

The **Insurer** will not pay for any costs or expenses incurred in removing debris except from the site of such **Property Insured** and the surface of the area immediately adjacent to such site.

Rent

Any insurance on **Rent Receivable** and **Rent Payable** applies only if (any of) the said building or any part thereof is unfit for occupation in consequence of its **Damage** by a **Peril** insured under this **Policy** and then the amount

payable will not exceed such proportion of the **Sum Insured** on such **Rent Receivable** and **Rent Payable** as the period necessary for reinstatement bears to the term of the insured **Rent Receivable** and **Rent Payable**.

Stock Debris Removal Costs

Any insurance on 'Stock Debris Removal Costs' applies only in respect of reasonable costs and expenses necessarily incurred by the **Insured** with the consent of the **Insurer** in removing debris of the portion of the **Stock** lost, damaged or destroyed by any **Peril** hereby insured against.

The **Insurer** will not pay for any costs or expenses incurred in removing debris except from the site of such **Property Insured** and the surface of the area immediately adjacent to such site.

Subrogation Waiver

In the event of a claim arising under this Property Damage Section the **Insurer** agrees to waive any rights remedies or relief to which it might become entitled by subrogation against

1. any company standing in the relation of parent to subsidiary or subsidiary to parent to the **Insured** as defined in the Companies Act or Companies (N.I.) Order as appropriate current at the time of the **Damage**
2. any company which is a subsidiary of a parent company of which the **Insured** are themselves a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order as appropriate current at the time of the **Damage**
3. any tenant or lessee in respect of **Damage** to that part of the **Premises** in the demise of that tenant or lessee or to those parts of the **Premises** in which all the tenants have a common interest where the **Premium** has been paid by the tenant or lessee unless such **Damage** arises out of a criminal or malicious act of the tenant or lessee

Value Added Tax

The insurance by each item on **Buildings** includes Value Added Tax paid by the **Insured** which is not subsequently recoverable provided that

1. the **Insured's** liability for such tax arises solely as a result of the reinstatement or repair of the **Buildings** to which such items relate following **Damage**
2. the **Insurer** has paid or has agreed to pay for such **Damage**
3. if any payment made by the **Insurer** in respect of the reinstatement or repair of such **Damage** is less than the actual cost of the reinstatement or repair any payment under this clause resulting from that **Damage** will be reduced in like proportion
4. where a **Building** has not been registered for Value Added Tax the **Sum Insured** will include an appropriate allowance for Value Added Tax
5. the **Insured's** liability for such tax does not arise from the replacement building having greater floor area than or being better or more extensive than the destroyed or damaged **Building**
6. where an option to reinstate on another site is exercised the **Insurer's** liability under this clause will not exceed the amount of tax that would have been payable had the building been rebuilt on its original site
7. the **Insurer's** liability under this clause will not include amounts payable by the **Insured** as penalties or interest for non-payment or late payment of tax

Special Conditions

1. For the purposes of any **Condition of Average (Underinsurance)** rebuilding costs will be exclusive of Value Added Tax
2. The liability of the **Insurer** may exceed the **Sum Insured** by an item or in the whole the total **Sum Insured** where such excess is solely in respect of Value Added Tax.
3. All the terms and conditions of this **Policy** except in so far as they are varied hereby will apply as if they had been incorporated herein.

Workmen

Workmen are allowed to work in the **Buildings** for the purposes of effecting any repairs minor additions and alterations or decorations without prejudice to this insurance.

PROPERTY DAMAGE – EXTENSIONS

Capital Additions

This Property Damage Section will subject to its terms and conditions include

1. any newly acquired **Buildings** and **Contents** in the **Territorial Limits** in so far as the same are not otherwise insured and
2. alterations, additions and improvements to **Buildings** and **Contents**

but not in respect of any appreciation in value during the current **Period of Insurance** at any of the **Premises** hereby insured provided that

- a. at any one of the **Premises** this cover will not exceed 10% of the total **Sum Insured** on such **Property Insured** or £500,000 whichever is the lesser
- b. the **Insured** undertakes to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the **Insurer's** liability
- c. the provisions of this clause will be fully maintained notwithstanding any specific insurance effected under (b) above

Glass Breakage

The insurance by this Property Damage Section where **Buildings** is insured on the schedule extends to include

1. accidental breakage of fixed glass and sanitary earthenware
2. **Damage** to neon and illuminated signs and electric light fitments
3. the costs of boarding-up and repair to associated framework reasonably incurred as a result of insured **Damage**
4. repair or replacement of lettering alarm foil or other ornamentation on glass up to an amount not exceeding £500
5. repair or replacement of fixed mirrors up to an amount not exceeding £500

6. removal or replacement of fixtures and fittings which may be necessary as a result of insured **Damage** up to an amount not exceeding £500

but excluding **Damage** in respect of any **Buildings** or part thereof which is or are **Unoccupied** for more than 30 consecutive days

Metered Services

This Property Damage Section includes the cost of metered water, electricity, gas, oil or other utility services for which the **Insured** are legally responsible arising from

1. unauthorised use by persons taking possession, keeping possession or occupying **Premises** as insured by this Property Damage Section without the **Insured's** authority provided that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered
2. accidental discharge resulting from **Damage to Property Insured** by this Property Damage Section

The **Limit of Indemnity** under this clause will not exceed £25,000 any one occurrence

Temporary Removal

The **Property Insured** under this Property Damage Section (other than **Stock** if insured) is covered whilst temporarily removed from the **Premises** for cleaning, renovation, repair or similar purposes elsewhere and in transit thereto and therefrom all within the **Territorial Limits** provided that

1. the liability of the Insurer under this clause in respect of each item of this Property Damage Section for any Damage occurring elsewhere than at the Premises will not exceed 10% of the Sum Insured by the item
2. this clause does not apply to Property Insured in so far as it is otherwise insured

Temporary Removal – Documents and Computer System Records

This Property Damage Section includes the following whilst temporarily removed to premises not in the **Insured's** occupation but whilst remaining within the **Territorial Limits** including transits there between

1. deeds and other documents, manuscripts, plans and writings of every description and books (but excluding computer system records) up to 10% of the total value of such property
2. computer system records up to 10% of the **Limit of Indemnity** as shown in the definition of **Contents**

Trace and Access

In the event of **Damage** resulting from Escape of Water (**Peril (9)**) if insured hereby this Property Damage Section includes the costs necessarily and reasonably incurred with the consent of the **Insurer** in

1. locating the source of such **Damage**
2. the subsequent making good of **Damage** caused as a consequence thereof

provided that the **Limit of Indemnity** for any one occurrence will not exceed £10,000 or 10% of the **Sum Insured** by this Property Damage Section whichever is the lesser

PROPERTY DAMAGE – CONDITIONS

Insurer's Rights

On the happening of **Damage** in respect of which a claim is made under the **Policy**, the **Insurer** and any person authorised by the **Insurer** may, without thereby incurring any liability or diminishing any of the **Insurer's** rights under this **Policy**, enter, take or keep possession of the **Premises** where such **Damage** has occurred and take possession of or require to be delivered to the **Insurer** any **Property Insured** and deal with such property for all reasonable purposes and in any reasonable manner.

No claim under this Property Damage Section will be payable unless the terms of this condition have been complied with.

No **Property Insured** may be abandoned to the **Insurer** whether taken possession of by the **Insurer** or not.

The **Insurer** will be permitted, but not obliged, to carry out inspections of the **Property Insured** and the **Insured's** operations at any time, having given reasonable notice.

Reinstatement

Subject to the following Special Conditions the basis upon which the amount payable in respect of **Buildings** and **Contents** insured under this Property Damage Section is to be calculated will be the reinstatement of the **Property Insured** lost, destroyed or damaged

For this purpose 'reinstatement' means

1. the rebuilding or replacement of **Property Insured** lost, destroyed or damaged which, provided the liability of the **Insurer** is not increased, may be carried out
 - a. in any manner suitable to the requirements of the Insured
 - b. upon another site
2. the repair or restoration of damaged **Property Insured**

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special Conditions

1. The liability of the **Insurer** for the repair or restoration of **Property Insured** damaged in part only will not exceed the amount which would have been payable had such **Property Insured** been lost or wholly destroyed
2. No payment beyond the amount which would have been payable in the absence of this Condition will be made
 - a. unless reinstatement commences and proceeds without unreasonable delay
 - b. until the cost of reinstatement has been actually incurred
 - c. if the **Property Insured** at the time of its **Damage** is insured by any other insurance effected by or on behalf of the **Insured** which is not upon the same basis of reinstatement
3. All the terms and conditions of the **Policy** apply
 - a. in respect of any claim payable under the provisions of this Condition except in so far as they are varied hereby
 - b. where claims are payable as if this Condition had not been incorporated
4. If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the **Property Insured** covered by any item subject to this Condition exceeds its

Sum Insured at the commencement of any **Damage** the liability of the **Insurer** will not exceed that proportion of the amount of the **Damage** which the said **Sum Insured** will bear to the sum representing the total cost of reinstating the whole of such **Property Insured** at that time

5. If, at the **Insurer's** option, the **Insurer** elects to carry out the reinstatement itself, the **Insured** must at its own expense provide all such plans, documents, books and information as may reasonably be required.

Condition of Average (Underinsurance)

The **Sum Insured** by each item of this Property Damage Section (other than those applying solely to fees rent or Removal of Debris) is declared to be separately subject to Average

Whenever a **Sum Insured** is declared to be subject to Average if such sum will at the commencement of any **Damage** be less than the value of the property covered within such **Sum Insured**, the amount payable by the **Insurer** in respect of such **Damage** will be proportionately reduced

Day One Basis

Applicable to each item where a Declared Value is shown on the Schedule

The **Insured** having stated the Declared Value incorporated in each item to which this clause applies the **Premium** has been calculated accordingly. "Declared Value" means the **Insured's** assessment of the Cost of Reinstatement of the **Property Insured** arrived at in accordance with paragraphs (1) and (2) of the Reinstatement Condition at the level of costs applying at the inception of the **Period of Insurance** (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for

1. the additional cost of reinstatement to comply with local authority requirements
2. professional fees
3. debris removal costs

The Declared Value incorporated in each item is as stated on the **Schedule**. At the inception of each **Period of Insurance** the **Insured** will notify the **Insurer** of the Declared Value of the **Property Insured** by each of the said item(s). In the absence of such declaration the last amount declared by the **Insured** will be taken as the Declared Value for the ensuing **Period of Insurance**

Notwithstanding any general indication or endorsement to the contrary, the following wordings apply to Special Condition (4) of the Reinstatement Condition:

If at the time of loss the Declared Value of the **Property Insured** covered by such item be less than the Cost of Reinstatement (as defined in paragraph 1 of the Day One Basis Condition) at the inception of the **Period of Insurance**, then the **Insurer's** liability for any loss hereby insured will be limited to that proportion thereof which the Declared Value bears to the Cost of Reinstatement

Where by reason of any of the above special provisions, no payment is to be made beyond the amount which would have been payable under this Property Damage Section if this clause had not been incorporated therein the rights and liabilities of the **Insurer** and the **Insured** in respect of **Damage** will be subject to the terms and conditions of this Property Damage Section including any Condition of Average (Underinsurance) therein as if this clause had not been incorporated therein except that the **Sums Insured** will be limited to 115% of the Declared Values as stated in the **Schedule**

In the event of loss the liability of the **Insurer** in respect of **Property Insured** to which this clause applies will not exceed its **Sum Insured** as stated in the **Schedule**

Fire Break Doors and Shutters

The **Insured** undertakes to maintain all firebreak doors and shutters within his custody or control in efficient working order and to keep them free from obstruction at all times

Fire Extinguishing Appliances

The **Insured** hereby undertake to have fire extinguishing appliances serviced and maintained under an annual service contract with approved suppliers or as agreed with the **Insurer**

Subject to the observance of the above undertaking this **Policy** will not be invalidated as a result of any defect in any of the said appliances unknown to or beyond the control of the **Insured**

Intruder alarm

Applicable to each **Premises** where stated on the **Schedule**

It is a condition precedent to liability for **Damage** following theft or attempted theft involving breaking into or out of the **Buildings** by forcible and violent means or malicious persons or fire by arson that whenever the **Premises** are left unattended

1. the **Premises** are protected by an intruder alarm system in full and efficient working order
2. where the intruder alarm specification provides for remote alarm signalling the system is
 - a. maintained under an on-going maintenance contract by a company approved by the National Security Inspectorate (NSI) or a company registered by the Security Systems and Alarm Inspection Board (SSAIB)
 - b. registered with an Alarm Receiving Centre approved by the NSI or registered by the SSAIB
 - c. eligible for police response, via the issue and retention of a valid police unique reference number (URN)
 - d. set in its entirety with all means of communication used to transmit to an Alarm Receiving Centre in full operation
3. all keys to the intruder alarm system will be removed from the **Premises** when the **Premises** are left unattended
4. all keys and codes for the operation of the intruder alarm system are kept secret

Minimum Security Standards

1. **Exit Door**
 - a. **Sliding and folding doors**
 - i. where the sliding or folding door meets the stile, sliding and folding doors are to be secured with a locking bar and close shackle padlock
 - ii. each leaf of any multi-leaf door should be secured internally by bolts top and bottom
 - b. **Roller shutters**
 - i. manually operated roller shutters are to be secured with bullet locks or alternatively a locking bar and close shackle padlock, with a staple set into concrete and the locking bar secured to the shutter
 - ii. those roller shutters automatically operated internally are to have operating chains secured with a hardened shackle padlock to the door frame or any other part of the building structure

- iii. those roller shutters electrically operated externally are to be fitted with automatic cut-off devices in the event that keys are not used
 - c. **Wicket gate doors**
 - i. wicket gate doors are to be secured by a 5 (or more) lever mortice deadlock conforming to BS3621 with a matching box striking plate or a locking bar and close shackle padlock
 - d. **Solid or panelled doors**
 - i. single leaf doors are to be secured by a 5 (or more) lever mortice deadlock conforming to BS3621 with a matching box strike plate or a locking bar and close shackle padlock
 - ii. double leaf doors are to be secured by flush or barrel bolts top and bottom on the first closing leaf and a 5 (or more) lever mortice deadlock conforming to BS3621 with a matching box strike plate or a locking bar and close shackle padlock on the second closing leaf
 - e. **Aluminium or UPVC framed doors**
 - i. Aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortice deadlocks
2. **Internal Doors**

Internal doors giving access to any part of the **Buildings** not occupied by the **Insured** or for the **Insured's Business** are to be fitted on the **Insured's** side of the door with either

- a. a mortice deadlock which has five or more levers and conforms to BS3621 with a matching box striking plate and the **Insured** is to be the sole key holder or
- b. two key operated security bolts one fitted approximately 30 cm from the top of the door and the other 30 cm from the bottom or
- c. a locking bar and close shackle padlock

3. **Windows, Fanlights, Rooflights and Skylights**

All opening external, basement, ground floor and other accessible windows, fanlights, rooflights and skylights are to be fitted with key operated window locks or a padlock and locking bar or padlock, hasp and staple

Note An accessible window is one which can easily be reached such as a window adjacent to a flat roof or fire escape balcony canopy or downpipe This requirement does not apply to windows protected by solid steel bars weld mesh or expanded metal grilles securely fixed to brickwork surrounding the window or demountable weld mesh or expanded metal grilles secured by means of a hardened shackle padlock

4. **Fire Exits**

Any door or window officially designated as a fire exit by a fire authority is excluded from the above requirements These are to be secured internally by panic bolts or fire exit bolts (capable of opening at all times). Any additional devices must be approved by the local Fire Prevention Officer

5. **Computer Equipment**

Computer systems units with an individual replacement value of £2,500 or greater must be securely anchored to the desk, work station or the structure of the building by means of lockdown plates conforming to LPS1214 (Issue 2), the keys to which must have been removed from the **Premises** unless the **Premises** are occupied by

the **Insured** or an authorised **Employee** in which case the keys are to be deposited in a secure place not in the vicinity of the computer system units

Public Authorities (Including Undamaged Property)

Subject to the following Special Conditions the insurance in respect of **Buildings** and **Contents** extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with

1. European Community legislation, or
 2. Building or other Regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority
- (hereinafter referred to as 'the Stipulations')
- in respect of
- a. the lost, destroyed or damaged **Property Insured**
 - b. undamaged portions thereof
- excluding
1. the cost incurred in complying with the Stipulations
 - a. in respect of **Damage** occurring prior to the inception of this **Policy**
 - b. in respect of **Damage** not insured by the **Policy**
 - c. under which notice has been served upon the **Insured** prior to the happening of the **Damage**
 - d. for which there is an existing requirement which has to be implemented within a given period
 - e. in respect of **Property** entirely undamaged
 2. the additional cost that would have been required to make good the **Property Insured** lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
 3. the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the **Property Insured** or by the owner thereof by reason of compliance with the Stipulations

Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the **Damage** or within such further time as the **Insurer** may allow (during the said 12 months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the **Insurer** under this condition not being thereby increased
2. If the liability of the **Insurer** under (any item of) the **Policy** apart from this condition will be reduced by the application of any of the terms and conditions of the **Policy** then the liability of the **Insurer** under the condition (in respect of any such item) will be reduced in like proportion
3. The total amount recoverable under any item of the **Policy** in respect of this condition will not exceed
 - a. in respect of the lost, destroyed or damaged **Property Insured** the applicable **Sum Insured**
 - b. in respect of undamaged portions of **Property Insured** (other than foundations) 15% of the total amount for which the **Insurer** would have been liable had such **Property Insured** been wholly destroyed
4. the total amount recoverable under any item of the **Policy** will not exceed its **Sum Insured**
5. all the terms and conditions of the **Policy** except in so far as they are varied hereby will apply as if they had been incorporated herein

Unoccupied Buildings

The **Insurer's** liability under this Property Damage Section will not accrue for **Damage** to any **Buildings**, or portions of such **Buildings**, that are **Unoccupied** unless the **Insured** gives prior written notice to the **Insurer** of any

Buildings, or portions of such **Buildings**, becoming **Unoccupied**, and the **Insurer** acknowledges receipt of such notice in writing to the **Insured**. The **Insured** will pay a suitable additional premium if required by the **Insurer**.

The **Insured** must notify the **Insurer** in the event that the relevant **Buildings**, or portions of such **Buildings**, are no longer **Unoccupied**.

For any **Buildings** or portions of such **Buildings** that are **Unoccupied**, the **Insured** must also ensure that:

1. the **Premises** are protected to the Minimum Security Standards detailed above; and
2. the security devices stipulated are in full and effective operation at the **Premises**; and
3. all combustible contents, including packaging materials and packing cases, are removed; and
4. water, gas and electricity supplies are disconnected, except where such supply is required for the operation of the alarm system at the **Premises**, or otherwise agreed with the **Insurer**; and
5. where they exist, ground-floor and first-floor windows at the **Premises** are boarded; and
6. the **Premises** are inspected externally and internally every seven (7) days and a contemporaneous written record is kept of such inspections; and
7. any **Damage** found at the time of an inspection is repaired immediately.

Cover under this Property Damage Section shall be limited to **Perils 1, 3 and 4** (where such **Perils** are specified as operative in the **Schedule**). The period for which such limited cover shall apply is from the date upon which the **Insurer** acknowledges to the **Insured** that it has received notice from the **Insured** of any **Buildings**, or portions of such **Buildings**, becoming **Unoccupied** or, where relevant, from the time that a suitable additional premium has been paid (whichever is later) until the date upon which the **Insurer** receives notice from the **Insured** that the relevant **Buildings**, or portions of such **Buildings**, are no longer **Unoccupied**.

Business Interruption Section

BUSINESS INTERRUPTION – DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within this Business Interruption Section

Annual Turnover means the **Turnover** during the twelve months immediately before the date of the **Damage**

Estimated Gross Fees means the amount declared by the **Insured** to the **Insurer** as representing not less than the **Gross Fees** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds twelve months)

Estimated Gross Profit means the amount declared by the **Insured** to the **Insurer** as representing not less than the **Gross Profit** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds twelve months)

Estimated Gross Revenue means the amount declared by the **Insured** to the **Insurer** as representing not less than the **Gross Revenue** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds twelve months)

Estimated Rent Receivable means the amount declared by the **Insured** to the **Insurer** as representing not less than the **Rent Receivable** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds twelve months)

Gross Fees means the money paid or payable to the **Insured** for professional services rendered

Gross Profit means the amount by which

1. the sum of the amount of the **Turnover** and the amounts of the closing **Stock** and closing work in progress will exceed
2. the sum of the amounts of the opening **Stock** and opening work in progress and the amount of the **Specified Working Expenses**

The amounts of the opening and closing stocks and work in progress will be arrived at in accordance with the **Insured's** normal accountancy methods due provisions being made for depreciation

Gross Revenue means the money paid or payable to the **Insured** for services rendered less the cost of food drink and other services provided

Increase in Cost of Working means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the interruption to, or interference with, the **Business**, during the **Indemnity Period**, as a result of **Damage** to **Buildings** or other **Property Insured** used by the **Insured** at the **Premises** for the purpose of the **Business**

Indemnity Period means the period beginning with the occurrence of the **Damage** and ending not later than the **Maximum Indemnity Period** thereafter during which the results of the **Business** will be affected in consequence thereof

Maximum Indemnity Period means the number of months stated in the **Schedule**

Rate of Gross Profit means the rate of **Gross Profit** earned on the **Turnover** during the financial year immediately before the date of the **Damage**

Specified Working Expenses means purchases (less discounts received) discounts allowed carriage packing and freight and such additional expenses specified in the **Schedule**

Standard Gross Fees means the **Gross Fees** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Standard Gross Revenue means the **Gross Revenue** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Standard Rent Receivable means the **Rent Receivable** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Standard Turnover means the **Turnover** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Turnover means the money paid or payable to the **Insured** for **Goods** sold and delivered and for services rendered in course of the **Business** at the **Premises**

BUSINESS INTERRUPTION – CONDITIONS

Alteration in Material Facts

This **Policy** will be terminated from the date of any of the changes specified below if after the commencement of this insurance:

1. The **Business** does any of the following:
 - a. makes a composition or arrangement with creditors; or
 - b. has a proposal for a voluntary arrangement for a composition of debts or scheme of arrangement in accordance with the Insolvency Act 1986; or
 - c. has an application made under the Insolvency Act 1986 to the court for the appointment of an administrator; or
 - d. has a winding-up order made or (except for the purposes of amalgamation or reconstruction) a resolution for voluntary winding up passed or have a provisional liquidator, receiver or receiver manager of the business or undertaking duly appointed; or
 - e. has an administrative receiver, as defined in the Insolvency Act 1986, appointed.
2. The interest of the **Insured** ceases other than by death; or
3. Any alteration is made either in the **Business** or the **Premises** whereby the risk of loss, destruction or damage is increased provided that if the increase could not reasonably have been known to the **Insured** or the increase is beyond its control the **Policy** will continue, subject to the **Insured**:
 - a. Notifying the **Insurer** of the increase of risk within fourteen (14) days of it becoming aware of the increase; and

- b. The **Insured** will pay additional premiums promptly to the **Insurer**, such amount to be calculated at the **Insurer's** discretion

Unless otherwise agreed by the **Insurer** in writing.

Estimated Gross Profit Basis of Cover

ESTIMATED GROSS PROFIT – INSURING AGREEMENT

In the event of **Damage** to **Buildings** or other **Property Insured** used by the **Insured** at the **Premises** for the purpose of the **Business** by any of the **Perils** during the **Period of Insurance** and in consequence the **Business** carried on by the **Insured** at the **Premises** be interrupted or interfered with then the **Insurer** will pay to the **Insured** in respect of each item stated in the **Schedule** the amount of loss resulting from such interruption or interference provided that

1. at the time of the happening of the **Damage** there will be in force an insurance covering the interest of the **Insured** in the **Property Insured** at the **Premises** against such **Damage** and that
 - a. payment will have been made or liability admitted therefor or
 - b. payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the **Insurer** under this Business Interruption Section will not exceed 133.33% of the **Limit of Indemnity**

In the absence of written notice by the **Insured** or the **Insurer** to the contrary the **Insurer's** liability will not stand reduced by the amount of any loss, the **Insured** undertaking to pay the appropriate additional premium for such automatic reinstatement of cover

3. The insurance in respect of **Estimated Gross Profit** stated in the **Schedule** is limited to loss of **Gross Profit** due to reduction in **Turnover** and **Increase in Cost of Working** and the amount payable as indemnity thereunder will be
 - a. in respect of reduction in **Turnover** the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** will fall short of the **Standard Turnover** in consequence of the **Damage**
 - b. in respect of **Increase in Cost of Working** the amount of the **Increase in Cost of Working** (subject to the provisions of the Uninsured Standing Charges Clause) but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction in **Turnover** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such of the charges and expenses of the **Business** payable out of **Gross Profit** as may cease or be reduced in consequence of the **Damage**

ESTIMATED GROSS PROFIT – CLAUSES

Alternative Trading

If during the **Indemnity Period** **Goods** are sold or services are rendered elsewhere than at the **Premises** for the benefit of the **Business**, 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 **Turnover** during the **Indemnity Period**

Auditors or Professional Accountants

1. Any particulars or details contained in the **Insured's** books of account or other business books or documents which may be required by the **Insurer** for the purpose of investigating or verifying any claim hereunder may be produced by auditors or professional accountants, if at the time they are regularly

acting as such for the **Insured** and their report will be prima facie evidence of the particulars and details to which such report relates

2. the **Insurer** will pay to the **Insured** the reasonable charges payable by the **Insured** to their auditors or professional accountants for producing such particulars or details or any other proofs, information or evidence as may be required by the **Insurer** and reporting that such particulars or details are in accordance with the **Insured's** books of account or other business books or documents provided that the sum of the amount payable under this Business Interruption Section will in no case exceed the **Sum Insured** for the item

New Business

For the purpose of any claim arising from **Damage** occurring before the completion of the first year's trading of the **Business** at the **Premises** the term '**Standard Gross Profit**' will bear the following meaning and not as within stated

Standard Gross Profit – The proportional equivalent for a period equal to the **Indemnity Period** of the **Gross Profit** realised during the period between the commencement of the **Business** and the date of the **Damage**

Adjustments will be made as may be necessary to provide for

1. the trend of the **Business** and
2. variations in or other circumstances affecting the **Business**

whether before or after the **Damage** or which would have affected the **Business** had the incident not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

Trend Adjustments

The **Rate of Gross Profit Annual Turnover** and **Standard Turnover** will be adjusted as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

Uninsured Standing Charges

If any standing charges of the **Business** be not insured by this **Policy** (having been deducted in arriving at the **Gross Profit** as defined herein) then in computing the amount recoverable hereunder as **Increase in Cost of Working** that proportion only of any additional expenditure will be brought into account which the **Gross Profit** bears to the sum of the **Gross Profit** and the uninsured standing charges

ESTIMATED GROSS PROFIT – EXTENSIONS

The undernoted extensions are operative only if specifically stated in the **Schedule**, and are subject otherwise to the limits, terms, conditions and exclusions of this Business Interruption Section

Any loss as insured by **Estimated Gross Profit** of this Business Interruption Section resulting from interruption of or interference with the **Business** in consequence of **Damage** at the situations or to property (both noted in the

Extension) will be deemed to be loss resulting from **Damage to Property Insured** used by the **Insured** at the **Premises** provided that after the application of all other terms and conditions of this Business Interruption Section, the liability under the applicable Extension in respect of any one occurrence will not exceed

Any loss as insured by **Estimated Gross Profit** of this Business Interruption Section resulting from interruption of or interference with the **Business** in consequence of **Damage** at the situations or to property (both noted in the Extension) will be deemed to be loss resulting from **Damage to Property Insured** used by the **Insured** at the **Premises** provided that after the application of all other terms and conditions of the Business Interruption Section, the liability under the applicable Extension in respect of any one occurrence will not exceed

1. the percentage of 133.33% of the **Estimated Gross Profit** for this Business Interruption Section shown in the **Schedule**; or
2. the **Limit of Indemnity**

Prevention of Access

Property in the vicinity of the **Premises**, **Damage** to which will prevent or hinder use of the **Premises** or access thereto, whether the **Premises** or property of the **Insured** is damaged or not

Property Stored

Property Insured whilst stored anywhere within the **Territorial Limits**, elsewhere than at the **Premises**

Public Utilities (Electricity, Gas, Water & Telecommunications)

Property at any

1. generating station or sub-station of the electricity supply undertaking from which **the Insured** obtains electricity
2. land based premises of the gas supply undertaking, or of any natural gas producer linked directly therewith, from which the **Insured** obtains gas
3. waterworks or pumping station of the water supply undertaking from which the **Insured** obtains water
4. land based premises of the telecommunications undertaking from which the **Insured** obtains telecommunications services
5. This extension however excludes
 - a. any loss or failure which does not involve a cessation of supply for at least four consecutive hours in respect of electricity, gas, water, or at least twenty four consecutive hours in respect of telecommunications
 - b. loss resulting from failure caused by
 - i. the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity or telecommunications services (unless such discontinuation is due to a deliberate act of the supply authority for the sole purpose of safeguarding life or protecting any part of the supply system or a scheme of rationing due to **Damage** to the supply authority's premises)
 - ii. strikes or any labour or trade dispute
 - iii. drought
 - iv. other atmospheric or weather conditions, but this will not exclude failure due to **Damage** to equipment caused by such conditions

- c. loss, damage, cost or expense resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs

Specified Customers

The premises of those customers which are detailed in the **Schedule**

Specified Suppliers

The premises of those suppliers which are detailed in the **Schedule**

Unspecified Customers

The premises of any of the **Insured's** customers within the **Territorial Limits**

Unspecified Suppliers and Storage Sites

The premises of any of the **Insured's** suppliers, manufacturers or processors of components, **Goods** or materials, but excluding the premises of any supply undertaking from which the **Insured** obtains electricity, gas or water or telecommunication services and premises not in the occupation of the **Insured** where **Property Insured** is stored, all within the **Territorial Limits**

Terrorism Section

TERRORISM – INSURING AGREEMENT

The Property Insurance Sections stated as operative in the **Schedule**, are extended to include **Damage** occasioned by or happening through or in consequence of an **Act of Terrorism** provided that

1. the **Insurer's** liability in respect of all losses arising out of one occurrence and in the aggregate in any one **Period of Insurance** will not exceed the **Limit of Indemnity**
2. in any action or other proceedings where the **Insurer** alleges that any **Damage** is not covered by this Terrorism Section the burden of proving that such **Damage** is covered will be upon the **Insured**
3. the insurance by this Terrorism Section is subject otherwise to all terms conditions and provisions of this **Policy**

TERRORISM SECTION – DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within this Terrorism Section

Act of Terrorism means acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's Government in the United Kingdom or any other government de jure or de facto

TERRORISM SECTION – EXCLUSIONS

The insurance by this Terrorism Section excludes any losses whatsoever

1. occasioned by riot civil commotion war invasion act of foreign enemy hostilities (whether war is declared or not) civil war rebellion revolution insurrection or military or usurped power
2. directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:
 - a. damage to or destruction of any computer or other equipment or component or system or item which processes stores transmits or receives **Data** or any part thereof whether tangible or intangible (including but without limitation any information or programs or software); or,
 - b. any alteration, modification, distortion, erasure or corruption of **Data**;

in either case, whether the property of the **Insured** or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **Virus or Similar Mechanism or Hacking or Phishing or Denial of Services Attack**.

Exclusion 2 proviso: save that loss otherwise falling within this Exclusion 2 will not be treated as excluded by Exclusion 2 solely to the extent that such loss:

(i) results directly (or, solely as regards (ii) (c) below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any computer or other equipment or component or system or item which processes stores transmits or receives **Data**; and

(ii) comprises;

- a. the cost of reinstatement, replacement or repair in respect of damage to or destruction of *Property* insured; or
 - b. the amount of business interruption loss suffered directly by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of *Property* insured or as a direct result of denial, prevention or hindrance of access to or use of the *Property* insured by reason of an **Act of Terrorism** causing damage to other *Property* within one mile of the *Property* insured to which access is affected; or
 - c. the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of *Property* and any additional costs or charges reasonably and necessarily paid to avoid or diminish such loss.
- (iii) The meaning of “*Property*” for the purposes of this Proviso shall exclude:
- a. any money (including “**Money**” as defined), currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever and
 - b. any **Data**.
- (iv) Notwithstanding the exclusion of **Data** from *Property*, to the extent that damage to or destruction of *Property* within the meaning of subparagraph (ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of **Data**, because the occurrence of one or more of the matters referred to in sub-paragraph (i) above results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **Data**, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such *Property* and otherwise falling within subparagraphs (i) and (ii) (a) or (b) nor any loss, cost or charges otherwise falling within subparagraphs (i) and (ii) (c) above from being covered. In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **Data** be covered.
- (v) For the avoidance of doubt, the burden of proof shall be on the **Insured** to prove or establish all the matters referred to in subparagraphs (i) to (ii) above.
3. directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **Damage** in respect of
- a. any property located outside England, Wales and Scotland
 - b. any nuclear installation or nuclear reactor and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such nuclear installation or nuclear reactor
 - c. any property which is specifically excluded elsewhere in this **Policy**
 - d. any property which is insured by or would but for the existence of this **Policy** be insured by any form of transit aviation or marine policy
4. proximately caused by an **Act of Terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation state, country or state.

Machinery Breakdown Section

MACHINERY BREAKDOWN – INSURING AGREEMENT

Notwithstanding any other terms of this **Policy** to the contrary, **Machinery Breakdown** shall be deemed to be **Damage to Property Insured** for the purposes of the Property Damage Section or Business Interruption Sections (except Increase in Cost of Work Basis of Cover) of this **Policy** as applicable provided that

1. the machinery or plant
 - a. is not operated until it has been installed with completion of its performance acceptance testing and been handed over to the **Insured** by the manufacturer or supplier ready to commence normal working; and
 - b. is suitable for service, free from known faults or defects and in sound working condition at the commencement of the **Period of Insurance**; and
 - c. is inspected, tested or certified as required under any statute, order or regulation; and
 - d. is not worked or modified beyond the specifications laid down by the manufacturer; and
 - e. is in an efficient condition (and fit for its purpose) and is serviced and maintained in accordance with the requirements specified by the manufacturer or supplier; and
2. any lifting operation involving more than one item of lifting equipment at the same time must conform to any relevant national (e.g. BS) or international (e.g. ISO) standard for multiple lifting

MACHINERY BREAKDOWN – EXCLUSIONS

Cover provided by this Machinery Breakdown Section does not apply to **Machinery Breakdown**:

1. caused by or occurring during testing, commissioning or intentional overloading of the machinery or plant, or by the application of any tool or process in the course of modification, maintenance, repair or overhaul of that machinery or plant except when caused by or occurring during
 - a. the checking of the correct working for ordinary use of the machinery or plant; or
 - b. the checking of safety installations or protective devices of the machinery or plant; or
 - c. the repair of damage to the machinery or plant for which cover is provided under this **Policy**; or
2. caused by or occurring during hydraulic testing; or
3. caused by or consisting of the burning or distortion by heat of mechanical parts of furnaces, kilns or stoking or firing units; or
4. consisting of **Damage** to:
 - a. painted or polished surfaces; or
 - b. non-metallic protective linings and bands, brushes, pipes or hoses, rubber tyres, driving or conveyor belts, ropes or chains, sieves and batteries; or
 - c. exchangeable tools of all kinds, including drills crushers, patterns for casting, knives, saw blades, stones and stamps; or
 - d. foundation blocks and brick linings of furnaces, ovens and container, firing grids, burner nozzles; or
 - e. fuels, filter fillings, cooling media, cleaning products, lubricants, oil fillings, catalysts, chemicals or contact agents; or
5. caused by or consisting of **Damage** to machinery or plant which is prototype, experimental or untried; or
6. consisting of **Damage** to:
 - a. computer or data processing equipment (unless linked and wholly dedicated to the control of any machine or production or treatment process); or
 - b. communications or alarm systems, vending machines, games machines, office equipment including but not limited to typewriters, adding machines, calculators, facsimile machines, and equipment for the printing or reproduction of documents or other records; or

- c. any item or part the **Property Insured** sold, supplied, processed, serviced, manufactured or stored in the course of the **Business**; or
- d. vehicles or self-propelled machinery other than purpose built lifting and handling machinery; or
- e. machinery and plant located underground.

Goods In Transit Section

GOODS IN TRANSIT – INSURING AGREEMENT

The **Insurer** will, subject to the **Limit of Indemnity**, indemnify the **Insured** against:

1. **Damage to Goods** whilst in or on any road **Vehicle** operated by the **Insured** or hauliers or by parcel post or by rail
2. expenses reasonably incurred in
 - a. the transfer of **Goods** to another road **Vehicle** and the delivery to the original destination or return to the place of despatch necessitated by fire, collision or overturning of any road **Vehicle** operated by the **Insured**
 - b. the reloading on to any road **Vehicle** operated by the **Insured** of any **Goods** which have fallen from such **Vehicle**
 - c. the removal of debris and site clearance consequent upon **Damage to Goods**
 - d. breaking up or dismantling **Goods** as required to facilitate 2(a), 2(b) and 2(c) above
3. sue and labour costs falling to be paid by the **Insured** for (1) and (2) above

whilst the **Goods** are **In Transit** within the **Territorial Limits** .

In addition, the **Insurer** will, subject to the **Limit of Indemnity**, indemnify the **Insured** against **Damage** to:

- a. tarpaulin sheets and ropes used whilst being carried on any road **Vehicle** operated by the **Insured** within the **Territorial Limits** limited to £1,000 for any one loss
- b. **Personal Effects** whilst in any road **Vehicle** operated by the **Insured** within the **Territorial Limits** limited to £250 for any one loss

GOODS IN TRANSIT – DEFINITIONS

The words defined below are additional definitions to this Goods In Transit Section. The words will have the same meaning wherever they appear in bold letters within this Goods In Transit Section and the **Schedule** and **Endorsements** in respect of this Goods In Transit Section and take precedence over any General Definitions to the contrary.

Working Hours means the whole period during which the **Vehicle** is being worked by its driver

GOODS IN TRANSIT – CONDITIONS

Condition of Average (Underinsurance)

If the value of the **Goods** contained in any one package or **Vehicle** or if the total value at risk at any one location will at the time of **Damage** thereto exceed the **Limit of Indemnity** the **Insured** will be considered as being his own insurer for the difference and will bear a rateable share of the loss accordingly

Alarms and Immobilisers

Any alarm or immobiliser system will be serviced and maintained by a qualified person and no alterations to the system will be made without the prior approval of the **Insurer**

Security

Whenever a **Vehicle** operated by the **Insured** and carrying **Goods** is unattended it will be protected as follows:

1. during **Working Hours** all doors and windows and other means of access will be securely fastened and locked
2. at all times out of **Working Hours**
 - a. all doors and windows and other means of access will be securely fastened and locked and any alarm and immobiliser will be switched on and made fully operational and
 - b. either garaged in a securely locked building of substantial construction or placed in a compound which has secure walls and/or fences and securely locked gates or in a guarded security park

GOODS IN TRANSIT – EXCLUSIONS

This Goods In Transit Section does not cover

1. claims in respect of or arising out of
 - a. depreciation, delay, inadequate documentation, consequential loss
 - b. wear and tear, breakdown of refrigeration, defective packing, mildew, vermin, contamination
 - c. the carriage of explosives or other dangerous goods
 - d. the carriage of livestock, gold or silver articles, precious metals or stones, jewellery, watches, furs, wines, spirits, tobacco, cigars and cigarettes, television sets, DVD players and recorders, digital television decoders, audio equipment, computers, computer games consoles and the like, non-ferrous metals and scrap, **Money**, stamps, stamp collections, or bonds unless specifically agreed and endorsed in the **Schedule** to this Goods In Transit Section
 - e. loss from a soft topped, open topped, open sided or curtain sided **Vehicle** caused by theft or attempted theft (unless the **Vehicle** is stolen at the same time) or storm
2. **Damage** to containers, trailers or demountable vans or the like

Specified Items All Risks Section

SPECIFIED ITEMS ALL RISKS – INSURING AGREEMENT

In the event of **Damage** to the **Property Insured** occurring within the Geographical Limits specified in the **Schedule**, the **Insurer** will indemnify the **Insured** against such **Damage** at their option by payment or by repair, reinstatement or replacement of such items but in no circumstances will the liability of the **Insurer** exceed in respect of each item the **Sum Insured** thereon or the intrinsic value thereof whichever is the lesser

SPECIFIED ITEMS ALL RISKS – CONDITION

Condition of Average (Underinsurance)

The **Sum Insured** by each item of this Specified Items All Risks Section is declared to be separately subject to Average.

Whenever a **Sum Insured** is declared to be subject to Average if such sum will at the commencement of any **Damage** be less than the value of the property covered within such **Sum Insured**, the amount payable by the **Insurer** in respect of such **Damage** will be proportionately reduced

SPECIFIED ITEMS ALL RISKS – EXCLUSIONS

This Specified Items All Risks Section does not cover

1. **Damage** caused by
 - a. wear and tear, moth, vermin, atmospheric or climatic conditions or any gradually operating cause
 - b. alterations, maintenance, repairs, or any process of cleaning or restoring
 - c. delay, confiscation or detention by order of any government or public authority
 - d. counterfeit, substitute or foreign coins
 - e. mechanical or electrical breakdown or derangement
2. breakage of electrical valves, bulbs or tubes unless forming part of the **Property Insured** and fixed therein and happening as the result of **Damage** to such **Property Insured**
3. the contents of machines unless such contents are shown in the **Schedule**
4. depreciation, contamination, consequential loss or consequential **Damage** of any kind or description
5. **Damage** consequent upon any person obtaining any **Property Insured** by deception
6. **Damage** or unexplained shortages to the **Property Insured** from any unattended **Vehicle** owned or operated by the **Insured**, unless, at the time of such **Damage** or unexplained shortage,
 - a. all doors, windows and other means of access have been securely fastened and locked and any alarm or immobiliser switched on and made fully operational and all keys to doors, ignition or other services removed
 - b. between the hours of 8pm to 6am, the **Vehicle** is in a securely locked building of substantial construction or placed in a compound which has secure walls or fences and securely locked gates or in a guarded security park
 - c. the **Property Insured** is concealed from view in the luggage compartment

Money Section

MONEY – INSURING AGREEMENT

The **Insurer** agrees to indemnify the **Insured** for **Damage** to or in respect of

1. **Non Negotiable Documents**
2. **Money** whilst
 - a. on the **Premises** outside **Business Hours** not contained in locked safes or strongrooms
 - b. in the private residence of the **Insured** or any authorised partner, director or **Employee** of the **Insured**
 - c. on the **Premises** outside **Business Hours** contained in locked safes or strongrooms described in the **Schedule**
 - d. on the **Premises** during **Business Hours**
 - e. in transit between the **Premises** and the **Insured's** place of banking whilst in the custody of the **Insured** or the **Insured's** authorised representative

held in connection with the **Business** for amounts not exceeding the applicable **Limit of Indemnity**

MONEY – EXTENSIONS

Assault

If in connection with the **Business** the **Person Insured** suffers bodily injury caused solely and directly as a result of robbery or attempted robbery the **Insurer** will pay to the **Insured** or his legal personal representative the appropriate amount(s) as specified in the Compensation Table below

COMPENSATION TABLE		
1.	DEATH	£10,000
2.	TOTAL AND PERMANENT LOSS OF ALL SIGHT IN ONE OR BOTH EYES	£10,000
3.	TOTAL LOSS BY PHYSICAL SEVERANCE OF A HAND AT OR ABOVE THE WRIST OR OF A FOOT AT OR ABOVE THE ANKLE OR THE TOTAL AND PERMANENT LOSS OF USE OF ONE OR BOTH HANDS OR FEET	£10,000
4.	PERMANENT TOTAL DISABLEMENT OTHER THAN SHOWN IN (2) AND (3) ABOVE	£10,000
5.	REIMBURSEMENT OF INCURRED MEDICAL EXPENSES	£250
6.	DAMAGE TO CLOTHING AND PERSONAL EFFECTS BELONGING TO THE PERSON INSURED	£250
7.	TEMPORARY TOTAL DISABLEMENT	£100 per week

Compensation Clauses

1. Compensation for (7) Temporary **Total Disablement** will be
 - a. payable for a period not exceeding 104 weeks from the commencement of the relevant assault
 - b. payable when the total amount has been agreed or at the request of the **Insured** at intervals of not less than four weeks (but not in advance) commencing four weeks after receipt of written notice by the **Insurer** of any applicable bodily injury
2. Compensation will not be payable for
 - a. any of (1) to (5) and (7) unless occurring within two years of sustaining the relevant bodily injury
 - b. more than one item under the Compensation Table other than (7)
3. Compensation payable under (7) will be deducted from any compensation payable under (1) to (4) arising from the same bodily injury

Safes and Strongrooms

This Money Section is extended to include **Damage** caused by thieves to safes and strongrooms, stamp franking machines, approved security cases, bags or waistcoats containing the **Non Negotiable Documents** or **Money** insured hereby provided that the liability of the **Insurer** in respect of any one loss does not exceed £5,000

MONEY – DEFINITIONS

The words defined below are additional definitions to this Money Section. The words will have the same meaning wherever they appear in bold letters within this Money Section and the **Schedule** and **Endorsements** in respect of this Money Section and take precedence over any General Definitions to the contrary.

Business Hours means the **Insured's** usual office hours and the working hours (including overtime) during which the **Insured**, his principals or persons employed entrusted with **Money** and **Non Negotiable Documents** are on the **Premises** for the purpose of the **Business**

Medical Expenses shall mean reasonable expenses necessarily incurred in respect of the **Person Insured** for medical, hospital, surgical, manipulative, massage, therapeutic, x-ray or nursing treatment including the cost of medical supplies and ambulance hire

Non Negotiable Documents means crossed cheques, crossed Girocheques, crossed postal or money orders, crossed bankers' drafts and unused units in postage stamp franking machines the property of the **Insured** or for which the **Insured** is responsible in the course of the **Business**

Permanent means lasting 24 calendar months and at the expiry of that period being beyond hope of improvement

Person Insured shall mean any director, manager or partner of the **Insured** or person employed by the **Insured** aged not less than 16 years and not more than 70 years

Total Disablement means disablement which necessarily and continuously disables a **Person Insured** from attending to his usual occupation

MONEY – CONDITION

Money in Transit

When **Money** or **Non Negotiable Documents** in excess of £2,000 are in transit between the **Premises** and the **Insured's** place of banking, in the custody of the **Insured** or the **Insured's** authorised representative, they must be escorted as follows

AMOUNT IN TRANSIT	MINIMUM ESCORT
£ 2,001 TO £ 5,000	TWO ABLE BODIED PERSONS (INCLUDING CARRIER)
£ 5,001 TO £10,000	THREE ABLE BODIED PERSONS (INCLUDING CARRIER)
£ 10,001 AND OVER	SPECIALIST SECURITY COMPANY

Protections

Whenever the **Premises** are closed for business or left unattended all security devices provided to protect the **Premises** must be properly fitted and put into full operation

Records and Keys

It is a condition precedent to **Insurer's** liability under this Money Section that

1. a complete record is kept of any **Money** and **Non Negotiable Documents**
2. such record is deposited in a secure place other than in the safes and strongrooms containing the **Money** and **Non Negotiable Documents**
3. outside **Business Hours** the safes and strongrooms are kept locked and the keys of the safes and strongrooms are removed from the **Premises**

MONEY – EXCLUSIONS

This Money Section does not cover **Damage** consisting of or arising from

1. shortages due to clerical or accounting errors
2. the fraud or dishonesty of any authorised partner, director or **Employee** of the **Insured**
 - a. not discovered within seven working days of its first occurrence
 - b. more specifically insured by any other insurance except in respect of any loss beyond the amount payable under such other insurance
3. **Money** or **Non Negotiable Documents** from or within
 - a. vending or gaming machines unless specifically stated in the **Schedule**
 - b. unattended vehicles
4. **Money** or **Non Negotiable Documents** elsewhere than within the **Territorial Limits**
5. Unexplained loss or disappearance

Book Debts Section

BOOK DEBTS – INSURING AGREEMENT

In the event of **Damage** to the **Insured's** books of account or other business books or records at the applicable **Premises** and the **Insured** in consequence thereof being unable to trace or establish the **Outstanding Debit Balances** in whole or in part due to them then the **Insurer** will pay to the **Insured**

1. the difference between the **Outstanding Debit Balances** and the total of the amounts received or traced in respect thereof
2. the additional expenditure incurred with the prior written consent of the **Insurer** in tracing and establishing customers' debit balances

provided that the liability of the **Insurer** under this Book Debts Section will not exceed the **Sum Insured** in respect of the **Outstanding Debit Balances** specified in the **Schedule**

BOOK DEBTS – EXTENSIONS

Professional Accountants' Charges

The **Insurer** will pay the reasonable charges payable by the **Insured** to their auditors or professional accountants for producing any particulars or details or any other proofs information or evidence as may be required by the **Insurer** under the term of this Book Debts Section and reporting that such particulars or details are in accordance with the **Insured's** books of account or other business books or documents

BOOK DEBTS – DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within this Book Debts Section

Outstanding Debit Balances means the sums outstanding in the **Insured's** records of the individual amounts owed to them by customers adjusted for

1. bad debts; or
2. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the **Damage**) to customers.

BOOK DEBTS – CONDITIONS

Condition of Average (Underinsurance)

The **Sum Insured** by each item of this Book Debts Section is declared to be separately subject to Average.

Whenever a **Sum Insured** is declared to be subject to Average if such sum will at the commencement of any **Damage** be less than the value of the property covered within such **Sum Insured**, the amount payable by the **Insurer** in respect of such **Damage** will be proportionately reduced

BOOK DEBTS – EXCLUSIONS

This Book Debts Section does not cover claims in respect of or arising out of

1. erasure or distortion of information on computer systems or other records
2. deliberate falsification of business records by the **Insured**
3. mislaying or misfiling of tapes and records by the **Insured**
4. the deliberate act of the public supply undertaking in restricting or withholding electricity supply
5. wear and tear and gradual deterioration, vermin, rust, damp or mildew
6. the connivance by an **Employee**

Personal Accident Section

PERSONAL ACCIDENT – INSURING AGREEMENT

In the event that an **Insured Person** sustains **Bodily Injury** during the **Period of Insurance** and **Operative Time of Cover** the **Insurer** will pay the **Insured** the amounts specified in the **Schedule** in respect of the following Events

Events

1. Death
2. Loss of Limb
 - a. In the case of a leg, permanent physical severance at or above the ankle or permanent and total loss of use of a complete foot or leg
 - b. In the case of an arm, permanent physical severance at or above the wrist or permanent and total loss of use of a complete hand or arm
3. Loss of Sight
 - a. The permanent and irrecoverable loss of sight
 - i. in both eyes
 - ii. in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen Scale (which means seeing at 3 feet what an **Insured Person** should see at 60 feet)
4. Loss of Speech or Hearing
 - a. The permanent, total and irrecoverable loss of speech or hearing
5. Permanent Total Disablement
 - a. The total and absolute disablement caused other than by (1) to (4) above which will entirely prevent the **Insured Person** from engaging in their usual occupation for the remainder of their life
6. Permanent Partial Disablement
 - a. The amount payable for Permanent Partial Disablement will be a percentage equivalent to the degree of disability as follows

ONE BIG TOE	10%
ANY OTHER TOE	5%
ONE THUMB	25%
ONE FOREFINGER	20%
ANY OTHER FINGER	10%
SHOULDER OR ELBOW	25%
WRIST	20%
HIP, ANKLE OR KNEE	20%
REMOVAL OF JAW	30%

- b. The appropriate percentage will be applied to the amount payable for Event (5) or to the Maximum Limit Any Person under Event (5) whichever is the lesser

Provided that

- a. for forms of permanent disablement not specified the degree of disability will be assessed by comparison with the percentages shown in (6) (a) above without taking into account the **Insured Person's** occupation

- b. the total amount payable for more than one of the separate parts of a single body member will not exceed the amount which would have been payable in respect of that entire body member
 - c. if the amount becomes payable in respect of an entire body member then the amount payable for parts of that body member cannot also be claimed
 - d. the amount payable for **Bodily Injury** in respect of any part of the **Insured Person's** body already affected by a permanent disability will be reduced by the percentage amount that would have been payable if such pre-existing permanent disability had qualified for payment hereunder
- 7. Temporary Total Disablement
 - a. Disablement which temporarily prevents the **Insured Person** from attending to any part of the **Insured Person's** usual occupation

The **Insurer's** liability will not exceed

- 1. the Accumulation Limit in respect of all **Insured Persons** for all claims arising from one event source or original cause
- 2. the Maximum Limit Any One Person in respect of an **Insured Person** for all claims arising from one event, source or original cause
- 3. in respect of any one **Insured Person** for all periods of disablement arising from one event, source or original cause the **Benefit Period**

as stated in the **Schedule**

PERSONAL ACCIDENT – EXTENSIONS

Disappearance

If during the **Period of Insurance** and **Operative Time of Cover** the **Insured Person** disappears and after twelve months it is reasonable to believe such **Insured Person** has died as a direct result of injury caused by an accident then the amount under Event (1) will become payable subject to a signed undertaking that if the **Insured Person** is subsequently found to be alive the amount paid will be refunded to the **Insurer**

Exposure

If during the **Period of Insurance** and **Operative Time of Cover** the **Insured Person** suffers death or disablement as a result of exposure to the elements the **Insurer** will consider that as being **Bodily Injury**

PERSONAL ACCIDENT – DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within this Personal Accident Section

Annual Salary means for an **Insured Person** who is

- 1. an **Employee** (excluding a self-employed worker), the total annual remuneration, excluding payments for overtime, commission or bonus payable to the **Insured Person**
- 2. self-employed, the annual taxable earnings after the deduction of relevant business expenses of the **Insured Person**

at the date of occurrence of the **Bodily Injury**

Benefit Period means the maximum period as stated in the **Schedule** for which amounts are payable for an Event such period commencing at the date the **Insured Person** first became disabled and ending no later than the stated number of weeks thereafter allowing for any **Excess Period** applied

Bodily Injury means injury which is caused by accident and which within twenty-four months from the date of such accident will result in the death or disablement of the **Insured Person**

Excess Period means the period at the commencement of each and every period of disablement for which amounts will be payable as stated in the **Schedule**

Insured Person shall mean any person or Category of person shown in the **Schedule** under 65 years of age at the commencement of the **Period of Insurance**

Operative Time of Cover means the operative time of cover as stated in the **Schedule**

Weekly Wage means for an **Insured Person** who is

1. an **Employee** (excluding a self-employed worker), the total weekly remuneration excluding payments for overtime, commission or bonus payable to the **Insured Person** at the date of occurrence of the **Bodily Injury**
2. self-employed, the average taxable earnings after the deduction of relevant business expenses of the **Insured Person** for the preceding 13 weeks prior to the date of occurrence of the **Bodily Injury**

PERSONAL ACCIDENT – CONDITIONS

The **Insurer's** liability under this Personal Accident Section will be limited to

1. only one of Events (1) to (6) above in respect of all **Bodily Injury** sustained by an **Insured Person** arising from any one event source or original cause
2. in respect of Events (1) to (6) other than in respect of Directors of the **Insured** the equivalent of up to 5 times the **Insured Person's Annual Salary** or the amount stated in the **Schedule** (whichever is the lesser)
3. in respect of Events (7) the amount equivalent to a maximum of 75% the **Insured Person's Weekly Wage** or the amount stated in the **Schedule** (whichever is the lesser)

Any payments under Event (7) will cease upon any payment under Events (1) to (6)

Any payment made under Events (6) or (7) will be deducted from that which is consequently paid under Events (1) to (5)

If Event (1) is not covered the **Insurer** will not be liable to pay any compensation under Events (2) to (5) should the **Insured Person's** death occur within thirteen weeks of the accident causing the **Bodily Injury**

In the event that an **Insured Person** is included under more than one Category within the **Schedule** then the amount payable as a result of sustaining **Bodily Injury** will be the highest stated amount and not cumulative.

PERSONAL ACCIDENT – EXCLUSIONS

The **Insurer** will not be liable to pay any claim under this Personal Accident Section

1. which arises directly or indirectly from or in connection with or is aggravated by
 - a. an **Insured Person**
 - i. committing a criminal act

- ii. committing or attempting to commit suicide or intentional self-injury
 - iii. flying other than as a passenger
 - iv. engaging or taking part in armed forces services or operations
 - v. taking part in professional sports
 - vi. engaging in motorcycling as either a driver or a passenger
 - vii. being under the influence of drugs or alcohol
 - viii. riding or driving in any kind of race sky diving rock climbing or show jumping
 - b. any physical or psychological impairment, defect, chronic or recurring disease, disorder or other condition that the **Insured Person** has required treatment for sought medical advice on or has suffered in the 12 months prior to inception of this Personal Accident Section
 - c. any gradually operating cause
 - d. invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war or any act condition or warlike operation incidental to war
 - e. warlike action by a regular or irregular military force or civilian agents or any action taken by any government, sovereign or other authority to hinder or defend against an actual or expected attack
 - f. insurrection, rebellion, revolution, attempt to usurp power or popular uprising or any action taken by governmental or martial authority in hindering or defending against any of these
 - g. the discharge, explosion or use of a weapon of mass destruction employing nuclear fission or fusion or chemical biological radioactive or similar agents by any party at any time for any reason
 - h. radioactive contamination
2. in respect of the **Excess Period** stated in the **Schedule**

General Liability Insurance

GENERAL LIABILITY – EXTENSIONS

Applicable to Employers' Liability, Public Liability and Product Liability Sections unless otherwise stated

Court Attendance Costs

In the event of any of the under mentioned persons attending court as a witness at the request of the **Insurer** in connection with a claim in respect of which the **Insured** is entitled to indemnity under any General Liability Section, the **Insurer** will provide compensation to the **Insured** at the following rates per day for each day on which attendance is required

1. £250 for the **Insured** or any of the directors or partners of the **Insured**; and
2. £100 for any **Employee**

Cross Liabilities

If the **Insured** comprises more than one party the **Insurer** will, under the Public Liability or Product Liability Sections, provide indemnity to each such **Insured** in the same manner and to the same extent as if a separate policy had been issued to each of them

Provided that nothing in this Extension increases the liability of the **Insurer** to pay any amount exceeding the **Limit of Liability** regardless of the number of persons claiming to be indemnified

Health and Safety at Work Act and Corporate Manslaughter

The **Insurer** will indemnify the **Insured** and, at the request of the **Insured**, any director, partner or **Employee** of the **Insured**, in respect of legal costs and expenses incurred with the **Insurer's** consent in the defence of any prosecution or incurred in connection with appeal against conviction arising from such prosecution under the provisions of

1. the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978; or
2. the Corporate Manslaughter and Corporate Homicide Act 2007

Provided that

1. the proceedings relate to an offence alleged to have been committed during the **Period of Insurance** and in the course of the **Business** and in connection with a claim in respect of which the **Insured** is entitled to indemnity under this **Policy**; and
2. the **Insurer** will not provide indemnity in respect of
 - a. fines or penalties of any kind, remedial or publicity orders, or prosecution costs imposed as a consequence of such prosecution; and
 - b. any circumstances for which indemnity is provided by any other insurance; and

- c. proceedings consequent upon a deliberate act by, or omission of, any person otherwise entitled to indemnity under this Extension if the result thereof could reasonably have been expected having regard to the nature and circumstances of such act or omission; and
 - d. proceedings which arise out of any activity or risk excluded from this **Policy**
3. The liability of the **Insurer** in respect of all such legal costs and expenses will not exceed the sum of £1,000,000 in respect of each and every occurrence of proceedings whether relating to one or more alleged offences

Indemnity to Principal

The **Insurer** will, subject otherwise to the terms, exceptions, conditions and **Endorsements** of this **Policy**, indemnify any principal under the Employers' Liability or Public Liability Sections against liability in respect of **Injury** or **Damage** to property to the extent that any contract or agreement entered into by the **Insured** with any principal so requires

Provided that

1. an indemnity would have been provided had a claim been made against the **Insured**; and
2. the principal will observe, fulfil and be subject to, the terms and conditions of this **Policy** as far as they can apply; and
3. the conduct and control of claims is vested in the **Insurer**; and
4. the indemnity will not apply to liability in respect of liquidated damages or under any penalty clause; and
5. the indemnity granted under the Employers' Liability Section will only apply in respect of liability to any person who is an **Employee**

GENERAL LIABILITY – DEFINITIONS

The words defined below are additional definitions for the General Liability Sections. The words will have the same meaning wherever they appear in bold letters within a General Liability Section and the **Schedule** and **Endorsements** in respect of the General Liability Sections and take precedence over any General Definitions to the contrary.

Damages means compensatory damages awarded by a court. It does not mean:

1. that part of a damages award that results from the multiplication of compensatory damages; or
2. aggravated damages; or
3. exemplary damages; or
4. fines, penalties or other pecuniary sanction;

imposed by a court or state authority or agency

Products means any goods or products (including containers, labelling instructions or advice provided in connection therewith) manufactured, sold, supplied, erected, repaired, altered, treated, transported, serviced or installed by the **Insured** in the course of the **Business**

GENERAL LIABILITY – CONDITIONS

Personal Protective Equipment

It is a condition that

1. all **Employees** are made aware of the dangers of not using personal protective equipment; and
2. personal protective equipment is provided by the **Insured**; and
3. a register is maintained which demonstrates that **Employees** have received appropriate training, and are fully conversant with, the way in which to access such personal protective equipment

Sub-Contractors

It is a condition precedent to liability that the **Insured** will take all reasonable steps to ensure all sub-contractors have Employers' Liability and Public Liability insurances in respect of liability at law for **Injury** and **Damage** to property arising in connection with the **Business** and that

1. the **Limit of Liability** of the Public Liability insurance be not less than £5,000,000 in respect of any one claim or number of claims arising out of one cause; and
2. such insurances have been extended to indemnify the **Insured** as principal against all liability for such **Injury** and **Damage** to property

Claims Procedure

The following are conditions precedent to the **Insurer's** liability under the General Liability Sections:

1. The **Insured** must give the **Insurer** notice of any event or circumstance that might give rise to a claim under any General Liability Section as soon as reasonably practicable, with the fullest particulars the **Insured** has obtained, and must continue to provide the **Insurer** with all additional information as the **Insurer** may reasonably require; and
2. The **Insured** must forward to the **Insurer** any correspondence, letter of claim, Claim Form, Particulars of Claim, writ, summons, petition, notice of impending prosecution or other similar process that relates to any event or circumstance that might give rise to a claim under any General Liability Section, as soon as it is received by the **Insured**; and
3. The **Insured** must not admit fault to anyone or negotiate, offer or enter into any settlement of any claim without the prior written consent of the **Insurer**; and
4. The **Insured** must permit the **Insurer**, at the **Insurer's** election, to take over the conduct and control of the defence, settlement, counterclaim or claim for contribution or indemnity, in the name of the **Insured**, and must support and cooperate with the **Insurer** to this end.

The **Insurer** may at any time pay the applicable **Limit of Liability** or any lesser amount necessary to settle a claim or a series of claims, including claimant's costs, and will after that payment relinquish the conduct and control of the defence of that claim or claims and will have no further liability to the **Insured** for that claim or those claims, including claimant's costs, or any defence costs incurred after that payment.

Defence Costs Apportionment (Not applicable to Employers' Liability Section)

Where the amount of a claim for **Damages** against the **Insured** exceeds the **Limit of Liability**, the liability of the **Insurer** to pay any legal costs to settle or defend that claim, or to recover contribution or indemnity from another party, will be in proportion to the **Insurer's** share of the total **Damages** awarded or settled.

GENERAL LIABILITY – EXCLUSIONS

Applicable to Employers' Liability, Public Liability and Product Liability Sections unless otherwise stated

Notwithstanding any other terms of this **Policy** to the contrary, no General Liability Section will indemnify the **Insured** in respect of:

Jurisdiction

any claim brought against the **Insured** within the jurisdiction of the United States of America or Canada or in any country or territory which operates under the laws of the United States of America or Canada or in respect of any order made anywhere in the World to enforce a judgment, award or settlement in respect of any such claim

Pollution or Contamination (Not applicable to Employers' Liability Section)

any liability in respect of **Pollution or Contamination** other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the **Period of Insurance**. All **Pollution or Contamination** which arises out of such incident shall be deemed to have occurred at the time such incident takes place.

Epidemics and W.H.O. Declarations (Not applicable to Employers' Liability Section)

any liability arising out of:

1. an outbreak of a disease that becomes an epidemic whether or not declared to be an epidemic by any competent civil authority;
2. an outbreak of a disease declared or categorised by the World Health Organisation as a pandemic; or
3. a Public Health Emergency of International Concern as declared by the World Health Organisation.

For the avoidance of doubt, where an epidemic, pandemic or Public Health Emergency of International Concern occurs, the **Insurer** will not indemnify any such liability whether arising in the period prior to and following such epidemic, pandemic or Public Health Emergency of International Concern occurring or being declared.

Employers' Liability Section

EMPLOYERS' LIABILITY – INSURING AGREEMENT

The **Insurer** will indemnify the **Insured** against

1. all sums which the **Insured** becomes legally liable to pay as **Damages** including related claimants' legal costs for **Injury** sustained by any **Employee** arising out of and in the course of his employment by the **Insured** in the **Business** and caused during the **Period of Insurance**
 - a. in the **Territorial Limits** including transits there between or
 - b. whilst outside the **Territorial Limits** temporarily for up to 90 days provided that any such **Employee** is
 - i. ordinarily resident within the **Territorial Limits**, and
 - ii. engaged by **the Insured** in clerical, supervisory or managerial work
2. all reasonable legal costs necessarily incurred by the **Insured** with the prior written consent of the **Insurer** to settle or defend, or to recover contribution or indemnity from another party in relation to any claim against the **Insured** which may be the subject of indemnity under this Employers' Liability Section

Limit of Liability

1. The maximum liability of the **Insurer** payable under this Employers' Liability Section in respect of any one claim against the **Insured** or series of claims against the **Insured** arising out of one occurrence inclusive of all reasonable legal costs necessarily incurred will not exceed the applicable **Limit of Liability**
2. Notwithstanding (1) above, the **Limit of Liability** will not exceed £5,000,000
 - a. where such claim is, or series of claims are, a result of **Terrorism** or
 - b. in respect of any event, directly or indirectly arising, resulting from, in consequence of, or in any way involving, asbestos or any materials containing asbestos, in whatever form or quantity

Rights of Recovery

The indemnity granted under this Employers' Liability Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees within the **Territorial Limits** but the **Insured** will repay to the **Insurer** all sums paid by the **Insurer** which the **Insurer** would not have been liable to pay but for the provisions of such law

EMPLOYERS' LIABILITY – EXTENSIONS

Unsatisfied Court Judgments

Where a judgment for **Damages** including related claimants' legal costs has been obtained by any **Employee** or the legal personal representatives of any **Employee**

1. in respect of **Injury** sustained by the **Employee** arising out of and in the course of his employment by the **Insured** in the **Business** caused during the **Period of Insurance** and
2. against any company or individual operating from or resident in premises within **Territorial Limits**

and such judgment remains unsatisfied, in whole or in part, 6 months after the date of judgment, at the request of the **Insured**, the **Insurer** will pay to the **Employee**, or the said legal personal representatives, the amount of any such **Damages** and any awarded costs to the extent that they remain unsatisfied

Provided that:

1. all reasonable steps must be taken by the **Insured** to enforce such judgment; and
2. the **Insured** would have been indemnified had **Damages** been awarded against the **Insured**; and
3. there is no appeal outstanding; and
4. if any payment is made by the **Insurer**, the **Employee** or the said legal personal representatives will assign the judgment to the **Insurer** and provide all reasonable assistance to the **Insurer** to enable it to enforce the judgment; and
5. this Employers' Liability Section is only operative at the time that such **Injury** is caused; and
6. the liability of the **Insurer** for **Damages**, costs and expenses will not exceed the **Limit of Liability**; and
7. there is no cover for judgments made in any court outside of the **Territorial Limits**.

EMPLOYERS' LIABILITY – EXCLUSIONS

The **Insurer** will not indemnify the **Insured** under this Employers' Liability Section against liability for **Injury** sustained by any **Employee**

1. in respect of which compulsory insurance or security is required to be arranged by the **Insured** under the Road Traffic Act 1988 or the Road Traffic (Northern Ireland) Order 1981 or any subsequent legislation amending or replacing such Act or Order; or
2. whilst **Offshore**

If the **Insurer** is required by compulsory insurance regulations to make a payment in respect of **Injury** occurring **Offshore** then the **Limit of Liability** is £5,000,000 any one occurrence

Public Liability Section

PUBLIC LIABILITY – INSURING AGREEMENT

The **Insurer** will indemnify the **Insured** against all sums which the **Insured** becomes legally liable to pay as **Damages** including related claimants' legal costs for

1. **Injury** to any person or
2. **Damage** to property or
3. obstruction, trespass, nuisance or interference with any right of way, air, light or water or other easement or
4. wrongful arrest, wrongful detention, false imprisonment or malicious prosecution

arising in connection with the **Business** and occurring within the **Territorial Limits** during the **Period of Insurance**

In addition, the **Insurer** agrees to pay all reasonable legal costs necessarily incurred by the **Insured** with the prior written consent of the **Insurer** to settle or defend, or to recover contribution or indemnity from another party in relation to any claim against the **Insured** which may be the subject of indemnity under this Public Liability Section

Limit of Liability

The maximum liability of the **Insurer** payable under this Public Liability Section in respect of **Damages** for any one claim against the **Insured** or series of claims against the **Insured** arising out of one occurrence will not exceed the **Limit of Liability**.

Where the **Insured's** liability in respect of such occurrence is indemnified under this Public Liability Section and another operative General Liability Section or other Section of the **Policy**, each of the General Liability Sections or other Sections will apply separately provided that the total amount to be paid by the **Insurer** for any such occurrence will not exceed the greatest of the available limits of liability among those operative Sections.

Any costs and expenses which may be the subject of indemnity under this Public Liability Section will be payable in addition to the **Limit of Liability**

PUBLIC LIABILITY – EXTENSIONS

Data Protection

The indemnity provided by this Public Liability Section will extend to any claim for compensation under article 82 of the General Data Protection Regulation, for material or non-material damage, suffered by a third party, arising out of and in the course of the **Insured's Business**, first made against the **Insured** within the **Territorial Limits** during the **Period of Insurance** provided that:

1. the **Insured** is a data controller, as defined in article 4(7) of the General Data Protection Regulation, subject to section 6(1)(a) of the Data Protection Act 2018, and has paid the relevant fee under the Data Protection (Charges and Information) Regulations 2018; and
2. material or non-material damage was not caused by a deliberate or intentional act by, or omission of, the **Insured**, the effect of which the **Insured** knew or ought reasonably to have known would result in liability under the General Data Protection Regulation; and

3. the costs of replacing, reinstating, rectifying or erasing any personal data, or costs incurred in relation to a compliance order is excluded from this extension; and
4. liability does not arise as a result of the provision by the **Insured** of the services of a data processor, as defined by article 4(8) of the General Data Protection Regulation, but not including a processor within the meaning of section 6(2) of the Data Protection Act 2018, or the recording or provision of data for reward or for determining the financial status of any person; and
5. the limit of indemnity will not exceed two hundred and fifty thousand pounds (GBP250,000) during the **Period of Insurance**; and
6. the **Insurer** will not provide indemnity:
 - a. for the first 10 per cent of each claim subject to a minimum payment by the **Insured** of £500 and a maximum payment by the **Insured** of £5,000; or
 - b. against liability caused by, or arising from, any incident or circumstances known to the **Insured** at inception of this Public Liability Section Extension which may give rise to a claim.

In addition, the **Insurer** agrees to indemnify the **Insured** for legal costs reasonably and necessarily incurred with **Insurer's** prior written consent for defending proceedings brought against the **Insured** under article 79(2) of the General Data Protection Regulation; any amount paid for these legal costs forms part of the limit of indemnity, which is shown at paragraph 5 of this extension.

Defective Premises Act

The indemnity provided by this Public Liability Section will extend to apply in respect of liability arising under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with any premises previously owned or occupied by the **Insured** for purposes pertaining to the **Business** and which have since been disposed of by the **Insured**

Provided that the **Insurer** will not provide indemnity against liability

1. for which indemnity is provided by any other insurance; or
2. for the costs of remedying any defect or alleged defect in such premises

Leased or Rented Premises

Notwithstanding Exclusion (2) of this Public Liability Section, this Public Liability Section will apply to liability for **Damage** to premises (including their fixtures and fittings) owned, rented, hired, let, loaned or borrowed by the **Insured** provided that the **Insurer** will not provide indemnity against liability assumed by the **Insured** under any contract or agreement which would not have attached in the absence of such contract or agreement.

Motor Contingent Liability

Notwithstanding Exclusion (5) (a) of this Public Liability Section the **Insurer** will within the terms of this Public Liability Section indemnify the **Insured** in respect of liability to pay **Damages** for **Injury** or **Damage** caused by, or arising from, any motor **Vehicle** or trailer attached thereto not belonging to or provided by the **Insured**, being used by an **Employee** in the course of the **Business**

Provided that the **Insurer** will not provide indemnity against liability

1. in respect of **Damage** to any such **Vehicle** or trailer or property conveyed therein or thereon; or
2. for which indemnity is provided by any other insurance; or
3. caused or arising whilst such **Vehicle** or trailer is
 - a. engaged in racing pace-making, reliability trials or speed testing; or

- b. being driven by the **Insured**; or
- c. being driven with the general consent of the **Insured** or their representative by any person who, to the knowledge of the **Insured** or other such representative, does not hold a licence to drive such **Vehicle**, unless such person has held, and is not disqualified from holding or obtaining, such a licence; or
- d. used elsewhere than within the **Territorial Limits** including transits there between

Motor Vehicles Tool of Trade Risk

Notwithstanding Exclusion (5) (a) of this Public Liability Section, the **Insurer** will within the terms of this Public Liability Section indemnify the **Insured** for liability caused by or arising from

- 1. the use of plant as a tool of trade at the **Insured's** premises or on any site at which the **Insured** is working; or
- 2. the loading or unloading of any **Vehicle** or the bringing to or taking away of a load from any **Vehicle**; or
- 3. **Damage** to any building, bridge, weighbridge, road or to anything beneath, caused by vibration or by the weight of any **Vehicle** or its load

within the **Territorial Limits** including transits there between provided that the **Insurer** will not provide indemnity against liability

- 1. in respect of which compulsory insurance or security is required under any legislation governing the use of the **Vehicle**; or
- 2. for which indemnity is provided by any other insurance

Movement of Obstructing Vehicles

Notwithstanding Exclusion (5) (a) of this Public Liability Section the **Insurer** will within the terms of this Public Liability Section indemnify the **Insured** for liability caused by, or arising from, any **Vehicle** (not owned or hired by or lent to the **Insured**) being driven by the **Insured** or by any **Employee** with the **Insured's** permission whilst such **Vehicle** is being moved for the purpose of allowing free movement of any **Vehicles** or pedestrians

Provided that

- 1. movements are limited to **Vehicles** parked on or obstructing the **Insured's** premises or any site at which the **Insured** is working; and
- 2. the **Vehicle** causing obstruction will not be driven by any person unless such person is competent to drive the **Vehicle**; and
- 3. the **Vehicle** causing obstruction is driven by use of the owner's ignition key; and
- 4. the **Insurer** will not provide indemnity against liability
 - a. in respect of **Damage** to such **Vehicle** or
 - b. in respect of which compulsory insurance or security is required under any legislation governing the use of the **Vehicle**

Overseas Personal Liability

The **Insurer** will within the terms of this Public Liability Section indemnify

- 1. the **Insured**; and
- 2. at the request of the **Insured**
 - a. any director, partner or **Employee** of the **Insured** or

- b. any spouse or child of the persons stated in (1) or (2) (a) above who are accompanying such persons

in respect of liability incurred by such persons in a personal capacity in connection with an event occurring in a country whilst outside of the **Territorial Limits** temporarily for up to 90 days in connection with the **Business**

Provided that

- 1. any person entitled to indemnity under this Public Liability Section Extension will as though they were the **Insured** be subject to the terms and conditions of this **Policy** insofar as they can apply
- 2. nothing in this Public Liability Section Extension will increase the liability of the **Insurer** to pay any amount exceeding the **Limit of Liability** regardless of the number of persons claiming to be indemnified
- 3. the **Insurer** will not provide indemnity against
 - a. liability for which indemnity is provided by any other insurance; or
 - b. liability in respect of **Damage** to property belonging to, or in the custody, or under the control, of any person entitled to indemnity under this Public Liability Section Extension; or
 - c. liability in respect of **Injury** to any person entitled to indemnity under this Public Liability Section Extension; or
 - d. liability caused by or arising from
 - i. the ownership or occupation of land or buildings; and
 - ii. the carrying on of any business profession trade or employment; and
 - iii. the ownership possession or use of animals other than domestic dogs or cats

PUBLIC LIABILITY – EXCLUSIONS

The **Insurer** will not indemnify the **Insured** under this Public Liability Section against liability

- 1. for **Damage** to property belonging to the **Insured** or in the custody or control of the **Insured** or of any **Employee** other than personal effects (including any **Vehicle** and its contents) of **Employees** or visitors;
- 2. arising out of **Damage** to property (including its contents) where that property is owned, rented, hired, let, loaned or borrowed by the **Insured** unless such property is temporarily occupied by the **Insured** for the purpose of carrying out work on that property;
- 3. arising out of **Damage** to property which comprises or is to be incorporated into executed contract works undertaken by the **Insured**.
- 4. in respect of **Injury** sustained by an **Employee** arising out of that **Employee's** employment in the **Business**.
- 5. arising from the ownership, possession, or use, under the control of the **Insured** or of any **Employee** of the **Insured**, of
 - a. any mechanically propelled **Vehicle**, including anything attached to it, used in circumstances where insurance or security is required by any road traffic legislation, or where indemnity is provided by any other policy or security; or
 - b. any craft intended to travel through air or space, or other aerial devices, hovercraft or watercraft (other than hand propelled watercraft or sailing craft not exceeding six metres in length)
- 6. caused by any **Products** after they have ceased to be in the custody or control of the **Insured**, other than food or drink supplied primarily for the use of **Employees** or for entertainment purposes
- 7. that attaches by virtue of any express contract, agreement, warranty, indemnity, waiver or guarantee unless liability would have attached to the **Insured** in the absence of such express contract, agreement, warranty, indemnity, waiver or guarantee.
- 8. arising from professional advice given, separately for a fee or other remuneration, by the **Insured** or by anyone on the **Insured's** behalf or in circumstances where a fee would normally be charged.

Products Liability Section

PRODUCTS LIABILITY – INSURING AGREEMENT

The **Insurer** will indemnify the **Insured** against all sums which the **Insured** becomes legally liable to pay as **Damages** including related claimants' legal costs for

1. **Injury** to any person; or
2. **Damage** to property

arising in connection with the **Business** and occurring anywhere in the World other than at the premises of the **Insured** during the **Period of Insurance** and caused by any **Product**

In addition, the **Insurer** agrees to pay all reasonable legal costs necessarily incurred by the **Insured** with the prior written consent of the **Insurer** to settle or defend, or to recover contribution or indemnity from another party in relation to any claim against the **Insured** which may be the subject of indemnity under this Products Liability Section

Limit of Liability

The maximum liability of the **Insurer** payable under this Products Liability Section in respect of **Damages** for any one claim against the **Insured** or series of claims against the **Insured** arising out of one occurrence will not exceed the **Limit of Liability**.

Where the **Insured's** liability in respect of such occurrence is indemnified under this Products Liability Section and another operative General Liability Section or other Sections of this **Policy**, each of the General Liability Sections or other Sections will apply separately provided that the total amount to be paid by the **Insurer** for any such occurrence will not exceed the greatest of the available limits of liability among those operative Sections.

Any costs and expenses which may be the subject of indemnity under this Products Liability Section will be payable in addition to the **Limit of Liability**

PRODUCTS LIABILITY – EXTENSIONS

Consumer Protection Act and Food Safety Act

The **Insurer** will provide indemnity to the **Insured**, and at the request of the **Insured**, any director, partner or **Employee** of the **Insured**, in respect of legal costs and expenses incurred with the **Insurer's** written consent, in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987 and Sections 7 and 8 of the Food Safety Act 1990, including such legal costs and expenses incurred in an appeal against conviction arising from such proceedings and prosecution costs awarded in connection therewith

Provided that

1. the proceedings relate to an offence alleged to have been committed during the **Period of Insurance** and in the course of the **Business** and within the **Territorial Limits**; and
2. the **Insurer** will not provide indemnity in respect of
 - a. fines or penalties of any kind; and
 - b. any proceedings arising from circumstances for which indemnity is provided by any other insurance; and

- c. proceedings consequent upon a deliberate act by, or omission of, any person entitled to indemnity under this Products Liability Section Extension if the result thereof could reasonably have been expected having regard to the nature and circumstances of such act or omission; and
 - d. proceedings which arise out of any activity or risk excluded from this **Policy**
 - e. any proceedings which the **Insurer** considers do not have reasonable prospects of success.
- and;
- 3. the director partner or **Employee** will, as though they were the **Insured**, be subject to the terms and conditions of this **Policy** insofar as they can apply

PRODUCTS LIABILITY – EXCLUSIONS

The **Insurer** will not indemnify the **Insured** under this Products Liability Section in respect of liability

- 1. caused by or in connection with any **Products** which, to the knowledge of the **Insured**, are for export to or use in the United States of America or Canada; or
- 2. caused by any **Products** in the custody or control of the **Insured**; or
- 3. for any costs or expense incurred in repairing, replacing, removing, rectifying, recalling or making any refund in respect of **Products**; or
- 4. arising from **Products** used with the **Insured's** knowledge in connection with aircraft watercraft or offshore structures; or
- 5. that attaches by virtue of any express contract, agreement, warranty, indemnity, waiver or guarantee unless liability would have attached to the **Insured** in the absence of such express contract, agreement, warranty, indemnity, waiver or guarantee; or
- 6. in respect of **Injury** sustained by an **Employee** arising out of that **Employee's** employment in the **Business**; or
- 7. arising out of **Damage** to property where such property is or comprises or is to be incorporated into executed contract works to be undertaken by the **Insured**; or
- 8. arising from professional advice given, separately for a fee or other remuneration, by the **Insured** or by anyone on the **Insured's** behalf or in circumstances where a fee would normally be charged; or
- 9. arising from the ownership, possession, or use, under the control of the **Insured** or of any **Employee** of the **Insured**, of
 - a. any mechanically propelled **Vehicle**, including anything attached to it, used in circumstances where insurance or security is required by any road traffic legislation, or where indemnity is provided by any other policy or security; or
 - b. any craft intended to travel through air or space, or other aerial devices, hovercraft or watercraft (other than hand propelled watercraft or sailing craft not exceeding six metres in length).

Cyber Section

CYBER - INSURING AGREEMENTS

The **Insurer** will cover the **Insured** for **Claims** and **Losses** up to the **Limit of Indemnity** shown in the **Schedule** for this Section including claimants' costs and expenses, first made against or sustained by the **Insured** in the course of the **Business** within the **Territorial Limits** during the **Period of Insurance** and notified to the **Insurer** in writing, for;

1. The Insured's losses

1.1 Breach of personal data

The **Insured's Loss** arising after the **Retroactive Date** where the **Insured** discovers or suspects a **Breach** has occurred. The **Insurer** shall cover;

- a. **Breach Forensic Costs**;
- b. Legal fees incurred by the **Insured** to manage the response to the **Breach**;
- c. Costs the **Insured** incurs to notify each affected **Data Subject** of the **Breach**;
- d. Costs the **Insured** incurs in notifying any regulatory body, including the Information Commissioner's Officer of the breach where the **Insured** is required to do so by law or regulation;
- e. Costs the **Insured** incurs to use a third party call centre to answer enquires from affected **Data Subjects**, following notification of the **Breach** to such **Data Subjects**; and
- f. **Credit Monitoring Costs**;

provided that they are incurred with the **Insurer's** prior written agreement. The **Insurer** will not cover the **Insured** for any **Loss** which arises as a result of any **Breach** caused by a supplier to the **Insured**.

1.2 Business interruption

The **Insured's Loss of Income** during the **Period of Restoration** for any **Increased Costs of Working**, resulting solely and directly from an interruption to the **Insured's Business** which commenced during the **Period of Insurance** and lasting longer than the **Time Excess**, due to;

- a. the activities of a third-party who specifically targets **Insured** alone by maliciously blocking electronically the access to the **Insured's Computer System, Programmes** or data the **Insured** holds electronically; or
- b. a **Hacker** who specifically targets the **Insured** alone.

1.3 Hacker Damage

The **Insured's Loss** after the **Retroactive Date**, caused by a **Hacker**:

- a. damaging, destroying, altering, corrupting, or misusing the **Insured's Computer System, Programmes** or data the **Insured** holds electronically, or any **Programmes** or data for which the **Insured** is responsible; or
- b. copying or stealing any **Programme** or data the **Insured** holds electronically or for which the **Insured** is responsible;

the **Insurer** will pay all the reasonable and necessary expenses incurred with the **Insurer's** prior written consent in replacing or repairing the **Insured's Computer System, Programmes** or data the **Insured** holds electronically

to the same standard and with the same contents before it was damaged, destroyed, altered, corrupted, copied, stolen or misused.

1.4 Cyber Extortion

The cost of a ransom demand if the **Insured** receives an **Illegal Threat** from the third-party or, if the demand is for goods or services, their market value at the time of the surrender, provided that the **Insured** can demonstrate to the **Insurer** that:

- a. the ransom was paid, or the goods or services were surrendered, under duress;
- b. before agreeing to the payment of the ransom or the surrender of goods or services, the **Insured** made all reasonable efforts to determine that the **Illegal Threat** was genuine and not a hoax; and
- c. an individual within the definition of the **Insured** agreed to the payment of the ransom or the surrender of the goods or services.

The **Insurer** will also pay:

- a. the fees of the **Insurer's** appointed consultant, incurred by the **Insured** with the **Insurer's** prior written consent, for advising the **Insured** on the handling and negotiation of the ransom demand; and
- b. the amount of any stolen ransom, where such theft occurs at or in transit to the agreed location for payment of the ransom.

2. Claims Made Against The Insured

2.1 Privacy Investigation Claim

If, after the **Retroactive Date** specified in the **Schedule** for this Section:

- a. any party brings a **Claim** against the **Insured** for the **Insured's** actual or alleged:
 - i. breach, violation or infringement of any right to privacy, consumer data protection law, or other legal protection for **Personal Data**;
 - ii. breach of duty to maintain the security or confidentiality of **Personal Data**;
 - iii. breach of any duty of confidence, including in respect of any commercial information; or
 - iv. breach of any contractual duty to maintain the security or confidentiality of **Personal Data**;or
- b. The **Insured** is the subject of a **Privacy Investigation**;

The **Insurer** will pay:

- a. the amount agreed by the **Insured** and **Insurer** through good faith negotiation, mediation or some other form of alternative dispute resolution to settle a **Claim** or the amount to satisfy a judgment or arbitration award against **Insured**;
- b. any **Regulatory Award**; and
- c. **Privacy Forensic Costs, Privacy Investigation Costs and Defence Costs.**

3. Defence Costs and Expenses

3.1 Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs which are included within the **Limit of Indemnity**.

CYBER - DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within this Section.

Breach means the unauthorised acquisition, access, use or disclosure of, or the loss or theft of **Personal Data**, which compromises the security or privacy of that information such that it poses a significant risk of financial harm to the **Data Subject**; or any unauthorised acquisition, access, use or disclosure of **Personal Data** which triggers the **Insured's** obligations under any statute, law or regulation to make any notification of such unauthorised acquisition, access, use or disclosure.

Breach Forensic Costs means following a possible **Breach**, the costs the **Insured** incurs for computer forensic analysis conducted by outside forensic experts to confirm the **Breach** and identify the affected **Data Subjects**, as well as outside legal fees necessary for the preservation of the lawyer-client privilege of forensic reports and findings.

Business means the **Insured's** business as specified in the **Schedule** and/or declared in the **Proposal to Insurer**.

Circumstance means something that may result in a **claim** against the **Insured**.

Claim means any written or oral demand for monetary damages or other relief including non-pecuniary relief or any civil, arbitration or adjudication proceedings including any counterclaim or appeal.

Cloud Provider

Any entity providing hardware or software services to **Insured** over the internet including the provision of software as a service, infrastructure as a service or platform as a service.

Computer Systems

Any entity providing hardware or software services to **Insured** over the internet including the provision of software as a service, infrastructure as a service or platform as a service.

Credit Monitoring Costs

Following a **Breach**, the costs the **Insured** incurs to provide one year of credit monitoring services or other credit protection services to each affected **Data Subject**. Such services must be redeemed by the **Data Subject** within 12 months of the **Data Subject** first being offered such services.

Data Subject

Any natural person who is the subject of **Personal Data**.

Defence Costs and Expenses means any fees, expenses, costs and disbursements incurred in investigating, adjusting, settling or defending a **Claim** that may be covered by this Section. **The Insured's** internal or overhead expenses or the cost of the **Insured's** time is not included.

Employee means any person employed by the **Insured** under a contract of service or apprenticeship during or prior to the commencement of the **Period of Insurance**.

Endorsement means a change to the terms of the Section.

Excess means the amount specified in the **Schedule** for this Section.

Hacker means any third party or any **Employee** or **Persons Responsible** to the **Insured** who instigates a Hacking Attack.

Hacking Attack means any malicious specific or unauthorised electronic act including but not limited to denial of service phishing spear phishing Trojans botnets worms brute-force port scanning spoofing ransomware cracking or phreaking that has been instigated by any third party or any **Employee** or **Persons Responsible** to the **Insured**.

Illegal Threat

Any threat from a third-party to:

1. damage, destroy or corrupt the **Insured's Computer Systems, Programmes** or data the **Insured** holds electronically, or any **Programmes** or data for which the **Insured** is responsible, including by specifically introducing a **Virus**; or
2. disseminate, divulge or use any electronically held commercial information which:
 - a. The **Insured** is responsible for;
 - b. is not in the public domain; and
 - c. will cause commercial harm if made public;following any unauthorised external electronic access by that third-party.

Income

The net profit loss the **Insured** sustains during the **Period of Restoration** as a direct result of a covered cause of **Loss**. **Income** does not include:

1. Any **Loss** arising out of a physical cause or natural peril, including but not limited to, fire, wind, water, flood, subsidence, or earthquake;
 2. Any **Loss** or expense arising out of updating the **Insured's Computer Systems** to a level beyond that which existed before the covered cause of loss.
 3. Contractual penalties or consequential damages;
 4. Any liability to third parties for whatever reason, including but not limited to, legal costs and expenses of any type;
 5. Fines or penalties imposed by law;
 6. Costs or expenses incurred to identify, patch, or remediate software program errors or the **Insured's Computer System** vulnerabilities;
 7. Loss of goodwill or reputational harm;
- Costs to upgrade, redesign, reconfigure, or maintain **Insured's Computer System** to a level of functionality beyond that which existed prior to the covered cause of **Loss**.

Increased Costs of Working

The reasonable and necessary costs and expenses incurred by the **Insured** for the sole purpose of minimising the reduction in **Income** from the **Business** during the **Indemnity Period**, but not exceeding the reduction in **Income** saved.

Insurer means the applicable Insurer for this Section as stated in the **Schedule** for this Section.

Investigation means a civil, criminal, administrative or regulatory examination, investigation or other proceeding conducted by any official body or institution empowered under statute to investigate the **Insured's** affairs.

Investigation does not mean routine regulatory supervision, inspection or compliance reviews. Proceedings includes an appeal against the outcome of any initial proceedings.

Investigation Costs means reasonable fees, costs and expenses (except remuneration of any **Employee** or **Persons Responsible** to the **Insured**) incurred with the **Insurer's** consent (which shall not be unreasonably withheld) in connection with preparing for and attending an investigation.

Limit of Indemnity means our maximum total liability as specified in the **Schedule** for this Section or as may be specifically endorsed to this Section to cover the **Insured** within the terms and conditions of this Section.

Loss(es) means any financial harm caused to the **Business**.

Media Liability means:

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organisation;
2. misappropriation of any name or likeness for commercial advantage, or trade secret;
3. plagiarism, piracy or misappropriation of ideas under implied contract;
4. infringement of copyright;
5. infringement of trade dress, domain name, title or slogan, or the dilution or infringement of trademark or service mark;
6. negligence concerning the content of any Media Communication, including harm caused through any reliance of failure to rely on such content. Media Communication means the display, broadcast, dissemination, distribution or release of media material to the public by the **Insured**.

Nominee

The person or entity named in the **Schedule** for this Section to whom notice of any **Claim, Loss, Breach, Privacy Investigation, Illegal Threat** or interruption should be given.

PCI Charges means charges, fines, penalties, levies, costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a result of the **Insured's** failure to comply with PCI Data Security Standards due to a **Breach**, including any sums in relation to card reissuance or fraudulent transactions.

Period of Restoration means the time period that:

1. begins on the date and time that the interruption of the **Insured's Business** first occurred; and
2. ends on the earlier of the date and time that the interruption of the **Insured's Business**:
 - a. ends; or
 - b. could have ended had the Insured acted with due diligence and dispatch.

In no event will the period of restoration exceed 60 days.

Personal Data

Any non-public individually identifiable information about a **Data Subject**, including but not limited to such information protected by the Data Protection Act 1998 or any similar or successor legislation.

Persons Responsible to the Insured means locum, consultant, sub-consultant or agent or self-employed person appointed by the **Insured** to perform services on the **Insured's** behalf so as to enable the **Insured** to perform **Insured's Business**.

Pollution means any substance, solid, liquid, gaseous or thermal irritant or contaminant including but not limited to smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste materials. Waste materials include, but are not limited to, recycled, reconditioned or reclaimed materials.

Privacy Forensic Costs

Following a **Claim** under Privacy Investigation Claim clause 2.1, the reasonable and necessary costs incurred by the **Insured** with the **Insurer's** prior written consent for forensic services conducted by outside forensic experts to defend a **Claim**.

Privacy Investigation

Any official examination, official enquiry or official investigation brought against the **Insured** based on the same

allegations as a **Claim** under Privacy Investigation Claim, clause 2.1 a. i, ii and iv, conducted by any regulator, government department or other body legally empowered.

Privacy Investigation Costs

All reasonable and necessary lawyers' and experts' fees and legal costs, including **Privacy Forensic Costs**, incurred with the **Insurer's** prior written agreement in investigating, settling, defending, appealing or defending an appeal against a **Privacy Investigation**, but not including any overhead costs, general **Business** expenses, salaries or wages incurred by **Insured** or any other person or entity entitled to coverage under this Section.

Programmes

A collection of instructions that performs a specific task when executed by **Insured's Computer Systems**.

Proposal means the written proposal made by the **Insured** to the Insurer together with any other related particulars and statements that have been supplied to the **Insurer** and which have been taken into consideration by the **Insurer** when deciding whether to provide this Insurance and upon what terms.

Regulatory Award

Following a **Privacy Investigation**, any civil or regulatory sanctions, fines, penalties, disgorgement of profits, treble damages or multiple damages, including but not limited to those imposed by any national, federal, state or local governmental body or any licensing organisation, if insurable in the jurisdiction where such award was first ordered, but not including **PCI Charges**.

Retroactive Date means the date specified against the retroactive date in the **Schedule** for this Section.

Subsidiary

An entity that has been identified in the **Proposal** for this Section and of which the **Insured** own more than 50% of the book value of the assets or of the outstanding voting rights as of the first day of the **Period of Insurance**.

Territorial limits

The applicable territorial limits specified in the **Schedule** for this Section.

Terrorism means an act of terrorism including but limited to the use of force or violence and/or the threat of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

Time Excess

The period shown in the **Schedule** for this Section as the time excess, being the period immediately following an interruption during which no cover is provided under Cyber Business interruption.

Virus means a piece of unauthorised executable code which propagates itself through a **Computer System**.

Insured, Insured's means

1. The named insured on the **Schedule**;
2. any person who was, is or during the **Period of Insurance** becomes the **Insured's** partner, director, trustee, in-house counsel or senior manager in actual control of the **Insured's** operations;
3. any **Subsidiary**

CYBER – CONDITIONS

Insurer's Total Liability

The **Insurer's** total liability under this Section shall not exceed the applicable **Limit of Indemnity** stated in the **Schedule** for this Section for;

1. Any one **Claim, Loss, Breach, Privacy Investigation, Illegal Threat**, and interruption or;
2. All **Claims, Losses, Breaches, Privacy Investigations, Illegal Threats**, and interruptions arising out of or in connection with the same originating cause or source or
3. All losses for which indemnity is available, including all **Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs** and **Credit Monitoring Costs** arising out of or in connection with the same originating cause or source.

The aggregate limit stated in the **Schedule** for this Section is the most the **Insurer** will pay for all **Claims, Losses, Breaches, Privacy Investigations, Illegal Threats**, and interruptions arising from all claim(s), against the **Insured** during the policy period regardless as to whether a claim, occurrence or action gives rise to indemnity under more than one clause of this Section. If the **Schedule** is silent, the aggregate limit will be the **Limit of Indemnity**.

Cyber Business Interruption

Following a covered Cyber Business Interruption under clause 1.2, the **Insurer** will pay;

1. The difference between the **Insured's** actual **Income** during the **Period of Indemnity** and the **Income** it is estimated the **Insured** would have earned during that period or,
2. If this is the **Insured's** first trading year, the difference between the **Insured's Income** during the **Period of Indemnity** and during the period immediately prior to the interruption, less any savings resulting from the reduced costs and expenses the **Insured** pay out of the **Insured's Income** during the **Period of Indemnity**.
3. The **Insurer** will also pay for **Increased Costs of Working**. The **Insured** must bear the **Time Excess** in respect of each covered interruption.

Policy Excess

The **Excess** stated in the **Schedule** for this Section applies in respect of;

1. Each and every **Claim, Loss, Breach, Privacy Investigation, Illegal Threat**, and interruption or;
2. All **Claims, Losses, Breaches, Privacy Investigations, Illegal Threats**, or interruptions arising out of or in connection with the same originating cause or source, or
3. All losses for which indemnity is available, including all **Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs** and **Credit Monitoring Costs** arising out of or in connection with the same originating cause or source;

falling to be dealt with under the insuring clause. The **Limit of Indemnity** is over and above the **Excess**.

Confidentiality

The **Insured** shall not disclose the terms of this **Policy** or disclose the amount of the **Premium** paid to any third party except:

1. To the extent that the **Insured** is required by law to do so or by any regulatory authority as may be necessary to demonstrate to such regulatory authority that any mandatory insurance requirements of such authority have been satisfied, or
2. That the existence of the cover provided by this Section, lead insurer, **Limit of Indemnity** and **Excess** available may be disclosed to an insurer, to a client or a prospective client, wholesale broker or placing agent necessary to maintain agency facilities, provided that no such disclosure shall be permitted where the **Insured** are aware or ought reasonably to be aware that the person to whom disclosure is going to be made, has made, or is likely to make a **Claim** against the **Insured** or
3. To the extent that the **Insurer** consents to such disclosure which the **Insured** has sought, such consent not to be unreasonably withheld.

Document Management

The **Insurer** may hold the **Proposal** (including any attachments thereto) and any documents relating to this insurance and any **Claim** or **Loss** in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

Fraudulent Claims

If the **Insured** shall knowingly make any false or fraudulent request in respect of any **Claim** or **Loss**, as regards amount or otherwise, the **Insured** will forfeit the right to cover only for the actual **Claim** or **Loss** in relation to which there has been a false or fraudulent request.

Indemnity to Employees

At the **Insured's** reasonable request, the **Insurer** will cover any **Employee** provided the **Employee**, as though they were the **Insured**, observes and complies and is subject to the terms of this Section.

Interpretation

In this Section;

1. reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Section;
2. if any term, condition, exclusion or **Endorsement** or part thereof is found to be invalid or unenforceable the remainder shall be in full force and effect;
3. headings herein are for reference only and shall not be considered when determining the meaning of this Section.

Notification to Law Enforcement Authorities

The **Insured** must inform, or allow the **Insurer** to inform, the appropriate law enforcement authorities where any

illegal threat was made, and keep the **Insurer** fully informed of all developments concerning any illegal threat or ransom demand.

Other Insurance

The insurance provided by this Section shall apply only in excess of any other valid insurance, with the sole exception of any insurance written as specific excess insurance over the **Limit of Indemnity** provided by this Section.

Senior Counsel

In the event that:

1. **The Insurer** recommends settlement of a **Claim** and the **Insured** does not agree to the settlement of the **Claim** and the **Insured** decide to contest the **Claim**; or
2. The **Insured** wish to settle a **Claim** and the **Insurer** does not agree to the settlement of the **Claim**;

Senior Counsel (agreed upon by the **Insured** and the **Insurer** or failing such agreement to be nominated by the Chairman for the time being of the Bar Council of England and Wales or where appropriate by a similar official of any similar body in any other applicable jurisdiction) shall advise whether the **Claim** should be settled or contested taking into account all likely costs, prospects of success and the damages and costs likely to be recovered by the third party claimant, and the **Insured's** commercial interest. The costs of this exercise will be allocated by the agreed or appointed party on a fair and equitable basis, and the parties will abide by that allocation. This condition applies to clause 2.1 only when the **Insured** and **Insurer** have exhausted all appropriate forms of alternative dispute resolution. For purposes of this condition, only definition (1) and (2) of **Insured** applies.

Subrogation

1. Where the **Insurer** has paid a **Claim** or **Loss** covered under this Section, the **Insurer** will be entitled to any rights the **Insured** has against any party in relation to the **Claim** or **Loss** to the extent of the **Insurer's** payment.
2. The **Insured** must assist the **Insurer** and provide information as the **Insurer** may reasonably require to exercise rights of subrogation, including bringing any action or suit in the **Insured's** name. This may include providing and signing statements and other documents and the giving of evidence.
3. Any recovery received shall be applied first against any **Claim, Loss** or costs insofar as it exceeds the **Limit of Indemnity**, then against any payment made by the **Insurer**, and finally against the **Excess**.
4. The **Insurer** will not subrogate against any current or former principal, partner, member, director or **Employee** under this Section unless that person is found to have committed a criminal, fraudulent, malicious or dishonest act or omission.

Take Over and Mergers

In the event of a take-over or merger where there is a sale or a merger with or acquisition by another entity such that the **Insured** is not the surviving entity and no longer: (a) controls the composition of the board of directors or (b) control more than half the voting power or (c) hold more than half of the issued share capital then this Section shall apply only to any **Claim** or **Loss** arising from the **Business** carried out prior to the date of such take-over or merger, unless the **Insurer** otherwise agrees.

Waiver or Amendment

The terms of this Section shall not be waived or amended except by **Endorsement** to form part of this **Policy**.

Claims Notification

The **Insured** shall notify the **Nominee** as soon as practicable within the **Period of Insurance** or at the latest within 21 days of receipt of any **Claim**, or **Loss**, **Breach**, **Privacy Investigation**, **Illegal Threat** or interruption made against or suffered by the **Insured**, or an **Employee** or **Persons Responsible to the Insured** during the **Period of Insurance**.

If the **Insured** becomes aware of any situation during the **Period of Insurance** which may give rise to a **Claim** or **Loss**, **Breach**, **Privacy Investigation**, **Illegal Threat** or interruption, the **Insured** shall notify the **Nominee** as soon as practicable or at the latest within 21 days following such awareness.

Notifications made under this clause which subsequently give rise to a **Claim** shall in each case be deemed to have been a **Claim** made during the **Period of Insurance**.

Co-operation

As soon as practicable following receipt, the **Insured** must deliver to the **Nominee** any preliminary letter of claim, pre-action protocol letter, claim form, other legal procedural documents, summons, arbitration notice or other similar correspondence and documents to those. The **Insured** shall provide the **Insurer** with all information and assistance that the **Insurer** and the **Insurer's** representatives and others appointed by the **Insurer** may reasonably require. Compliance with this condition will be at the **Insured's** own cost.

Legal Defence and Settlement

1. The **Insurer** is entitled but not obliged to assume the legal defence of any **Claim** covered under this Section in the **Insured's** name and the **Insurer** shall have full discretion in managing any negotiation or proceedings as to the resolution of such **Claim**
2. The **Insurer** shall be entitled to select and appoint the lawyers and other representatives that will defend and represent the **Insured** or **Employee** in respect of any **Claim**;
3. Subject to the conditions of this Section, the **Insurer** shall be entitled to settle a **Claim** if it so chooses;
4. The **Insured** agrees in relation to any **Claim** or potential **Claim** or **Loss** not to admit liability for or settle any such **Claim**, make any admission, offer payment or assume any obligation in connection with any **Claim** or potential **Claim** or **Loss**, or incur any costs in connection with any **Claim** or **Loss**, without the **Insurer's** consent, such consent not to be unreasonably withheld;
5. The **Insured** must not disclose the nature or terms of this insurance to any person unless required to do so by law or in compliance with the rules of their regulatory body, or in negotiating a contract with any client unless the **Insurer** has agreed to the disclosure in writing;
6. The **Insurer** shall not be liable for any settlement, costs, admission, offer, payment or assumed obligation without its consent, such consent not to be unreasonably withheld;
7. The **Insurer** may at any time pay to the **Insured** the **Limit of Indemnity** (having deducted any sums already paid) or any lesser amount for which such **Claim** or **Loss** may be settled and having paid that sum the **Insurer** shall relinquish the control of the **Claim** and be under no further liability in connection with the **Claim** or **Loss**;
8. Prior to settling any **Claim** or **Loss** within the **Excess** the **Insured** shall obtain from the claimant a signed form of discharge in full and final settlement of the **Claim** or **Loss** and the **Insured** shall advise the **Insurer** of the final amount for which the **Claim** or **Loss** was settled or resolved.

9. The **Insured** must ensure that **Insurer's** rights of recovery against a third-party are not unduly restricted or financially limited by any term in any of the **Insured's** contracts. If the **Insured** do not, the **Insurer** may reduce any payment under this Section by an amount equal to the detriment suffered as a result.

CYBER – EXCLUSIONS

The **Insurer** will not cover the **Insured** for any liability directly or indirectly due to:

Assumed Duty or Obligation

Any duty, obligation or liability incurred, entered into or assumed by the **Insured** which is not incurred, entered into or assumed in the normal conduct of the **Business**.

Contractual Terms and Warranties

1. Any express agreement, warranty, indemnity, waiver or guarantee;
2. any warranty or agreement providing a greater liability or a longer period of liability than that given under the original contract and to which such warranty or agreement is supplemental.

Credit Monitoring Costs

Credit Monitoring Costs unless:

1. arising from a **Breach** of a **Data Subject's** National Insurance number, driver's licence number or other government issued identification number that can be used, in combination with other information, to open a new financial account; or
2. The **Insured** is required by any law or regulation to provide credit monitoring or credit protection services.

Death and Bodily Injury

Death, bodily injury, psychological injury, emotional distress or anguish, shock, sickness, disease or death sustained by any person, unless such damage arises solely because of defamation or breach of privacy covered under clause 2.1 Privacy Investigation Claim.

Defamatory Statements

Any statement the **Insured** knew, or ought reasonably to have known, was defamatory at the time of publication.

Directors and Officers

Any breach by the **Insured** of a personal duty owed solely in the capacity of a member, director, secretary or officer of a body corporate.

Dishonesty

Any fraudulent, dishonest, malicious or criminal conduct intended to cause harm to another person or **Business**, or any knowing or wilful violation of a law, whether committed by the **Insured** or committed by another whose conduct or violation of the law the **Insured** has ratified or actively condoned or any act the **Insured** knew, or reasonably ought to have known at the time the **Insured** performed it, would give rise to a **Claim**, loss, breach, privacy investigation, illegal threat or interruption to the **Business**.

Fines and Penalties

Taxes, fines or penalties, punitive, aggravated, multiple, exemplary or other non-compensatory damages.

Hack By an Individual

Any individual **Hacker** that falls within the definition of the **Insured** or **Persons Responsible to the Insured**.

Insolvency

The **Insured's** insolvency or the insolvency of the **Insured's** suppliers or sub-contractors.

Investment and Financial

1. Depreciation or loss of investments when the depreciation or loss is as a result of any fluctuations in any financial, stock or commodity markets when such fluctuation is outside the influence or control of the **Insured**.
2. Any actual or alleged dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or of any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings.
3. Any regulated activities as defined in the *Financial Services and Markets Act 2000*, as amended from time to time.

Intellectual Property, Patent or Trade Secrets

Theft or infringement, misappropriation or disclosure of any intellectual property, patent or trade secret.

Jurisdiction

Any **Claim** brought (or the enforcement of any judgment or award entered against the **Insured**) in the courts of the United States of America or Canada or their dominions or protectorates or territories in which it is contended that the laws of the United States of America or Canada should apply.

Land, Buildings and Transport

From the ownership, possession or use by the **Insured** of land, buildings, property (mobile or immobile), aircraft, watercraft, vessels or by vehicles, whether mechanically propelled or otherwise.

Liability to Employees

Any employment dispute directly or indirectly based upon, attributable to or in consequence of bodily injury, mental injury, sickness, disease or death or any breach of any obligations owed by the **Insured** as an employer for discrimination, harassment, unfair treatment or unfair dismissal or failure to promote any **Employee**.

Media liability

Media Liability made by any person or entity, including but not limited to **Employees** or **Persons Responsible to the Insured**.

Nuclear

1. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting from or arising from or any consequential loss, or
2. Any legal liability of whatever nature;

directly or indirectly caused by or contributed by or arising from;

- a. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or
- b. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

Payment Card Industry (PCI) Charges

Any liability for charges, fines, penalties, levies, costs, expenses, assessments, contractual damages or imposition of liabilities of any nature arising as a result of the **Insured's** failure to comply with PCI Data Security Standards due to a breach, including any sums in relation to card reissuance or fraudulent transactions.

Professional Duties

Any liability arising from a breach of a professional duty made by any individual or entity with whom the **Insured** have provided professional advice or professional services.

Pollution

Actual, alleged or threatened pollution, seepage, contamination, discharge, dispersal, release or escape of any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, bacteria, fumes, acids, alkalis, chemicals and waste or any actual or alleged advice given or services performed in relation to any irritant or contaminant, including but not limited to testing, monitoring, treatment, containment, cleaning up, neutralising or detoxification thereof.

Prior Knowledge of Claims and Circumstances

1. **Claims or Losses, Breaches, Privacy Investigations, Illegal Threats** or interruptions of any kind covered under this Section (including **Defence costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs and Credit Monitoring Costs**) first made, threatened, intimated or sustained against the **Insured** prior to the **Period of Insurance**;
2. any situation or **Circumstance** of which the **Insured** first became aware prior to the **Period of Insurance** or which the **Insured** ought reasonably to have been aware of prior to the **Period of Insurance** which may give rise to a liability under this Section and which was known or ought to have been known by the **Insured** prior to the **Period of Insurance**.

Products

The **Insured** or **Persons Responsible to the Insured** having supplied, manufactured, constructed, altered, repaired, treated, sold, recalled, fabricated, distributed, installed or maintained any goods or products.

Property Damage

Based upon or attributable to damage to property (except data covered under clause 1.3 Hacker Damage).

Reckless Conduct

Any conduct committed by the **Insured** in reckless disregard of the rights of another person or business.

Related Parties

Any **Claim** brought by any person or entity within the definition of the **Insured** or any party with a financial, executive or managerial interest in the **Insured**, including any parent company or any party in which **Insured** have a financial, executive or managerial interest. This exclusion does not apply to a **Claim** based on a liability to an independent third-party directly arising out of the **Business**.

Routine Privacy Investigations

Any privacy investigation arising from any routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the activities of the **Insured's** industry which is not solely related to an alleged breach of privacy by the **Insured**.

Seizure and Confiscation

Any confiscation, requisition, expropriation, appropriation, seizure or destruction of property by or under the order of any government or public or local authority, or any order by such authority to take down, deactivate or block access to the **Insured's Computer System**.

Service Providers

Any failure or interruption of service provided by an internet service provider, telecommunications provider, **Cloud Provider** but not including the hosting of hardware and software that the **Insured** own, or other utility provider.

Territorial Limits

Any **Claim** or **Loss, Breaches, Privacy Investigations, Illegal Threats**, and interruptions including **Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs** and **Credit Monitoring Costs** brought outside the **Territorial Limits**, including proceedings brought within the **Territorial Limits** to enforce a judgment or award, or which are based on a judgment or award from outside the **Territorial Limits**.

Trading Debts

Any **Claim** arising from or directly or indirectly attributable to any trading debt or trading loss or any guarantee or undertaking given by the **Insured** for a debt or performance of any obligation by a third party.

War and Terrorism

Any **Claim** or **Loss, Breaches, Privacy Investigations, Illegal Threats**, and interruptions arising from or directly or indirectly attributable to war, invasion, acts of foreign enemies, riot, hostilities, **Terrorism**, or war like operations whether declared or not, civil war, rebellion, revolution, insurrection, civil commotion amounting to an uprising, military or usurped power (regardless of any other cause or event contributing to the liability) and/or any action taken in controlling, preventing or suppressing the aforementioned risks.

This exclusion also applies to any liability for any **Claim** or **Loss** covered under this **Policy** and/or costs including **Defence Costs and Expenses, Privacy Forensic Costs, Privacy Investigation Costs** and **Credit Monitoring Costs** on

account of any **Claim** or **Loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the risks in the above paragraph.

Assignment

The **Insured** must not assign this Section or any rights under this Section without the **Insurer's** consent by way of **Endorsement** to form part of this Section.

Professional and Corporate Liability Insurance

PROFESSIONAL AND CORPORATE LIABILITY – DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within the Professional and Corporate Liability Insurance Sections.

Circumstance means an incident, occurrence, fact, matter, act or omission

PROFESSIONAL AND CORPORATE LIABILITY – CONDITIONS

Defence and Settlement

The following are conditions precedent to the **Insurer's** liability under each Section of this Professional and Corporate Liability Insurance:

1. When a **Claim** is made, or an **Insured** first becomes aware of a **Circumstance** that is reasonably expected to give rise to a **Claim**, no admission of liability or fault, nor any attempt to settle or compromise, is to be made by any **Insured**.
2. An **Insured** must at its own cost promptly provide all information, documents and data as the **Insurer** reasonably requests and an **Insured** must assist and cooperate with the **Insurer** or any other party selected, instructed or appointed by the **Insurer** in the investigation, defence or settlement of any **Claim** or **Loss** which might be indemnified by any Section of this Professional and Corporate Liability Insurance. An **Insured** must provide the **Insurer** with details of any other insurances that might indemnify the same **Claim** or **Loss**.
3. An **Insured** must defend any **Claim** made against that **Insured** and must advance any claim, set-off, counterclaim or additional claim for **Loss**, including claims for contribution, indemnity or damages, where possible.

The **Insurer** has the right, but not the duty, to defend any **Claim**, or otherwise participate in, control, direct or conduct any investigation, defence or settlement of any **Claim** that might be indemnified, wholly or partially, by any Section of this Professional and Corporate Liability Insurance; this right extends to:

1. conducting any litigation in relation to a **Claim** in the **Insured's** name; and
2. the selection, instruction or appointment of lawyers, adjusters, investigators, expert advisers and consultants.

The **Insurer** has the right to pay up to the **Limit of Liability** for any **Claim** under any Section of this Professional and Corporate Liability Insurance, or any smaller amount for which a **Claim** can be settled, and subsequently have no further liability under that Section.

If the **Insurer** is of the opinion that a **Claim** will not exceed the **Excess**, the **Insurer** may require the **Insured** to conduct the defence of the **Claim** at their own expense.

ADDITIONAL DEFINITIONS FOR DIRECTORS AND OFFICERS, CORPORATE LEGAL AND EMPLOYMENT PRACTICES LIABILITY SECTIONS

The words defined below are additional definitions for the Directors and Officers, Corporate Legal and Employment Practices Liability Sections only; the Professional Indemnity Section has its own set of additional Definitions.

The words will have the same meaning wherever they appear in bold letters within the Directors and Officers, Corporate Legal and Employment Practices Liability Sections and the **Schedule** and **Endorsements** in respect of those Sections take precedence over any General Definitions to the contrary.

Bail Costs means costs incurred, with the **Insurer's** prior written agreement, to pay for a bond or other financial instrument to guarantee the bail of an **Insured Person**.

Benefits means perquisites, fringe benefits, bonus payments, deferred compensation, amounts paid or payable under an employee benefit plan or pension scheme, medical or insurance benefits, share or stock options, grants or warrants or other rights to purchase, acquire or sell shares or stocks; **Benefits** does not mean salary or wages.

Change of Control means:

1. the consolidation of, or merger by, the **Policyholder** in to another entity, or the sale of all or substantially all of the **Policyholder's** assets to another entity; or
2. the direct or indirect acquisition, ownership or control by another entity or entities of more than fifty per cent (50%) of the **Policyholder's** issued share capital; or
3. the direct or indirect acquisition, ownership or control by another entity or entities of more than fifty per cent (50%) of the voting rights in the **Policyholder**; or
4. the assumption of another entity of the right to appoint or remove directors from the **Policyholder's** board; or
5. the appointment of an insolvency practitioner to the **Policyholder**.

Claim means:

1. written demand or civil proceedings seeking compensation, damages or other relief or remedy; or
2. formal notice of criminal, regulatory, administrative or arbitral proceedings;

based upon an allegation of a **Wrongful Act**.

Defence Costs means the reasonable costs or expenses necessarily incurred with the prior written agreement of the **Insurer** to investigate, defend or settle any **Claim** including costs of appealing or setting aside an adverse judgment.

Employee means a person:

1. under a contract of service or apprenticeship with an **Insured Company**; or
2. seconded to an **Insured Company**; or
3. on a work experience or placement scheme with an **Insured Company**; or
4. loaned to, or hired by, an **Insured Company** from another entity; or
5. provided to an **Insured Company** as a labour-only subcontractor;

while working in that capacity and while under the direction and supervision of that **Insured Company**.

Insured Company means the **Policyholder** or any **Subsidiary** of the **Policyholder** declared to the **Insurer** prior to commencement of the **Period of Insurance**.

Insured means:

1. **Insured Person**; or
2. **Insured Company**; or
3. **Insured Trustee**; or
4. **Pension Scheme Sponsor**.

Insured Person means any natural person who was, is or during the **Period of Insurance** becomes:

1. a director or officer, shadow director, non-executive director, de facto director; or
2. an **Employee** acting as a company secretary, risk or compliance officer, manager or supervisor;

to the extent that the person is acting in that capacity and for, or on behalf of, an **Insured Company**.

Insured Person also includes the:

3. lawful husband, wife, civil or unmarried partner of any **Insured Person** referred to in either (1) or (2) above, but solely because of their relationship with that **Insured Person** following a **Claim** against that **Insured Person**;
4. estate, heirs or legal representative of any **Insured Person** referred to in either (1) or (2) above, but solely in relation to a **Claim** against that **Insured Person**.

For the avoidance of doubt, no insurance is provided for a **Wrongful Act** committed or attempted by a person listed in (3) or (4) above.

Insured Trustee means any natural person who was, is or during the **Period of Insurance** becomes a duly appointed trustee of the **Policyholder's** pension scheme, plan or arrangement in accordance with the provisions of that pension scheme, plan or arrangement or court order. **Insured Trustee** also includes the:

1. lawful husband, wife, civil or unmarried partner of any **Insured Trustee** referred to directly above, but solely because of their relationship with that **Insured Trustee** following a **Claim** against that **Insured Trustee**;
2. estate, heirs or legal representative of any **Insured Trustee**, but solely in relation to a **Claim** against that **Insured Trustee**.

For the avoidance of doubt, no insurance is provided for a **Wrongful Act** committed or attempted by a person listed in (1) or (2) above.

Loss means:

1. damages and claimant's costs awarded; or
2. settlements agreed with the prior written consent of the **Insurer**; or
3. **Defence Costs**.

Save for the Employment Practices Liability Section, reference in this **Policy** to **Loss** includes aggravated, punitive or exemplary damages. **Loss** does not mean fines or penalties, taxes, salary, wages or **Benefits** unless otherwise expressly provided.

Outside Entity means either:

1. a charitable organisation or similar not-for-profit organisation; or
2. an entity in which the **Policyholder** holds not more than fifty per cent (50%) of issued share capital.

Outside Company does not mean a **Subsidiary**, a listed company, a financial services company or any entity registered outside the United Kingdom, the Channel Islands or the Isle of Man.

Pension Scheme Sponsor means an **Insured Company** and its **Employees**, only when acting on the authority of an **Insured Trustee**, in the performance of duties or exercise of powers under a pension scheme, plan or arrangement.

Policyholder means the corporate entity named as the **Policyholder** in the **Schedule**.

Pollutant means an irritant, contaminant or other substance, including asbestos, lead, smoke, vapour, water, oil, dust, fibres, soot, fumes, acids, alkalis, toxic mould, chemicals, ionising radiation or radioactivity from any nuclear fuel or waste (including that which has been or is intended to be recycled, reconditioned or reclaimed).

Pollution means actual, alleged or threatened discharge, seepage, treatment, generation, removal, transportation, disposal, dispersal, emission, release or escape of any **Pollutant**; or any governmental or regulatory order, direction, or request to test for, monitor, remove, contain, clean up, treat, detoxify or neutralise any **Pollutant** including any action taken in anticipation of such governmental or regulatory order, direction, or request.

Product means any goods manufactured, sold, supplied, hired out, modified, treated, erected, repaired, serviced, designed, tested, installed, processed, distributed or cleaned by an **Insured Company** and which is no longer in the **Insured Company's** care, custody or control. **Product** also means any container, packaging, labelling or instructions for use with those goods.

Proposal means the information contained in the document submitted by or on behalf of the **Policyholder** when applying for this insurance with the **Insurer**; it also means any information contained in a renewal document or any other document during the **Period of Insurance**.

Related Claim means a **Claim** arising out of, based upon, attributable to, in connection with or in any way involving, the same or substantially the same or similar, source, cause, facts, acts committed or attempted, omissions, situations, transactions or events.

Retaliation means actual or alleged action against an **Employee** in consequence of that **Employee's** exercise or attempted exercise of a legal right or duty.

Securities mean any debt or equity interest in an **Insured Company**.

Subsidiary means an entity that at the commencement of the **Period of Insurance** is not publicly listed and in which the **Policyholder** directly or indirectly:

1. holds more than fifty per cent (50%) of the issued share capital; or
2. has or controls more than fifty per cent (50%) of the voting rights; or
3. has the right to appoint or remove a majority of board's directors.

A **Subsidiary** that ceases to be such during the **Period of Insurance** will only be covered under this **Policy** for a **Claim** based upon a **Wrongful Act** committed or attempted while a **Subsidiary**.

Wrongful Act means the following:

1. In the Directors and Officers Liability Section, including any **Endorsement** to that Section, any breach of trust or other fiduciary duty, negligent act, error, omission, misrepresentation, misstatement, misleading statement, defamation, breach of warranty of authority or wrongful trading (under s.214 of the Insolvency Act 1986) committed or attempted by an **Insured Person** in the performance of that person's duties or other alleged default arising solely from that person's status as an **Insured Person**.
2. In Corporate Legal Liability Section, including any **Endorsement** to that Section, any breach of trust or other fiduciary duty, negligent act, error, omission, misrepresentation, misstatement, misleading statement, breach of warranty of authority committed or attempted by an **Insured Company**.
3. In Employment Practices Liability Section, including any **Endorsement** to that Section, violation of employment laws or regulations in connection with the previous, current or future employment of a person with an **Insured Company**.

ADDITIONAL CONDITIONS FOR DIRECTORS AND OFFICERS, CORPORATE LEGAL AND EMPLOYMENT PRACTICES LIABILITY SECTIONS

Authorisation

The **Policyholder** will act on behalf of any **Insured** for:

1. Notification of any **Claim, Loss, or Circumstance**;
2. Any other notifications required under this **Policy**;
3. Payment of **Premium**, including additional premium, or the receipt of returned **Premium**;
4. Negotiation and agreement of any **Endorsement** to this **Policy**;
5. Requests, and any subsequent agreement, of any extended notification period.

Expert Determination

In the event of a dispute concerning whether to contest or settle a **Claim** against an **Insured** or **Insured Person**, but not involving a dispute arising out of the interpretation of the Directors and Officers, Corporate Legal or Employment Practices Liability Sections, the parties will seek, and be bound by, the written opinion of Queen's Counsel (or an equivalent or like person to be mutually agreed upon) jointly selected by the parties (where joint selection cannot be agreed the parties agree to be bound by the selection of the Chairman of the Bar Council) acting as a legal expert and not as an arbitrator, but only to the extent that the opinion concerns either the probability of success in those proceedings or the reasonableness of settlement. The costs of this instruction will form part of the **Defence Costs**.

Severability

The **Proposal** for the insurance provided for under the Directors and Officers, Corporate Legal or Employment Practices Liability Sections, or any notice of alteration in risk, will be construed as a separate **Proposal** or notice by each **Insured** under the Directors and Officers, Corporate Legal or Employment Practices Liability Sections.

No representation made, or knowledge possessed, by the **Policyholder** will be imputed to an **Insured Person** or **Insured Trustee** and no representation made, or knowledge possessed, by an **Insured Person** or **Insured Trustee** will be imputed to another **Insured Person** or **Insured Trustee**.

Representations made, or knowledge possessed by any past, present or future **Insured Person** or **Insured Trustee** including any Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Director of Human Resources, General Counsel, Managing Director, Chairman, Company Secretary or other equivalent senior manager

employed by and authorised by an **Insured Company** or **Pension Scheme Sponsor** to make representations in relation to the Directors and Officers, Corporate Legal or Employment Practices Liability Sections will be imputed to that **Insured Company** or **Pension Scheme Sponsor** for any **Claim** against that **Insured Person** or that **Insured Company** or **Pension Scheme Sponsor**.

Change of Control

The cover provided by the Directors and Officers, Corporate Legal or Employment Practices Liability Sections will cease immediately for **Wrongful Acts** committed or attempted after a **Change of Control**.

Takeovers and Mergers

The Directors and Officers Liability Section may be extended to include **Loss** resulting from a **Claim** first made in the six (6) year period immediately after the expiry of this **Period of Insurance** where, during the **Period of Insurance**, there is a **Change of Control**, but only for any **Wrongful Act** committed or attempted prior to the **Change of Control** and provided that the **Policyholder** requests this extension of cover within sixty (60) days of the **Change of Control** and pays an additional premium, the amount of which to be confirmed by the **Insurer** at the time of request.

Notification

1. Claims

It is a condition precedent to the **Insurer's** liability under the Directors and Officers, Corporate Legal or Employment Practices Liability Sections that as soon as reasonably practicable after a **Claim** is first made, the **Policyholder**, or any **Insured** being claimed against, must give written notice of, and forward a copy of, that **Claim** to the **Insurer** during the **Period of Insurance** in the way shown in the **Schedule**.

Where it can be demonstrated to the **Insurer's** satisfaction that it was not reasonably practicable to provide written notice during the **Period of Insurance**, notice may be given in the first fifteen (15) days immediately after the **Period of Insurance**. Notice given in this fifteen (15) day period, and subsequently accepted by the **Insurer**, will be deemed to have been given during the **Period of Insurance**.

2. Circumstances

When an **Insured** first becomes aware of a **Circumstance** that is reasonably expected to give rise to a **Claim**, that party may give written notice to the **Insurer** during the **Period of Insurance** providing the fullest possible particulars of the:

- a. nature of the **Circumstance**, including any relevant dates, names and contact details; and
- b. anticipated **Wrongful Act** allegations; and
- c. reason for expecting that the **Claim** will be made; and
- d. date and manner in which that **Insured** first became aware of that **Circumstance**.

If any **Circumstance** notified in accordance with this condition subsequently gives rise to a **Claim**, that **Claim** will be deemed to have been first made on the date such **Circumstance** was first notified.

Excess

Where an **Insured Company** is permitted or required, but fails, to indemnify or reimburse an **Insured Person** or an **Insured Trustee**, for **Loss**, the **Insurer** will pay that **Loss** in the first instance provided that the **Insured Company**

must then pay the relevant **Excess** to the **Insurer** on demand.

Related Claims

Where a **Claim** is first notified during the **Period of Insurance** in accordance with the requirements of the Directors and Officers, Corporate Legal or Employment Practices Liability Sections, any **Related Claim** made subsequently is deemed by the **Insurer** to be part of that **Claim** first notified during the **Period of Insurance** and is further deemed to be:

1. made at the same time as that first notified **Claim**;
2. notified at the same time as that first notified **Claim**.

Advancement, Reimbursement and Allocation of Defence Costs

The **Insurer** will pay **Defence Costs** to, or on behalf of, an **Insured Person** on an ongoing, interim basis, prior to final disposal, resolution or adjudication of a **Claim** subject strictly to the proviso that where those costs and expenses are ultimately determined not to be covered by the Directors and Officers, Corporate Legal or Employment Practices Liability Sections, those costs and expenses must be reimbursed to the **Insurer** by the **Policyholder** or **Insured Person** on demand and, except for payments for non-indemnifiable **Loss**, the **Policyholder** will be jointly and severally liable with that **Insured Person** to make those payments to the **Insurer**.

In the event of a **Claim** against both an **Insured** and any other party not indemnified under the Directors and Officers, Corporate Legal or Employment Practices Liability Sections, or a **Claim** both for **Loss** indemnified under any those Sections and other loss, the parties will endeavour to agree a fair and reasonable allocation of **Defence Costs** covered by those Sections in proportion to **Loss** covered by those Sections, having regard to the relative legal and financial exposures of the parties.

Where that agreement cannot be reached within a reasonable time, the parties will seek, and be bound by, the written opinion of Queen's Counsel jointly selected by the parties (where joint selection cannot be agreed the parties agree to be bound by the selection of the Chairman of the Bar Council) acting as a legal expert and not as an arbitrator, but only to the extent that the opinion concerns the fair and reasonable allocation of **Defence Costs** covered by the Directors and Officers, Corporate Legal or Employment Practices Liability Sections in proportion to **Loss** covered by those Sections, having regard to the relative legal and financial exposures of the parties. The cost of this instruction will be deemed a **Defence Cost** and paid in like proportions as are determined to be fair and reasonable in the underlying **Loss**.

Subrogation

The **Insurer** will not exercise subrogated rights against an **Insured Person** or **Insured Trustee**, except where it is established by formal admission, adjudication or judgment that the **Insured Person** or **Insured Trustee** has acted fraudulently or has committed a criminal act involving dishonesty or has obtained profit or advantage to which the **Insured Person** or **Insured Trustee** not lawfully entitled.

Territorial Limit

The cover provided under the Directors and Officers Liability Section is for **Loss** resulting from **Claims** made, and **Wrongful Acts** committed, anywhere in the world except Canada or the United States of America, its territories or possessions; cover provided under the Corporate Legal and Employment Practices Liability Sections is for **Loss** resulting from **Claims** made and **Wrongful Acts** committed in the United Kingdom, the Channel Islands or the Isle of Man.

Directors and Officers Liability Section

DIRECTORS AND OFFICERS LIABILITY – INSURING AGREEMENTS

1. The **Insurer** will pay on behalf of an **Insured Person** any **Loss** resulting from a **Claim** first made against that **Insured Person** in the **Period of Insurance** and for which that **Insured Person** has not been indemnified by an **Insured Company**.
2. The **Insurer** will pay to an **Insured Company** any **Loss** resulting from a **Claim** first made against an **Insured Person** in the **Period of Insurance** where that **Insured Company** has indemnified that **Insured Person** for that **Loss** that exceeds the **Excess**.

DIRECTORS AND OFFICERS LIABILITY – LIMIT OF LIABILITY

The **Limit of Liability** in respect of any **Loss** under this Section for the **Period of Insurance**, including cover granted by extension or **Endorsement** to this Section, applies irrespective of the number of **Claims** made, or the number of **Insureds** claiming indemnity, under this Section or any extension or **Endorsement** to this Section.

DIRECTORS AND OFFICERS LIABILITY – EXTENSIONS

Cover under the following extensions is only available where the extension is shown in the **Schedule** to be operative and are subject otherwise to the terms, conditions and exclusions of this Section and the **Limit of Liability**.

Investigation Costs

Under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred by an **Insured Person**, with the **Insurer's** prior written consent, for legal representation in relation to an official investigation, hearing, examination or inquiry in to an **Insured Company** or **Insured Person** by any governmental or statutory authority, regulatory body or similar agency duly empowered, provided that the **Insured Person** first receives formal notice of that investigation, hearing, examination or inquiry during the **Period of Insurance**; for the purpose of cover under this extension only, the definition of **Claim** is extended to include that formal notice and is deemed to have been first made when first received by the **Insured Person**.

The salary or wage of an **Insured Person**, or the overheads of an **Insured Company**, are not covered by this extension. This extension does not apply to any periodic regulatory supervision, inquiries or compliance audits or internal investigations or audits or any other general investigation into the sector, trade or industry in which the **Insured Company** conducts business.

Emergency Costs

Under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred by an **Insured Person** to investigate, defend or settle any **Claim** including costs of appealing or setting aside an adverse judgment where it was not possible or reasonably practicable to obtain the prior written agreement of the **Insurer** for those costs or expenses.

Public Relations Costs

Under this Section the definition of **Loss** is extended to include the reasonable fees or expenses of a public relations consultancy or crisis management company, incurred with the **Insurer's** prior written consent, to mitigate

the adverse publicity resulting, or anticipated to result, from a covered **Claim** under this Section.

Bail Costs

Under this Section the definition of **Loss** is extended to include costs incurred, with the **Insurer's** prior written agreement, to pay for a bond or other financial instrument to guarantee the bail of an **Insured Person**.

Civil Fines and Penalties

Under this Section the definition of **Loss** is extended to include civil fines and penalties imposed on an **Insured Person** by any duly empowered governmental or statutory authority, regulatory body or similar agency in the United Kingdom, to the extent permissible by law and provided that the **Insured Person** is not otherwise indemnifiable by an **Insured Company**.

Manslaughter Proceedings

Notwithstanding this Section's Bodily Injury and Property Damage exclusion, under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred by an **Insured Company** on behalf of an **Insured Person**, with the **Insurer's** prior written consent, to investigate or defend criminal proceedings against that **Insured Person** for manslaughter resulting from a **Wrongful Act**. This extension only applies where that **Insured Company** is legally obliged and permitted to indemnify that **Insured Person**.

Health and Safety at Work

Notwithstanding this Section's Bodily Injury and Property Damage exclusion, under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred by an **Insured Company** on behalf of an **Insured Person**, with the **Insurer's** prior written consent, to investigate or defend proceedings against that **Insured Person** for a breach of duty under the Health and Safety at Work etc. Act 1974 caused by a **Wrongful Act**. This extension only applies where an **Insured Company** is legally obliged and permitted to indemnify that **Insured Person**.

Extradition Proceedings

Under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred, with the **Insurer's** prior written consent, for legal representation in relation to extradition proceedings first instigated in the United Kingdom under the Extradition Act 2003 against an **Insured Person** during the **Period of Insurance**; for the purpose of cover under this extension only, the definition of **Claim** is extended to include a formal request to surrender and is deemed to have been first made when first received by the **Insured Person**.

Management Buy-Out

Where the management of an **Insured Company** conducts a buy-out of that **Insured Company**, under this Section the definition of **Insured Person** is extended to include any person who was an **Insured Person** of that **Insured Company** prior to the buy-out, but only for **Wrongful Acts** in the first thirty (30) days following that buy-out and provided that this extension only applies in excess of any indemnity from that new entity, or any other insurance in force, that provides cover for that person's **Wrongful Act**.

Outside Entity

Under this Section the definition of **Insured Person** is extended to include any **Wrongful Act** while acting as director or officer of an **Outside Entity** at the request of an **Insured Company**, provided that this extension will only apply in excess of any indemnity from that **Outside Entity**, or any other insurance in force, that provides cover

for that **Wrongful Act**; for the purpose of cover under this extension only, references to **Insured Company** are deemed to include that **Outside Entity**.

Pollution Defence Costs

This Section is extended to include non-indemnifiable **Defence Costs** incurred on behalf of an **Insured Person**, with the prior written consent of the **Insurer**, in defending that **Insured Person** against criminal or regulatory proceedings resulting from **Pollution**.

Former Directors Run-Off

Where this Section is not renewed or replaced, this Section will extend the definition of **Insured Person** to include any person who voluntarily ceases to hold that position during the **Period of Insurance**, for any **Wrongful Acts** committed prior to relinquishing that position, for a period of six (6) years from the date of non-renewal provided that:

1. the relinquishing of that position was not due to disqualification, insolvency or a **Change of Control** of an **Insured Company**; and
2. the six (6) year period runs concurrently with any agreed extended notification period; and
3. no other insurance is in force that provides cover for that **Wrongful Act**.

Employment Practices Liability

Under this Section the definition of **Wrongful Act** is extended to include **Wrongful Act** as defined in Section 5C.

This extension will not apply if any other insurance is in force for that **Insured Person**, including under Section 5C for that **Wrongful Act**.

This Section's Bodily Injury and Property Damage exclusion does not apply to any **Claim** alleging emotional distress and injury to feelings.

Derivative Claims

Under this Section the definition of **Loss** is extended to include claimant's costs resulting from a **Claim**, against an **Insured Person**, that is a derivative action brought by a shareholder in the name of the **Insured Company**.

Additional Defence Costs

Where the **Limit of Liability** for this Section is exhausted, this Section is extended to include an additional amount, as shown in the **Schedule**, in respect of an **Insured Person's Defence Costs** only, provided that

1. any other insurance under which the **Insured Person** is entitled to indemnity, including any excess policy, has also been exhausted; and
2. the **Insured Person** is not otherwise indemnifiable; and
3. the **Insured Person** has not been the subject of any **Claim** that contributed to the exhaustion the **Limit of Liability** for this Section.

Shareholder Claims for Pollution

Under this Section an **Insured Person's Loss** is extended to include that which results from a **Claim**, against that

Insured Person, based upon allegations of diminution in value of an **Insured Company's** share value as a result of anticipated **Pollution** caused by that **Insured Person's Wrongful Act** or anticipated **Wrongful Act**.

Acquisitions

Under this Section the definition of **Subsidiary** is extended to include any entity that is created or acquired by an **Insured Company** during the **Period of Insurance** provided that the **Insured Company**:

1. holds more than fifty per cent (50%) of the issued share capital; or
2. has or controls more than fifty per cent (50%) of the voting rights; or
3. has the right to appoint or remove a majority of the board's directors;

of that entity and further provided that the entity:

4. has total assets of not more than twenty five per cent (25%) of the **Policyholder's** total assets at the date of inception of this **Policy**; and
5. is not a financial institution; and
6. is registered and domiciled within the United Kingdom; and
7. is not publicly listed.

An **Insured Person** of such a deemed **Subsidiary** has cover under this extension only for a **Wrongful Act** committed after the creation or acquisition by the **Insured Company** of that entity.

Extended Notification Period

Where the **Insurer** or the **Policyholder** refuses to renew this Section of the **Policy**, the **Policyholder** or an **Insured Person** may purchase an extended notification period of twelve (12) months from the last day of this **Period of Insurance**, for an additional premium equal to one hundred percent (100%) of the full annual **Premium** for this **Period of Insurance**.

Written notice of purchase must be received by the **Insurer** within thirty (30) days of the end of **Period of Insurance**, as well as the full additional premium.

The additional premium will be deemed to be fully earned at the start of the extended notification period and no refund will be made in the event of cancellation.

This extension of cover is for any **Claim** made during or before the extended notification period, but only where based upon an allegation of a **Wrongful Act** committed or attempted prior to the extended notification period.

The extended notification period is deemed to be included within the **Period of Insurance** and consequently the **Limit of Liability** for the **Period of Insurance** will not increase or be reinstated, and the **Policy** Condition 'Notification of Claims and Circumstances' will apply to any **Claim** first made in the extended notification period as if that period were the **Period of Insurance**.

The offer of renewal on different terms, or for different premium, when compared to this **Period of Insurance** does not constitute a refusal to renew.

The option to request this extension of cover is not available when:

1. this **Policy** is not renewed due to non-payment of **Premium**; or
2. the **Policyholder** is insolvent; or

3. this Section of the **Policy** is replaced with another Directors and Officers insurance policy or similar management liability insurance; or
4. there is a **Change of Control** at the end of **Period of Insurance**; or
5. the **Policy** is cancelled (or continuing only by virtue of the Former Directors Run-Off extension).

DIRECTORS AND OFFICERS LIABILITY – CONDITION

Priority of Payments

This Section first indemnifies (i) any **Insured Person's Loss** that is not indemnifiable by an **Insured Company**, but excepting **Defence Costs** incurred under the Additional Defence Costs extension of this Section, if operative; thereafter this Section indemnifies (ii) any **Insured Company** that has indemnified an **Insured Person** for **Loss**. Where the Additional Defence Costs extension of this Section is operative, those **Defence Costs** will be indemnified only after amounts (i) and (ii) above are paid.

DIRECTORS AND OFFICERS LIABILITY – EXCLUSIONS

Conduct

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any:

1. fraudulent act or other criminal act involving dishonesty or other deliberate breach of any law or regulation by an **Insured Person**; or
2. profit or advantage obtained by an **Insured Person** to which the **Insured Person** was not lawfully entitled;

established by formal admission, final judgment or adjudication. The **Insurer** may at its sole discretion and cost seek the written opinion of Queen's Counsel jointly selected by the parties (where joint selection cannot be agreed the parties agree to be bound by the selection of the Chairman of the Bar Council) acting as legal expert and not as an arbitrator, on the prospects of successfully defending an **Insured Person** against allegations of that unlawful conduct, more fully detailed above; if there are no reasonable prospects of successfully so defending that **Insured Person**, this exclusion applies as if that conduct had been established by formal admission, final judgment or adjudication.

Bodily Injury and Property Damage

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any:

1. death, bodily injury, illness or disease or psychiatric injury; or
2. emotional distress or injury to feelings; or
3. damage to, or loss or destruction of, tangible property including any loss of use.

Prior Claims and Circumstances

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** or **Circumstance** that was known of, or ought to have been known of, by any **Insured** prior to the **Period of Insurance** irrespective of whether or not that **Claim** or **Circumstance** was notified under any earlier

insurance policy, or Section of a policy, then in force.

Prior Litigation

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any legal or proceedings commenced prior to the date shown in the **Schedule** including any later **Loss** arising out of, based upon, attributable to, in connection with or in any way involving, the same or substantially the same or similar, source, cause, facts, acts committed or attempted, omissions, situations, transactions or events on which those prior legal or proceedings are founded.

Schemes and Trustees

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** for breach of statute, regulation or common law against an **Insured Person** while acting in their capacity as an **Insured Trustee** or as an administrator, trustee or other fiduciary of any trust fund, pension scheme, superannuation scheme, profit sharing scheme, employee benefit scheme.

Offerings of Securities

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any public offering of **Securities** during the **Period of Insurance**.

Professional Services

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any breach of professional duty, or any provision of, or failure to provide, professional advice or services, designs, specifications, inspection, certification, formulae, plans, directions, surveys or testing, for a fee, or in circumstances where a fee would normally be charged.

Corporate Legal Liability Section

CORPORATE LEGAL LIABILITY – INSURING AGREEMENT

The **Insurer** will pay on behalf of an **Insured Company** any **Loss** resulting from a **Claim** first made against that **Insured Company** in the **Period of Insurance**.

CORPORATE LEGAL LIABILITY – LIMIT OF LIABILITY

The **Limit of Liability** in respect of any **Loss** under this Section for the **Period of Insurance**, including cover granted by extension or **Endorsement** to this Section, applies irrespective of the number of **Claims** made, or the number of **Insured Companies** claiming indemnity, under this Section or any extension or **Endorsement** to this Section.

CORPORATE LEGAL LIABILITY – EXTENSIONS

Cover under the following extensions is only available where the extension is shown in the **Schedule** to be operative and are subject otherwise to the terms, conditions and exclusions of this Section and the **Limit of Liability**.

Public Relations Costs

Under this Section the definition of **Loss** is extended to include the reasonable fees or expenses of a public relations consultancy or crisis management company, incurred with the **Insurer's** prior written consent, to mitigate the adverse publicity resulting, or anticipated to result, from a covered **Claim** under this Section.

Corporate Manslaughter Proceedings

Notwithstanding this Section's Bodily Injury and Property Damage exclusion, under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred by an **Insured Company**, with the **Insurer's** prior written consent, to investigate or defend criminal proceedings against that **Insured Company** under the Corporate Manslaughter and Corporate Homicide Act 2007 resulting from a **Wrongful Act**.

Health and Safety at Work

Notwithstanding this Section's Bodily Injury and Property Damage exclusion, under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred by an **Insured Company**, with the **Insurer's** prior written consent, to investigate or defend proceedings against that **Insured Company** for a breach of duty under the Health and Safety at Work etc. Act 1974 caused by a **Wrongful Act**.

Acquisitions

Under this Section the definition of **Subsidiary** is extended to include any entity that is created or acquired by an **Insured Company** during the **Period of Insurance** provided that the **Insured Company**:

1. holds more than fifty per cent (50%) of the issued share capital; or
2. has or controls more than fifty per cent (50%) of the voting rights; or
3. has the right to appoint or remove a majority of the directors of the board;

of that entity and further provided that the entity:

4. has total assets of not more than twenty five per cent (25%) of the **Policyholder's** total assets at the date of inception of this **Policy**;
5. is not a financial institution;
6. is registered and domiciled with the United Kingdom;
7. is not publicly listed.

Such a **Subsidiary** has cover under this extension only for a **Wrongful Act** committed or attempted after the creation or acquisition of that entity.

Contractual Liability

Notwithstanding this Section's Contractual Liability exclusion, under this Section the definition of **Defence Costs** is extended to include reasonable costs or expenses necessarily incurred, with the **Insurer's** prior written consent, to investigate, defend or settle any **Claim** based upon an allegation of an **Insured Company's** breach of any contractual obligation; for the purpose of cover under this extension only, **Wrongful Act** is deemed to include such allegations of breach.

Emergency Costs

Under this Section the definition of **Loss** is extended to include reasonable costs or expenses necessarily incurred by an **Insured Company** to investigate, defend or settle any **Claim** including costs of appealing or setting aside an adverse judgment where it was not possible or reasonably practicable to obtain the prior written agreement of the **Insurer** for those costs or expenses.

Court Attendance

The **Insurer** agrees to pay the **Insured Company** £250 per day if, in the opinion of the **Insurer**, the attendance of an **Insured Person** is required to either give evidence at court or attend a mediation meeting in relation to a **Claim** for which this Section might provide indemnity.

Where in the opinion of the **Insurer** the attendance of an **Insured Person** at court as an observer and not as a witness is required, the **Insurer** will pay £125 per day, but payment will be limited to one observer per day.

The **Insurer** further agrees to pay the **Insured Company** £50 per hour if, in the opinion of the **Insurer**, time is required to be spent by an **Insured Person** in interviews with lawyers, including conferences with Counsel, for the purpose of providing a witness statement or related activities required either for representation at a Coroner's Inquest or Fatal Accident Inquiry, or the defence of the **Insured Company** from a **Claim** for which this Section might provide indemnity provided that the time spent by the **Insured Person** is certified by the lawyers with the conduct of the defence.

Management Buy-Out

Where the management of an **Insured Company** conducts a buy-out of that **Insured Company**, under this Section the definition of **Insured Company** is extended to include that new entity, but only for **Wrongful Acts** in the first thirty (30) days following that buy-out and provided that this extension only applies in excess of any other insurance in force that provides cover for that person's **Wrongful Act**.

Civil Fines and Penalties

Under this Section the definition of **Loss** is extended to include civil fines and penalties imposed on an **Insured**

Company by any duly empowered governmental or statutory authority, regulatory body or similar agency in the United Kingdom, to the extent permissible by law.

Extended Notification Period

Where the **Insurer** or the **Policyholder** refuses to renew this Section of the **Policy**, the **Policyholder** may purchase an extended notification period of twelve (12) months from the last day of this **Period of Insurance**, for an additional premium equal to one hundred percent (100%) of the full annual **Premium** for this **Period of Insurance**.

Written notice of purchase must be received by the **Insurer** within thirty (30) days of the end of **Period of Insurance**, as well as the full additional premium.

The additional premium will be deemed to be fully earned at the start of the extended notification period and no refund will be made in the event of cancellation.

This extension of cover is for any **Claim** made during or before the extended notification period, but only where based upon an allegation of a **Wrongful Act** committed or attempted prior to the extended notification period.

The extended notification period is deemed to be included within the **Period of Insurance** and consequently the **Limit of Liability** for the **Period of Insurance** will not increase or be reinstated, and the **Policy** Condition 'Notification of Claims and Circumstances' will apply to any **Claim** first made in the extended notification period as if that period were the **Period of Insurance**.

The offer of renewal on different terms, or for different premium, when compared to this **Period of Insurance** does not constitute a refusal to renew.

The option to request this extension of cover is not available when:

1. this **Policy** is not renewed due to non-payment of **Premium**;
2. the **Policyholder** is insolvent;
3. this Section of the **Policy** is replaced with another Corporate Legal Liability policy or similar management liability insurance; or
4. there is a **Change of Control** at the end of **Period of Insurance**; or
5. the **Policy** is cancelled.

CORPORATE LEGAL LIABILITY – EXCLUSIONS

Conduct

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any:

1. fraudulent act or other criminal act involving dishonesty or other deliberate breach of any law or regulation by an **Insured**; or
2. profit or advantage obtained by an **Insured Company** to which the **Insured Company** was not lawfully entitled;

established by formal admission, final judgment or adjudication.

The **Insurer** may at its sole discretion and cost seek the written opinion of Queen's Counsel jointly selected by the parties (where joint selection cannot be agreed the parties agree to be bound by the selection of the Chairman of the Bar Council) acting as legal expert and not as an arbitrator, on the prospects of successfully defending an

Insured Company against allegations of that unlawful conduct, more fully detailed above; if there are no reasonable prospects of successfully so defending that **Insured Company**, this exclusion applies as if that conduct had been established by formal admission, final judgment or adjudication.

Bodily Injury and Property Damage

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any:

1. death, bodily injury, illness or disease or psychiatric injury; or
2. emotional distress or injury to feelings; or
3. damage to, or loss or destruction of, tangible property including any loss of use.

Offerings of Securities

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any private placement or public offering of **Securities** during the **Period of Insurance**.

Prior Claims and Circumstances

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** or **Circumstance** that was known of, or ought to have been known of, by any **Insured** prior to the **Period of Insurance** irrespective of whether or not that **Claim** or **Circumstance** was notified under any earlier insurance policy, or Section of a policy, then in force.

Prior Litigation

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any legal or proceedings commenced prior to the date shown in the **Schedule** including any later **Loss** arising out of, based upon, attributable to, in connection with or in any way involving, the same or substantially the same or similar, source, cause, facts, acts committed or attempted, omissions, situations, transactions or events on which those prior legal or proceedings are founded.

Employment Practices

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Wrongful Act** as defined in the Employment Practices Liability Section.

Products

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Product**.

Professional Services

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any breach of professional duty, or any provision of, or failure to provide, professional advice or services, designs, specifications, inspection, certification, formulae, plans, directions, surveys or testing, for a fee, or in circumstances where a fee would normally be charged.

Employee Dishonesty

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving the dishonesty of any **Employee** for any:

1. accounting or arithmetical error, omission or unexplained shortage;
2. default or non-payment of any loan, credit or similar agreement;
3. loss of interest, profit or other consequential loss.

Contractual Liability

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Insured Company's** breach of contract or any liability voluntarily assumed by any **Insured Company** in a contract, except to the extent that liability would attach in the absence of that contract.

Benefits

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any obligations in respect of disability benefits, unemployment benefits, redundancy benefits, retirement benefits or social security benefits.

Schemes and Trustees

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** for breach of statute, regulation or common law, against an **Insured Company** while acting as an administrator, trustee or other fiduciary of any trust fund, pension scheme, superannuation scheme, profit sharing scheme, employee benefit scheme, including any failure to fund such trust or schemes.

Pollution

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving **Pollution** except for any **Claim** against an **Insured Company** brought by a shareholder or group of shareholders of that **Insured Company** either directly or derivatively without the solicitation, voluntary assistance or participation of any **Insured Person**.

Unfair Trading Practices

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving violation of laws or regulations concerning anti-competitive practices or activities in restraint of trade, economic torts or other unlawful interference with the business of another.

Defamation and Intellectual Property

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving defamation or infringement of patents, trade marks, copyrights, design rights or any other violation of intellectual property rights.

Tax

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any obligations in respect of direct or indirect taxation.

Insured vs Insured

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** instigated, brought, maintained by an **Insured Company**, except for any **Claim** against an **Insured Company** brought by a shareholder or group of shareholders of that **Insured Company** derivatively without the solicitation, voluntary assistance or participation of any **Insured Person**.

US/Canada Litigation

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** brought against the **Insured** within the jurisdiction of the United States of America or Canada or in any country or territory which operates under the laws of the United States of America or Canada or in respect of any order made anywhere in the World to enforce a judgement award or settlement in respect of any such **Claim**.

Employment Practices Liability Section

EMPLOYMENT PRACTICES – INSURING AGREEMENT

The **Insurer** will pay on behalf of an **Insured Person** or **Insured Company** any **Loss** resulting from a **Claim** first made against that **Insured Person** or **Insured Company** in the **Period of Insurance**.

EMPLOYMENT PRACTICES – LIMIT OF LIABILITY

The **Limit of Liability** in respect of any **Loss** covered under this Section for the **Period of Insurance**, including cover granted by extension or **Endorsement** to this Section, applies irrespective of the number of **Claims** made, or the number of **Insureds** claiming indemnity, under this Section or any extension or **Endorsement** to this Section.

EMPLOYMENT PRACTICES – EXTENSION

Extended Notification Period

Where the **Insurer** or the **Policyholder** refuses to renew this Section of the **Policy**, the **Policyholder** or an **Insured Person** may purchase an extended notification period of twelve (12) months from the last day of this **Period of Insurance**, for an additional premium equal to one hundred percent (100%) of the full annual **Premium** for this **Period of Insurance**.

Written notice of purchase must be received by the **Insurer** within thirty (30) days of the end of **Period of Insurance**, as well as the full additional premium.

The additional premium will be deemed to be fully earned at the start of the extended notification period and no refund will be made in the event of cancellation.

This extension of cover is for any **Claim** made during or before the extended notification period, but only where based upon an allegation of a **Wrongful Act** committed or attempted prior to the extended notification period.

The extended notification period is deemed to be included within the **Period of Insurance** and consequently the **Limit of Liability** for the **Period of Insurance** will not increase or be reinstated, and the **Policy** Condition 'Notification of Claims and Circumstances' will apply to any **Claim** first made in the extended notification period as if that period were the **Period of Insurance**.

The offer of renewal on different terms, or for different premium, when compared to this **Period of Insurance** does not constitute a refusal to renew.

The option to request this extension of cover is not available when:

1. this **Policy** is not renewed due to non-payment of **Premium**; or
2. the **Policyholder** is insolvent; or
3. this Section of the **Policy** is replaced with another Employment Practices Liability policy or similar management liability insurance; or
4. there is a **Change of Control** at the end of **Period of Insurance**; or
5. the **Policy** is cancelled.

EMPLOYMENT PRACTICES – EXCLUSIONS

Conduct

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any:

1. fraudulent act or other criminal act involving dishonesty or other deliberate breach of any law or regulation by any **Insured Person** or **Insured Company**; or
2. profit or advantage obtained by an **Insured Company** to which the **Insured Company** was not lawfully entitled; established by formal admission, final judgment or adjudication.

The **Insurer** may at its sole discretion and cost seek the written opinion of Queen's Counsel jointly selected by the parties (where joint selection cannot be agreed the parties agree to be bound by the selection of the Chairman of the Bar Council) acting as legal expert and not as an arbitrator, on the prospects of successfully defending an **Insured Person** or **Insured Company** against allegations of that unlawful conduct, more fully detailed above; if there are no reasonable prospects of successfully so defending that **Insured Person** or **Insured Company**, this exclusion applies as if that conduct had been established by formal admission, final judgment or adjudication.

Schemes and Trustees

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** for breach of statute, regulation or common law, against an **Insured Person** or **Insured Company** while acting as an administrator, trustee or other fiduciary of any trust fund, pension scheme, superannuation scheme, profit sharing scheme, employee benefit scheme, including any failure to fund such trust or schemes.

Prior Claims and Circumstances

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** or **Circumstance** that was known of, or ought to have been known of, by any **Insured** prior to the **Period of Insurance** irrespective of whether or not that **Claim** or **Circumstance** was notified under any earlier insurance policy, or Section of a policy, then in force.

Prior Litigation

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any legal or proceedings commenced prior to the date shown in the **Schedule** including any later **Loss** arising out of, based upon, attributable to, in connection with or in any way involving, the same or substantially the same or similar, source, cause, facts, acts committed or attempted, omissions, situations, transactions or events on which those prior legal or proceedings are founded.

Bodily Injury and Property Damage

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any:

1. death, bodily injury, illness or disease or psychiatric injury; or
2. damage to, or loss or destruction of, tangible property including any loss of use.

Tax

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any obligations in respect of direct or indirect taxation.

Benefits

Except for any **Claim** based upon on an allegation of a **Wrongful Act** involving **Retaliation**, the **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any legal obligations in respect of private health insurance, workplace health and safety, disability benefits, unemployment benefits, redundancy benefits, retirement benefits or social security benefits.

Collective Bargaining Agreements

Except for any **Claim** based upon on an allegation of a **Wrongful Act** involving **Retaliation**, the **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any collective bargaining agreement, membership or non-membership of any trade union or other labour relation organisation, or any industrial labour dispute.

Employment Contract Liability

The **Insurer** will not indemnify **Loss**, other than **Defence Costs**, arising out of, based upon, attributable to, in connection with or in any way involving any failure to pay any **Employee** salary or **Benefits**, including notice period payments or sums due under minimum wage or equal pay requirements.

Contractual Liability

The **Insurer** will not indemnify **Loss**, other than **Defence Costs**, arising out of, based upon, attributable to, in connection with or in any way involving any **Insured's** breach of contract or any liability voluntarily assumed by any **Insured** in a contract, except to the extent that liability would attach in the absence of that contract.

Other Orders

The **Insurer** will not indemnify **Loss**, other than **Defence Costs**, arising out of, based upon, attributable to, in connection with or in any way involving any non-pecuniary order or the costs incurred in complying or refusing to comply with an order for the reinstatement of an **Employee**.

US/Canada Litigation

The **Insurer** will not indemnify any **Loss** arising out of, based upon, attributable to, in connection with or in any way involving any **Claim** brought against the **Insured** within the jurisdiction of the United States of America or Canada or in any country or territory which operates under the laws of the United States of America or Canada or in respect of any order made anywhere in the World to enforce a judgement award or settlement in respect of any such **Claim**.

Professional Indemnity Section

PROFESSIONAL INDEMNITY – INSURING AGREEMENTS

The **Insurer** agrees to indemnify the **Insured** liability for any **Claim** first made against the **Insured** and notified to the **Insurer** during the **Period of Insurance** in accordance with Notification Claim Conditions in respect of any:

1. Civil liability; or
2. Unintentional breach of confidentiality or misuse of information; or
3. Infringement of intellectual property rights which includes copyright, patent, trademark or acts of passing off,

arising from any act, error or omission by the **Insured** or by any **Employees** in the conduct of the **Insured's Professional Business**.

The Insurer also agrees to pay **Costs** either incurred by the **Insurer** or incurred by the **Insured** with the **Insurer's** prior written consent.

PROFESSIONAL INDEMNITY – AUTOMATIC EXTENSIONS

The automatic extensions are subject to all terms applicable to this Section.

The **Insurer** agrees to cover the **Insured**:

Loss of Documents

For expenses reasonably and necessarily incurred by the **Insured** in replacing or restoring **Documents** that after a diligent search cannot be located or that have been accidentally destroyed or damaged beyond reasonable use and for which the **Insured** is legally responsible and which were in the **Insured's** physical custody or control or any other person to whom the **Insured** entrusted, lodged or deposited such **Documents** provided

1. The loss, destruction or damage of the **Documents** is first discovered during the **Period of Insurance**; and
2. The **Insured** notify the **Insurer** within 30 days and within the **Period of Insurance** of discovery of the loss, destruction or damage of the **Documents**; and
3. The **Insured** provide the **Insurer** with bills and accounts substantiating the expenses incurred by the **Insured** in replacing or restoring the lost, destroyed or damaged **Documents**; and
4. The expenses are incurred with the **Insurer's** prior written consent and the **Insurer** approves, or a competent person nominated by the **Insurer** approves, the bills and accounts; and
5. The replacement or restoration of the **Documents** is reasonably required.

The **Insurer's** total liability under this extension for any one **Claim** and in the aggregate for all **Claims** during the **Period of Insurance** will not exceed £100,000. Such liability is part of, and not in addition to, the **Limit of Liability**.

Sub-Consultants

For the **Insured's** liability in respect of any **Claim** made against any sub-consultant undertaking work for the **Insured** as a sub-consultant and whose acts, errors or omissions arise from the **Insured's Professional Business** provided always that the **Insurer's** rights of subrogation as contained in the Subrogation General Condition are not waived or otherwise amended to the **Insurer's** detriment by the **Insured**. The **Insured** will take reasonable steps to ensure that the sub-consultant has and maintains professional indemnity insurance with an appropriate limit of liability not less than the **Limit of Liability**, unless agreed otherwise by the **Insurer** in writing.

Joint Venture Liability

For the **Insured's** liability in respect of any **Claim** made against the **Insured** where the **Insured** is engaged in a joint venture but restricted to liability in respect of work performed solely by the **Insured** arising from the conduct of the **Insured's Professional Business**.

The **Insurer** will not cover any liability of the **Insured's** joint venture partner nor any liability arising from work performed by such joint venture partner, unless agreed otherwise by the **Insurer** in writing.

Libel and Slander

For the **Insured's** liability in respect of any **Claim** made against them arising from their committing libel or slander in the conduct of their **Professional Business**.

Compensation for Attendance

For the cost of attendance at a formal court hearing or formal interview by the **Insured** or their **Employees** in

connection with a **Claim** or **Circumstance** reasonably expected to give rise to a **Claim** notified to the **Insurer** where such attendance is considered by the **Insurer** to be necessary or beneficial to reduce liability which may result in a payment under this **Policy**. The cover is subject to:

1. the **Insurer** having given prior written agreement to such attendance;
2. indemnity for such costs being restricted to a rate of £500 per principal, partner, member or director per day and £250 per **Employee** per day; and
3. a total indemnity payable under this extension of £150,000. Such indemnity being within, and not in addition to, the **Limit of Liability**.

This Automatic Extension is not subject to the **Excess**.

PROFESSIONAL INDEMNITY – DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within this Section

Claim means

1. Any written or oral demand for monetary damages or other relief including non-pecuniary relief.
2. Any civil, arbitration or adjudication proceedings including any counterclaim or appeal.

Computer System means any computer data processing equipment media, or part thereof, or system or data storage and retrieval or communication system network protocol, or part thereof, or storage device microchip integrated circuit real time clock system or similar device or any computer software (including but not limited to application software operating systems runtime environments or compilers) firmware or microcode.

Computer Virus means a piece of unauthorised executable code which propagates itself through the **Insured's Computer System**.

Costs means any reasonable fees, expenses, costs and disbursements incurred in investigating, adjusting or defending a **Claim** covered by this **Policy** including any appeal issued in connection with a **Claim** and to which the **Insurer** has given their prior written consent. Any internal or overhead expenses or the cost of any of the **Insured's** time is not included.

Documents means any of the following documents, but only in the event and to the extent that such documents are related to conducting the **Insured's Professional Business**: Deeds, wills, agreements, maps, plans, books, letters, policies, certificates, forms and documents of any nature, whether printed, written or reproduced by any method including computer records and electronically stored data but does not mean bonds or coupons, stamps, bank or currency notes, money or any negotiable instrument.

Employee means

1. any person under a contract of service or apprenticeship with the **Insured**
2. whilst working for the **Insured** in the course of the **Professional Business**
 - a. any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the **Insured**
 - b. a prospective employee who is undergoing practical work experience or any person participating in any Government or otherwise authorised work experience training study exchange or similar scheme
 - c. any person who is an outworker or home worker
 - d. any person who is a voluntary helper

Fungus means any form or type of mould or mushroom or mildew.

Knowledge or Detection means when the **Insured** become aware of facts which would cause a reasonable person to assume that a loss covered by this **Policy** has been or will be incurred, even though the exact amount or details of the loss may not then be known.

Proposal Form means the written proposal form submitted by the **Insured** to the **Insurer** together with any other related particulars and statements that have been supplied to the **Insurer** in writing.

Retroactive Date means the date specified in the **Schedule**

Spores means any dormant or reproductive body produced or arising out of any **Fungus**.

PROFESSIONAL INDEMNITY – EXCLUSIONS

This Section will not apply in respect of:

Associates

1. Any **Claim** against the **Insured** brought by or on behalf of any parent, subsidiary or associated company of the **Insured**;
2. Any **Claim** against the **Insured** by any other company in which the **Insured** has a financial interest;
3. Any **Claim** against the **Insured** by any other company in common control with the **Insured**,

unless such **Claim** emanates from an independent third-party.

Assumed Duty or Obligation

Liability directly or indirectly arising out of, or in any way connected to, any duty, obligation or liability incurred, entered into or assumed by the **Insured** which is not incurred, entered into or assumed in the normal conduct of the **Insured's Professional Business**.

Bodily Injury

Liability in respect of any **Claim** directly or indirectly based upon attributable to or in consequence of bodily injury, mental injury, sickness, disease or death of any person; provided that this Exclusion will not apply to **Claims** incurred as a result of breach of professional duty in the conduct of the **Insured's Professional Business**.

Contract

Any **Claim** arising out of any express contract, agreement, warranty, indemnity, waiver or guarantee unless liability would have attached to the **Insured** in the absence of such express contract, agreement, warranty, indemnity, waiver or guarantee.

Computer Viruses

Any **Claim** arising from the transmission of a **Computer Virus** including any malicious or inappropriate e-mail.

Directors and Officers

Any breach by the **Insured** of a personal duty owed solely in the capacity of a member, director, secretary or officer of a body corporate.

Financial Services

Any **Claim** arising from, attributable to, relating to or in any way involving:

1. depreciation or loss of investments when the depreciation or loss is as a result of any fluctuation in any financial, stock or commodity markets;
2. any actual or alleged dealings of any nature by which it is sought to affect the price of, or market in, any shares or debentures of any company or commodity or currency, or of any negotiable instrument, other than dealings carried out in accordance with the laws, rules and regulations applicable to such dealings;

3. any financial or investment advice provided by the **Insured**, including but not limited to any advice given, services performed, recommendation as to the valuation, tax implications or performance of any investment which have not been authorised where such authorisation will have been required under any statutory regulation by an appropriate statutory authority.

Fraud and Dishonesty

1. Any **Claim** directly or indirectly arising from, or attributable to, any actual or alleged act or omission by the **Insured** or their sub-consultants which was in reckless disregard, fraudulent, dishonest, malicious or criminal; or
2. Any liability arising directly or indirectly from, or attributable to, or in consequence of any wilful breach of any statute, regulation, contract or duty by the **Insured** or their sub-consultants.

Geographical Limits

Professional Business undertaken within the United States of America, Canada and any country, territory or jurisdiction in which American or Canadian law (Federal, State or Provincial) is applicable or in which a judgement based upon such law may be enforceable in connection with such work.

Insolvency

Any **Claim** or loss directly or indirectly arising out of, or in any way involving:

1. the **Insured's** insolvency and/or liquidation and/or administration and/or scheme of arrangements or other financial difficulties;
2. the insolvency of any insurance company, bank investment manager, building society, stock broker, investment intermediary or any other business, firm or company with whom the **Insured** has directly or indirectly arranged any investments, deposits or insurances.

Insurance and Financial Matters

1. Any failure to obtain or maintain adequate insurance or finance.
2. Any lost profit, mark-up or any VAT or similar tax.

Insurance Claims

Any **Claim** of whatsoever nature by any underwriter or insurance company by reason of any act, error or omission committed in the course of the **Insured's** activities as insurance agents.

Jurisdictional Limits

Legal proceedings brought in a Court of Law in the United States of America, Canada and any country, territory or jurisdiction in which American or Canadian law (Federal, State or Provincial) is applicable or in which a judgement based upon such law may be enforceable in connection with such proceeding.

Land, Buildings, Transport

Liability incurred or alleged to have been incurred, if arising directly or indirectly from the ownership, possession

or use by the **Insured** or on the **Insured's** behalf of any land, buildings, aircraft, vessel or mechanically propelled vehicle.

Liability to Employees

Liability to **Employees** in respect of any **Claim** arising from any employment dispute, including any such dispute directly or indirectly based upon attributable to or in consequence of bodily injury, mental injury, sickness, disease or death or any breach of any obligations owed by the **Insured** as an employer for discrimination, harassment, unfair treatment or unfair dismissal or failure to promote any **Employee**.

Non-Competitive Behaviour and Taxation

Any **Claim** directly or indirectly arising from or attributable to breach of any competition, restraint of trade or anti-trust legislation or regulation or any other restrictive practice.

Partnership Duties

Any actual or alleged breach of the **Insured's** partnership or shareholder agreement or arrangements, including any equivalent agreement or arrangement where the **Insured** is a limited liability partnership or a company without share capital.

Pension and Trust Liability

Any breach by the **Insured** of a duty owed or arising from the operation or administration of any trust fund, pension or other employee benefit scheme.

Pollution and/or Contamination

Any pollution, seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, fumes, acids, alkalis, chemicals and waste (including but not limited to material to be recycled, reconditioned or reclaimed) or contamination of any kind. For the avoidance of doubt and for the purposes of this Exclusion, asbestos is considered a contaminant.

Prior Knowledge

1. Any **Claim** first made, threatened or intimated against the **Insured** prior to the **Period of Insurance**;
2. Any **Claim** or loss arising out of any **Circumstance** reasonably expected to give rise to a **Claim** of which the **Insured** were aware of or ought reasonably to have been aware of prior to the **Period of Insurance**;
3. Any **Claim**, **Circumstance** reasonably expected to give rise to a **Claim** or other matter notified to any insurance policy preceding the **Period of Insurance**.

Products

Any **Claim** arising from the **Insured** or any sub-contractor, agent or consultant having supplied, serviced, manufactured, erected, constructed, altered, repaired, treated, transported, sold, recalled, fabricated, distributed, installed or maintained any goods or products (including containers labelling instructions or advice provided in connection therewith).

Property Damage

Liability incurred from the loss or destruction of, or damage to, any property unless arising from lost **Documents** or design or specification, technical information calculation or survey performed by or on the **Insured's** behalf in the conduct the **Insured's Professional Business**.

Retroactive Date

Any **Claims** arising out of the exercise and conduct of the **Insured's Professional Business** carried out prior to any **Retroactive Date**.

Toxic Mould

Any **Claim** of whatsoever nature directly or indirectly arising out of or in any way involving the presence of or any form of release of aspergillus fumigatus, any fungus or mycota or any by-product or type of infestation produced by such **Fungus** or mycota, including but not limited to, mould, mildew, mycotoxins, **Spores**, or any biogenic aerosols.

Trading Debts

Any **Claim** arising from or directly or indirectly attributable to any of the **Insured's** trading debts or trading losses or any guarantee or undertaking given by the **Insured** for a debt or performance of any other obligation by a third party.

War/Terrorism

Any **Claim** of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following, regardless of any cause or event contributing concurrently or in any other sequence to the **Claim**:

1. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. Any act of terrorism.

For the purposes of this Exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Exclusion also includes any liability for any **Claim** and/or **Costs** on account of any **Claim** of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the **Insurer** alleges that by reason of this Exclusion, any **Claim**, **Costs**, or expenses are not covered by this **Policy**, the burden of proving the contrary will be upon the **Insured**.

Workmanship

Any defective workmanship, defective materials, manual labour operations or any defective materials or production techniques used in the manufacture of any product.

PROFESSIONAL INDEMNITY – CLAIM CONDITIONS

The following conditions are applicable to this Section only:

Notification

It is a condition precedent to liability under this **Policy** that the **Insured** will notify the **Insurer** in writing as soon as practicable and no later than 3 months after **Knowledge** or **Detection** and in any event no later than the end of the **Period of Insurance** of any:

1. **Claim** made against the **Insured**;
2. **Circumstance** reasonably expected to give rise to a **Claim** against the **Insured** whether or not the **Insured** believe the **Claim** that may arise therefrom has any merit or is valid;
3. notice of any intention to make a **Claim** against the **Insured**;
4. discovery or reasonable cause for suspicion of dishonesty or fraud on the part of any of the **Insured's** former or present principals, partners, members, directors, **Employees**, or sub-consultants whether giving rise to a loss or **Claim** hereunder or not.

Any subsequent **Claim** arising out of matters notified under (1) and (2) above will in each case be deemed to have been a **Claim** made during the **Period of Insurance**.

Notification is deemed to have been made only when received in writing by the **Insurer** or the nominee, if any, named in an **Endorsement** to this **Policy**.

The notification must include full particulars, including the identity of the claimant or potential claimant, details of the allegations and potential allegations against the **Insured**, identification of the project and services giving rise to the **Claim** or potential **Claim**, the potential quantum if known involved in the **Claim** and in the case of a **Circumstance** reasonably expected to give rise to a **Claim**, the notification should include the reasons for the belief that a **Claim** is likely to be made.

Following receipt of any Letter of Claim, Pre-Action Protocol Letter, Claim Form, other legal procedural documents, Summons, Arbitration Notice or other such similar correspondence and documents to those described, the **Insured** must deliver the correspondence or document to the **Insurer** as soon as practicable.

Compliance with this Notification Condition will be at the **Insured's** own cost

Dishonest or Fraudulent Persons

Should the **Insured** suffer any loss or **Claim** or incur any liability of the type insured under the **Policy** by reason of the dishonest or fraudulent act or omission of any of the **Insured's** former or present principals, partners, members, directors or **Employees**:

1. the **Insured** will at the **Insurer's** request take all reasonable steps to obtain reimbursement from such person;
2. any monies which but for the dishonest or fraudulent act or omission would be due to such persons from the **Insured** or any monies of such persons held by the **Insured** will be deducted from any amount payable hereunder;
3. notwithstanding the Indemnity to Employees Clause of this Section no indemnity in respect of such loss or **Claim** will be afforded hereunder to any person committing or condoning such dishonest or fraudulent act or omission;
4. nothing herein will preclude the **Insurer** from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission;

5. the sums payable hereunder will be only for the balance of liability in excess of the amounts recoverable from the dishonest or fraudulent person or persons or their estates or legal representatives;
6. the **Insured** will bear the burden of providing satisfactory proof to substantiate a loss hereunder (including any **Costs** incurred in such process) and the **Insurer** will be under no obligation to provide indemnity to the **Insured** until such time as the **Insurer** is satisfied that such loss has in fact been sustained;
7. the **Insurer** will not be liable for any loss sustained in consequence of any act or omission occurring after the date of the discovery of, or of reasonable cause for suspicion of, dishonest or fraudulent conduct on the **Insured's** part.

PROFESSIONAL INDEMNITY – GENERAL CONDITIONS

The following conditions are applicable to this Section only:

Take Over and Mergers

In the event of:

1. the consolidation of, or merger by, the **Insured** in to another entity, or the sale of all or substantially all of the **Insured's** assets to another entity; or
2. the direct or indirect acquisition, ownership or control by another entity or entities of more than fifty per cent (50%) of the **Insured's** issued share capital; or
3. the direct or indirect acquisition, ownership or control by another entity or entities of more than fifty per cent (50%) of the voting rights in the **Insured**; or
4. the assumption of another entity of the right to appoint or remove directors from the **Insured's** board;
5. the appointment of an insolvency practitioner to the **Insured**

this Section will apply only to any **Claim** arising from the **Insured's Professional Business** carried out prior to the effective date of such transaction or event, unless otherwise agreed in writing by the **Insurer**.

Acquisitions

If the **Insured** acquire another entity, the **Insurer** agrees that this Section will provide cover for any **Claim** arising from the **Insured's Professional Business** carried out by the acquired entity after the effective date of the acquisition and once the **Insured** has taken full control of the entity subject to:

1. cover only being provided for a maximum period of 30 continuous days starting on the effective date of the acquisition and once the **Insured** has taken full control of the entity, but not for any period beyond the **Period of Insurance**; and
2. the employee turnover of the acquired entity, for the period of 12 months prior to the effective date of the acquisition, being no greater than 15% of the **Insured's** employee turnover stated in the **Proposal Form**; and
3. the entity taken over not being listed on any stock exchange or alternative investment market and not having outside shareholders; and
4. the acquired practice being previously insured.

The **Insurer** agrees to extend the coverage for such acquired entity beyond the 30 day period set forth in (1) above, subject to the **Insured**: (i) providing the **Insurer** with full particulars of the acquired entity; and (ii) agreeing to pay any additional premium and accepting any amendment of this **Policy** as the **Insurer** may require; and (iii) paying any such additional premium.

Confidentiality

The **Insured** will not disclose the terms applicable to this Section or the amount of the **Premium** paid to any third party:

1. except to the extent that the **Insured** is required by law to do so or by any regulatory authority as may be necessary to demonstrate to such regulatory authority that any mandatory insurance requirements of such authority have been satisfied; or
2. except that the existence of the Section and the **Limit of Liability** available hereunder may be disclosed to an insurer, to a client or a prospective client, wholesale broker or placing agent where this is necessary to maintain agency facilities, provided that no such disclosure will be permitted in circumstances where the

Insured is aware or ought reasonably to be aware that the person to whom disclosure is going to be made has made or is likely to make a **Claim** against the **Insured**; or

3. except to the extent that the **Insurer** consents, in writing, to such disclosure.

Expert Determination

In the event of a dispute concerning whether to contest or settle a **Claim** against the **Insured**, but not involving a dispute arising out of the interpretation of this Section of the **Policy**, the parties will seek, and be bound by, the written opinion of Queen's Counsel (or an equivalent or like person to be mutually agreed upon) jointly selected by the parties (where joint selection cannot be agreed the parties agree to be bound by the selection of the Chairman of the Bar Council) acting as a legal expert and not as an arbitrator, but only to the extent that the opinion concerns either the probability of success in those proceedings or the reasonableness of settlement. The costs of this instruction will form part of the **Costs**.

Indemnity to Employees

If the **Insured** requires, the **Insurer** will indemnify any of **Employees** in like manner to the **Insured** provided the **Employee** observes and complies and is subject to the terms applicable to this Section.

Subrogation

The **Insurer** will not exercise subrogated rights against any of the **Insured's** principals, partners, directors or **Employees** or former **Employees** under this **Policy** except where it is established by formal admission, adjudication or judgment that the principal, partner, director or **Employee** or former **Employee** has acted fraudulently or has committed a criminal act involving dishonesty or has obtained profit or advantage to which the principal, partner, director or **Employee** or former **Employee** was not lawfully entitled.

Waiver or Amendment

The terms of this **Policy** will not be waived or amended except by endorsement issued by the **Insurer** or intended to be issued by the **Insurer** to form part of this **Policy**.

PROFESSIONAL INDEMNITY – LIMIT OF LIABILITY

The following are applicable to this Section only:

Limit of Liability

The **Insurer's** total liability under this Section for any one **Claim** will not exceed the **Limit of Liability**.

For the purposes of the **Limit of Liability** the following are regarded as one **Claim**:

1. any **Claims** arising out of, based upon, attributable to, in connection with or in any way involving, the same or substantially the same or similar, source, cause, facts, acts committed or attempted, omissions, situations, transactions or events.
2. any loss or series of related losses for which indemnity is available arising out of, based upon, attributable to, in connection with or in any way involving, the same or substantially the same or similar, source, cause, facts, acts committed or attempted, omissions, situations, transactions or events.
3. any **Claims**, loss or losses directly or indirectly arising from fraud or dishonesty.

The **Insurer's** liability for **Costs** is within the **Limit of Liability**

Excess

A separate **Excess** will apply in respect of each and every **Claim**. The **Insured** is responsible for each such **Excess** payment and such payment by the **Insured** is a condition precedent to the **Insurer's** liability under this **Policy**. The **Insurer** is only liable to indemnify the **Insured** for that part of the **Insured's** liability for each **Claim** that is greater than the **Excess**. Where the **Insurer** has paid on the **Insured's** behalf part or all of the **Excess/es** the **Insured** will reimburse the **Insurer** in respect of the same.

The **Schedule** states whether the **Excess** applies to **Costs**.

Commercial Legal Protection Section

Welcome

Welcome to the Commercial Legal Protection Section of cover provided by Markel Legal Expenses Insurance. This Section, the schedule and any endorsements all form your policy and set out the terms and conditions of the agreement between us.

We understand you may be very busy, but we strongly suggest that you read the whole of this agreement. At the very least, please make sure you read:

- The remainder of the **Welcome** pages
- The **Important information** section
- The policy summary
- The policy schedule

How to contact us about your insurance policy

1) To make a claim

If you need to make a claim or let us know about a situation that could lead to a claim, you should contact us as soon as possible providing your policy number and brief details of the circumstances using the telephone number shown on your policy schedule or by writing to/emailing us using the details below:

The Claims Department
Markel Legal Expenses Insurance
20 Fenchurch Street
London
EC3M 3AZ

LEIclaimsuk@markel.com

If you write to or email us a claim form will be sent to you for completion and this must be returned without delay.

2) To make a complaint

If you are not satisfied with any part of our service then you should refer to the Customer Service part of this policy on page 142

How to contact us for advice

1) For legal advice

Your policy provides access to a 24/7 year round telephone advice line. This service provides advice on general legal matters on the law which applies in the UK.

You can also get advice on tax and health and safety matters in the UK by calling the same number 9-5 Monday to Friday (excluding public holidays).

In addition, your policy provides your employees with access to a 24/7 year round stress counselling line. The telephone number to call is shown in your policy schedule and you will need your policy number to access the advice.

Commercial Legal Protection Section - Special or unusual conditions and terms of this policy

This Section of the policy comes with some important conditions and terms that you need to be aware of:

1) Prospects of success

We will make our decision on whether to cover your claim based on a legal opinion from your representative (and any professional advice we regard necessary) on whether your claim has at least a 51% chance of:

- Successfully pursuing your case and securing a legal and/or financial remedy
- Not being found liable in a civil (not criminal) case against you
- Being found not guilty in the defence of a criminal prosecution
- Securing a significant reduction of your punishment or fine if pleading guilty in a criminal prosecution
- Successfully appealing the decision of the relevant authority

If there is 50% or less chance of the above we will not provide cover.

2) Employment disputes

To maximise your chances of having reasonable prospects of success in employment disputes we strongly recommend that you call the legal advice line number shown in your policy schedule at the following times and follow their advice:

- Before disciplining, suspending, dismissing, starting a retirement or redundancy process or making or proposing to make unfavourable changes to the terms of an employee's contract of employment
- When notified of a grievance, a complaint of discrimination (such as sex, race, religion etc) or an appeal from an employee against action you have taken against them
- When an employee resigns or walks out after expressing verbal or written dissatisfaction

Or at the very least comply with the ACAS code of conduct which the legal advice line can also advise you on.

3) Defined terms

Some of the words in this Section have a specific meaning and we have highlighted these to you by showing them in **bold** print. Please see the **Defined terms** part at the end of this Section to see what these words mean.

Commercial Legal Protection Section - Your legal expenses insurance cover

This is the agreement between **you** and **us**

Things we will do

We will provide the cover as written in this Section for:

- Disputes under the **Sub-sections of cover** shown as insured in **your policy** schedule
- **Costs** and **compensation** subject to the **excesses** and the limits shown in **your policy** schedule
- **Claims** or notifiable circumstances notified to **us** during **your period of insurance** which are in connection with **your** business description as stated in **your policy** schedule
- Disputes, legal proceedings or HMRC investigations that are or would be within the **territorial limits** as stated in **your policy** schedule

Things you must do

You must comply with the following conditions which are summarised below and some of which are more fully explained in the remainder of this Section. If **you** fail to do so, **we** may not pay **your claim**, or any payment could be reduced.

You must:

- Pay the premium for **your policy**
- Provide **us** with a truthful account of **your** circumstances and any extra information **we** ask for, to underwrite **your policy** and assess **your claim**
- Tell **us** as soon as possible if there is a change in **your** circumstances such as:
 - Any change of ownership of **your** business
 - If **your** business is involved in a merger or the acquisition of another business
 - Any change in **your** business description
- Take all reasonable steps to avoid and prevent tax investigations, legal proceedings and disputes
- Minimise the cost and effect of any **claim** by taking all reasonable steps to avoid unnecessary expense
- Follow the **Claims conditions** of this Section

If **you** do not meet **your** part of the agreement **we** may:

- Not cover all or part of **your claim** and **we** may recover any payments already made
- Increase **your** premium or change the terms of **your policy**
- Cancel **your policy** and treat it as though it did not exist to begin with

Commercial Legal Protection Section - Sub-sections of cover

Employment disputes

What is covered?

We will cover **costs you** incur in the defence of an employment dispute between **you** and **your employee**, ex-**employee**, interviewee/applicant to become an **employee** over their contract of employment or over employment law or with a worker that alleges to be an **employee** at the following stages:

ACAS Early Conciliation

Taking part in an ACAS Early Conciliation process

Employment Tribunals response (ET3)

Setting out **your** initial response to a claim (ET1) against **you** at an Employment Tribunal

Pre-hearing review/Employment status disputes

Preparation for and representation at a pre-hearing review to decide the employment status of a worker alleging to be an **employee**

Employment Tribunal hearing

Preparing for and representing **you** in a dispute with **your employee**, ex-**employee** or interviewee/applicant to become an **employee** at an employment tribunal hearing or negotiating a settlement with them

County or High Court proceedings

Preparing for and representing **you** in a dispute with **your employee**, ex-**employee** or interviewee/applicant to become an **employee** at the County Court or the High Court or negotiating a settlement with them

What is not covered?

We will not cover **claims** where:

Employment Tribunal hearing and County or High Court proceedings

You have not followed either:

- a) the advice of the Markel advice line at the following times:
 - 1. Before suspending, disciplining, dismissing, starting a retirement or redundancy process or making or proposing to make changes to the terms of an **employee's** contract of employment which may be unfavourable to the **employee**
 - 2. When notified of a grievance, a complaint of discrimination (such as sex, race, religion etc) or an appeal from an **employee** against action **you** have taken against them
 - 3. When an **employee** resigns or walks out after expressing verbal or written dissatisfaction

Or

- b) the ACAS code of practice on disciplinary and grievance procedures where applicable

What you need to know

A dispute with a worker alleging to be an employee is only covered under **ACAS Early Conciliation, Employment Tribunals response (ET3)** and **Pre-hearing review/Employment status disputes**. It will not be covered under **Employment Tribunal hearing** and **County or High Court proceedings**.

Employment compensation awards

What is covered?

We will pay **compensation** provided that at the time of a **claim** under this section **you** have an accepted **claim** under **Employment Tribunal hearing**

Awards of compensation

Compensation you are ordered to pay by a Tribunal

Settlement of a dispute

An amount agreed by **us** in settlement of a dispute

Tribunal fees

Any Tribunal fees **you** are ordered to pay by the Tribunal or Tribunal fees as agreed in a settlement that **you** have entered into with **our** consent

What is not covered?

We will not cover **claims** where:

All of Employment compensation awards

The Tribunal ordered **you** to reinstate an **employee** and **you** failed to do so

What you need to know

We won't pay contractual amounts such as redundancy notice pay, equal pay awards or any awards under agency worker regulations

Property and landlord and tenant disputes

What is covered?

We will pay **costs** to obtain damages or other legal remedy for:

Property disputes

1. Trespass on **your property**
2. Nuisance from another affecting **your property**
3. The defence of another's claimed right of way over **your property**
4. **Your** use of a right **you** have over another's property as recorded in the title documents of **your property**

5. Pursuing another for physical damage to **your property** not recoverable under another insurance policy

Disputes with your landlord

1. **Your** landlord's failure to maintain or repair **your property** as required by the written terms of **your** lease or tenancy
2. An allegation by **your** landlord that **you** failed to maintain or repair the **property** as required by the written terms of **your** lease or tenancy
3. The defence of a demand for dilapidations at the expiry of **your** lease or tenancy
4. The defence of an attempt by **your** landlord to end **your** lease or tenancy early and remove **you** from **your property**

Disputes with your tenant

1. **Your** tenant's failure to maintain or repair **your property** as required by the written terms of **your** lease or tenancy
2. An allegation by **your** tenant that **you** failed to maintain or repair **property** as required by the written terms of **your** lease or tenancy
3. Pursuing **your** tenant for disputed dilapidations at the expiry of **your** lease or tenancy

Eviction

The eviction of **your** tenant or **your employee** or ex-**employee** following the expiry of the tenancy or licence **you** have granted for the use of the **property**

What is not covered?

We will not cover **claims** where:

Property disputes

1. There is a dispute over a contract
2. The other party's argument is that they own some or all of **your property**
3. There is a dispute over rights to or over another's property which is alleged to have arisen through **your** use or occupation over a length of time

Disputes with your landlord

There is a dispute arising out of **your** failure or alleged failure to pay any money to **your** landlord, unless payment was withheld due to **your** landlord's failure to maintain or repair **your property**

Disputes with your tenant

There are dilapidations unless **you** have served a notice of dilapidations on **your** tenant and **you** have an independent expert valuation of the dilapidations which must be obtained at **your** own expense

Eviction

You have not issued enforceable statutory or contractual notices which require tenant or licensee to leave the **property**

All of Property and landlord and tenant disputes

1. There is a dispute over a contract unless it is a tenancy, licence or leasehold agreement
2. **You** will not suffer a financial loss or the value of **your property** would not be reduced
3. **You** have not made a claim under **your** buildings or contents policy and if relevant, under a business interruption or equivalent policy following damage or nuisance affecting **your property**
4. There is a dispute in connection with planning or building regulations or decisions or compulsory purchase orders or any actual, planned or proposed works by or under the order of any government or public or local authority
5. There is a dispute in connection with the negotiation, review or renewal of a tenancy or leasehold agreement or purchase of property
6. **You** have failed to fully maintain suitable buildings and if needed contents insurance
7. There is an allegation **you** are responsible for damage or loss caused by seepage, pollution or contamination of any kind

Criminal defence

What is covered?

We will pay **costs** for **your**:

Interview under caution

Representation (including written submissions) at an interview under caution by the Police or a prosecuting authority

Prosecution defence

Defence of a criminal prosecution once **you** receive a summons accusing **you** of a criminal offence

Motor offences

1. Defence of a criminal prosecution where the conviction would result in the loss of a driving licence required by **your** director or business partner of **your** business to carry out essential business activities
2. Defence of a criminal prosecution for tachograph or weight offences

What is not covered?

We will not cover **claims**:

Interview under caution

Where **you** are required by the Police to immediately attend an interview under caution at a Police Station

Prosecution defence

1. Where **you** are alleged to have committed:
 - a. a motoring offence
 - b. an assault or sexual offence
 - c. fraud, dishonesty or criminal damage
2. Where there are criminal proceedings arising from or related to tax or if an application is made under the Proceeds of Crime Act

3. For **your employee**, director or a partner of **your** business if **you** are charged under the Corporate Manslaughter or Corporate Homicide Act 2007
4. Where there is an allegation **you** are responsible for damage or loss caused by seepage, pollution or contamination of any kind

Motor offences

There is an allegation of driving under the influence of drugs/alcohol or the use of handheld electronic equipment

What you need to know

We won't pay any costs or fines that you are ordered to pay by a criminal Court

Tax protection

What is covered?

We will pay **costs** in representing **you** before HM Revenue & Customs (HMRC):

Aspect enquiry

When HMRC issues a formal notice to **you**, **your** director or to **your** business partner to carry out an aspect enquiry into a part(s) of **your** income or corporation tax Self Assessment return

Full enquiry

When HMRC issues a formal notice to **you**, **your** director or to **your** business partner to examine all of **your** financial records income or corporation tax

National Insurance and PAYE disputes

When HMRC expresses dissatisfaction with **your** p11ds or p9ds or **your** PAYE and/or NIC affairs following an employer compliance visit by HMRC

Current tax year enquiry

Following a written request by HMRC under Schedule 36 Finance Act 2008 to inspect **your** business records, assets or premises

VAT disputes

Over alleged failure to pay VAT

What is not covered?

We will not cover **claims** where:

All of Tax protection

1. There is not a reasonable prospect of reducing the liabilities alleged by HMRC
2. Tax returns are late or where **you** have not notified chargeability to tax within the time limits or for tax returns where wholly provisional figures are used
3. There is an allegation of fraud or an investigation by HMRC's Fraud Investigation Service, Counter Avoidance Office or the defence of a criminal prosecution

4. There is a dispute or enquiry relating to the National Minimum Wage or Living Wage
5. There is an allegation of tax avoidance

Regulatory compliance

What is covered?

We will pay costs (or **compensation** for **Data protection compensation** of this **policy**) for **your**:

Enforcement notices

Appeal against an improvement or prohibition notice issued by the Health and Safety Executive or the Food Standards Agency

Licence appeals

Appeal against a decision taken by the relevant authority to suspend, revoke, alter or not renew an existing statutory licence **you** need to carry out **your** business activity as stated in **your policy** schedule

Data protection defence

Defence under the Data Protection Act 2018 (Articles 168 and 169) and the General Data Protection Regulation (Section 82)

Data protection compensation

Liability for **compensation** as a result of holding, losing or unauthorised disclosure of data provided that at the time of a **claim** under this **Sub-section of cover you** have an accepted **claim** under **Data protection defence** of this **policy**

What is not covered?

We will not cover **claims**:

Licence appeals

1. For appeals arising from or connected to a change in the law or regulation
2. For the costs of complying with a notice or order
3. Involving driving or property licences
4. Where **you** have failed to comply with recommendations or warnings from **your** regulator

Data protection compensation

Where the party **you** are in dispute with has not suffered a specific financial loss

Court attendance costs

What is covered?

We agree to pay:

Jury service allowance

The amount of money per day **you** pay **your employee** (including a director or partner in **your** business) each day they attend jury service at a Court, less any recovery from the Court

Witness attendance allowance

The cost of **your employees** attending Court as witnesses on **your** behalf at the request of **your representative** provided that at the time of a **claim** under this **Sub-section of cover** **you** have an accepted **claim** for this Court appearance under this **policy**

What is not covered?

We will not cover **claims** for:

Witness attendance allowance

1. Expert witnesses
2. Salaries or wages
3. Costs which could be claimed from a prosecuting authority

Employee extra protection

What is covered?

We agree to pay **costs**:

Pension trustee defence

To defend directors and/or partners in **your** business in civil proceedings caused by their alleged conduct as a trustee of a pension fund set up for the benefit of **your employees**

Wrongful arrest

To defend civil legal proceedings against **your employee** including directors and/or partners in **your** business in respect of allegations of detaining somebody against their will

Personal injury

For **your employee** including directors and/or partners in **your** business to pursue a claim for damages for physical bodily injury suffered carrying out **your** business activity (as stated in **your policy** schedule) which was caused by an actual or alleged act or omission of another party

What is not covered?

We will not cover **claims**:

Wrongful arrest

Where the allegations were made by a worker or ex-worker of **yours**

Personal injury

1. Where the legal case is or may be against **you**
2. Where the injuries were suffered on **your property**

Contract disputes

What is covered?

We agree to pay **costs** in a dispute with a **contracting party** over:

Contracts for goods and services

A contract for the sale, hire or supply of goods and services

Contracts for construction and repairs

A **construction contract** (including any variations to the **construction contract**) for work undertaken on **your property** that is in writing and which states:

1. The parties to the contract
2. The date work is to commence
3. The work to be done and the timescales for the work to be done
4. The amount of money to be paid for the work and when it is to be paid

What is not covered?

We will not cover **claims** in disputes:

Contracts for goods and services

Over **construction contracts**

Contracts for construction and repairs

1. Over construction projects estimated to cost more the **maximum construction project value**
2. Where work commenced before the **construction contract** or a variation to **construction contract** was agreed
3. Over **construction contracts** agreed or any work started before the inception of this **policy**, unless **you** had a policy that provided cover to the same effect as this **policy** and there was no break in cover, in which case, the inception date of the previous policy will apply
4. Over **construction contracts** where **you** are carrying out the works
5. If **your** business is in the construction industry

All of Contract disputes

1. Below the minimum sum in dispute specified in the **policy** schedule
2. Over undisputed debts unless the debt is at least 90 days overdue and **you** have requested full payment in writing at least 3 times in 3 consecutive calendar months since the first due date
3. Over guarantees
4. Over contracts **you** enter into through an agent or which **you** have taken over from someone else by assignment
5. Over franchise contracts
6. Over hire purchase, credit agreements insurance or financial securities
7. Over contracts of employment
8. Over any tenancy agreement, lease or licence to use land or buildings or the sale of land and or buildings

Commercial Legal Protection Section - What is not covered by this Section of the policy?

We will not cover you for:

1. The defence of civil legal proceedings concerning:
 - a. injury or disease including psychiatric injury and stress
 - b. damage to or loss or destruction of property
 - c. an alleged breach of professional duty
2. **Costs** incurred without or in excess of **our** written consent
3. Any **claim** relating to or arising from any cause, event or circumstance occurring before or existing at the start of this **policy** and which has or which **you** knew or should reasonably have known may give rise to a dispute, legal proceedings or HMRC investigation or a **claim**
4. Any type of fine or other financial penalty imposed by a Court, Tribunal or regulatory or supervisory body or taxes, duties, interest or penalties imposed by HMRC
5. Any dispute or legal proceedings in respect of which **you** are, or but for the existence of this **policy** would be, entitled to indemnity under a legal aid certificate or representation order
6. Disputes or legal proceedings between any parties specified as **you** in the **policy** schedule or with any parent, subsidiary or associated company or partner (other than disputes under **Employment disputes and Employment compensation awards**)
7. Any dispute **you** have with **your representative**, any party involved in the arrangement of this **policy** or with **us**
8. Any **costs** incurred in a dispute or legal proceedings concerning, arising out of or in connection with:
 - a. breach of confidentiality
 - b. passing off
 - c. defamation or malicious falsehood
 - d. the ownership or existence of any intellectual property rights
 - e. a judicial review
9. Any **costs** incurred in a dispute or legal proceedings concerning, arising out of or in connection with **your**:
 - a. intentional wrongdoing
 - b. act or omission with negligent disregard as to its consequences
10. Any **costs** which **you** should or would have had to incur irrespective of any dispute
11. Any benefit under this insurance to the extent of providing cover, payment of any **claim** or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation
12. The VAT element of **your claim** if **you** are registered for VAT
13. Any **claim** caused by, happening through or in consequence of terrorism, war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority
14. Any **claim** caused by or contributed to by or arising from nuclear reaction, nuclear radiation or radioactive contamination

Commercial Legal Protection Section - Claims conditions

There are conditions contained below which must be complied with or met for **us** to provide cover under this **policy**.

How and when to make a claim

The contact details for The Claims Department can be found in the **Welcome page** of this Section of the **policy**

We will only cover **claims** that **you** tell **us** about during **your period of insurance**.

You must tell **us** as soon as possible when **you** become aware of any cause, event or circumstance which does or may involve **you** and which has given, or may give rise to a **claim**, dispute, legal proceedings or tax investigation.

Where **we** have accepted notification as described above, **we** will treat any later **claim** regarding that notified cause, event or circumstance as though the **claim** had been notified during the **period of insurance**.

We will send **you** an insurance claim form that must be completed and returned as soon as possible.

When we will agree to cover your claim

Our consent

We will only cover **claims** where **you** have obtained **our** consent in writing before incurring any **costs**. **We** will give **our** consent for **you** to incur **costs** provided that **you** can satisfy **us** throughout **your claim** that:

- It is reasonable and proportionate (in relation to **your claim**) to incur **costs**
- There are **reasonable prospects of success**, other than **claims** under:
 - **Employment disputes - ACAS Early Conciliation**
 - **Employment disputes - Employment Tribunals response (ET3)**
 - **Employment disputes - Pre-hearing review/Employment status disputes**
 - **Criminal defence - Interview under caution**
 - **Court attendance costs**

If during the course of **your claim** **you** no longer satisfy **us** of the above, cover under this **policy** for **costs** and **compensation** will be withdrawn and any **costs** incurred or **compensation** awarded on or after the date of withdrawal will not be covered whether **we** previously agreed to them or not.

We will make **our** decision on whether to cover **your claim** based on:

- A fully completed insurance claim form
- The information and documentation **we** reasonably request
- A legal opinion from **your representative** on whether **your claim** has **reasonable prospects of success** and any professional advice **we** regard necessary

If **your claim** is accepted by **us**, it does not always mean that all **costs** or **compensation** will be paid, for example **we** will not cover **costs** for things that are not directly relevant to **your claim**. **We** may also limit any cover **we** provide by time, amount or to a specific stage of legal proceedings in order to allow **us** to review **our** continued acceptance of **your claim**.

If after accepting **your claim**, it is shown that **your claim** has not been brought within the terms and conditions of the **policy**, no further cover will be provided and **we** will recover from **you** any **costs** and **compensation we** have paid.

Counsel's opinion

At **our** discretion **we** may also require **you** to obtain a legal opinion from Counsel at **your** expense to satisfy **us** that there are **reasonable prospects of success** and it is reasonable and proportionate (in relation to **your claim**) to incur **costs**.

If based on Counsel's opinion **we** are satisfied in respect of the above the reasonable **costs** of obtaining that opinion will be paid by **us** subject to the **excess** and the limits shown in **your policy** schedule.

Claims rejected due to a lack of reasonable prospects of success

If **we** rejected **your claim** solely due to a lack of **reasonable prospects of success**, **we** will pay **costs** that are reasonable and proportionate to the legal and/or financial remedy achieved, subject to the terms and conditions of this **policy** if:

- **You** proceeded with the legal action which formed **your claim** to its conclusion with a Court, Tribunal or equivalent having issued a judgment (excluding any settlement, mediation, alternative dispute resolution or equivalent resolution process) and were successful
- **You** were defending, the judgment found **you** were not at fault
- **You** were pursuing, the judgment awarded **you** the remedy **you** were seeking at the time **we** rejected **your claim**
- **You** tell **us** about it as soon as possible

Settlements

You must inform **us** as soon as an offer of settlement is received and **you** must obtain **our** consent before **you** make or respond to any offer of settlement.

In any settlement **you** must:

- Take into account the prospects of the case and likely future **costs** and/or **compensation**
- Try to recover as much **costs** as possible

If **you** unreasonably reject an offer of settlement which **we** recommend acceptance of or make an offer which **we** do not agree with, no further cover will be provided and **we** may seek to recover from **you** **costs** and/or **compensation we** have paid.

At **our** discretion, instead of covering **you** for **costs** and/or **compensation**, **we** can choose to pay:

- The damages **you** are likely to be awarded by a Court or Tribunal or
- The amount of money being claimed against **you** or the amount of money the other party will settle for, whichever is the lesser

If **we** choose to do this, then **your claim** will end and no further payments of **costs** or **compensation** will be made.

During a **claim** under **Employment disputes, Employment compensation awards, Data protection defence** and **Data protection compensation** of this Section of the **policy**, **we** can require **you** to offer to pay an amount of money to the person **you** are in dispute with, if **we** have agreed to cover that amount as **costs** or **compensation**.

Co-operation

You must co-operate with **us** and **your representative** at all times during the course of **your claim** this includes:

- Allowing **us** and **your representative** to communicate directly with each other about **your** case
- Providing a full and truthful account of **your** case and with all necessary documentation or evidence
- Attending any meetings as required
- Instructing **your representative** to provide **us** with information, documentation or evidence **we** require (even if privileged) and regular updates including when anything negatively affects the factors **we** took into account in accepting **your claim**.

Recovery of costs

If the outcome of **your** case is that another party is found responsible for reimbursing **you** for some or all of **your costs**, **you** and **your representative** must make every effort to fully recover those **costs** which **you** must pay to **us**.

If the legal case was settled and the terms of the settlement do not specify the split between damages and costs then a fair and reasonable proportion of that settlement will be treated as **costs** and paid to **us**.

If any money is recovered from the other party then that money will be treated as **costs** and repaid to **us** first until all **costs** have been repaid to **us**.

Payment of costs and compensation

A copy of all invoices for **costs** **you** receive from **your representative** should be forwarded to **us** within 30 days of the date the invoice was issued. If **we** require, **you** must ask **your representative** to send the costs for assessment by a Court or Tribunal or to a costs lawyer of **our** choice.

You are responsible for the payment of all **costs** or **compensation**. **We** will reimburse **you** for the **costs** or **compensation** subject to the **excesses** and the limits shown in **your policy** schedule. **We** may settle these **costs** or **compensation** directly if **we** choose to do so.

Appeals

If **you** wish to appeal against the judgment or decision of a Court or Tribunal or if there is an appeal against a judgment that is in **your** favour, **we** will consider providing further cover if:

- **We** covered the initial legal proceedings that are being appealed as a **claim** and cover was not withdrawn
- The grounds for the appeal were submitted to **us** as soon as possible and before any deadline set by the Court or Tribunal

If **we** require, **you** must co-operate in an appeal against the judgment or decision of a Court or Tribunal.

Instruction and choice of your representative, Counsel and experts

In all cases **your representative** will be appointed in **your** name and on **your** behalf.

We will choose a **representative** to act on **your** behalf other than at the point of an inquiry or legal proceedings where **you** will have freedom to choose **your representative** subject to **us** approving **your** choice.

You will also have freedom to choose **your representative** if there is a legal conflict of interest between **you** and **us** subject to **us** approving **your** choice.

When selecting **your representative**, **you** must have regard to **your** duty to minimise the cost of any **claim**.

The name and address of **your** chosen **representative** must be notified to **us** in writing. **We** will accept **your** choice if:

- **We** are satisfied that **your** chosen **representative** will co-operate with **us** and enable **you** to comply with the terms and conditions of **your policy**
- The **representative** has the necessary experience to deal with the dispute
- The **representative's** charging rates are fair and reasonable in regard to the dispute

A dispute arising from **your** choice of **representative** may be referred to arbitration in accordance with **Important information – How to make a complaint**.

You must not enter into any agreement with **your representative** as to the basis of calculation of **costs** without **our** written consent.

If in any **claim your representative** wishes to instruct Counsel or an expert the following must be submitted to **us** for **our** approval:

- The expert's or Counsel's name
- Details of their expertise
- Charging rates and estimated cost
- An explanation of the need for such instruction

Commercial Legal Protection Section - Important information

Fraudulent Claims

If **you** or anyone acting on **your** behalf make a fraudulent **claim**, **we** will cancel the **policy** from the time the fraud took place, retain any premium and recover from **you** any amount **we** have paid towards the fraudulent **claim**.

Dual insurance

If any **claims** covered under this **policy** are also covered by another policy, or would have been covered if this **policy** did not exist, **we** will only pay **our** share of the **claim** even if the other insurer refuses the claim.

Financial Services Compensation Scheme

In the unlikely event Markel International Insurance Company Limited cannot meet its obligations, Markel International Insurance Company Limited are covered by the financial services compensation scheme (FSCS). **You** may be entitled to compensation up to 90% of the **claim**. Further information about compensation arrangements is available from the FSCS.

Information you have given us

In deciding to accept this **policy** and in setting the terms and premium, **we** have relied on the information **you** have given **us**. **You** must take care when answering any questions **we** ask by ensuring that all information provided is accurate and complete.

If **we** establish that **you** deliberately or recklessly provided **us** with false or misleading information **we** will treat this **policy** as if it never existed and decline all **claims**.

If **we** establish that **you** carelessly provided **us** with false or misleading information it could adversely affect **your policy** and any **claim**. For example, **we** may:

- Treat this **policy** as if it had never existed and refuse to pay all **claims** and return the premium paid. **We** will only do this if **we** provided **you** with cover which **we** would not otherwise have done
- Amend the terms of **your policy**. **We** may apply these terms as if they were already in place if a **claim** has been negatively affected by **your** carelessness
- Reduce the amount **we** pay on a **claim** in proportion to the premium **you** have paid against the premium **we** would have charged **you**
- Cancel **your policy** in accordance with the cancellation information below

We will write to **you** or **your** insurance broker if **we**:

- Intend to treat **your policy** as if it never existed
- Need to amend the terms of **your policy**

If **you** become aware that information **you** have given **us** is inaccurate, **you** must inform **us** as soon as possible.

How to make a complaint about your policy

If **you** are not satisfied with any part of **our** service then **you** should contact **us** and **we** will do **our** best to resolve the problem. **You** can contact **us** at the following:

The Customer Services Manager
Markel Legal Expenses Insurance
20 Fenchurch Street
London
EC3M 3AZ
Tel: 0345 350 1099
Email: LElcomplaintsuk@markel.com

Markel Legal Expenses Insurance is a trading name of Markel International Insurance Company Limited, registered in England and Wales No: 00966670. VAT number: 245 7363 49. Registered address, 20 Fenchurch Street, London EC3M 3AZ. Markel Corporation is the ultimate holding company for Markel International Insurance Company Limited.

Markel International Insurance Company Limited is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority. Financial Services Register Number 202570.

If there is a dispute between us that we cannot resolve through **our** complaints process then **you** may be able to refer the matter to the Financial Ombudsman Service who will arbitrate over the dispute as long as they have jurisdiction over the matter. **You** can contact them at the following:

The Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR
Tel: 0800 023 4567 or 0300 123 9123
www.financial-ombudsman.org.uk

If **you** were sold this product online or by other electronic means and within the European Union (EU) **you** may refer **your** complaint to the EU Online Dispute Resolution (ODR) platform. Upon receipt of **your** complaint the ODR will escalate **your** complaint to **your** local dispute resolution service – this process is free and conducted entirely online. **You** can access the ODR platform on <http://ec.europa.eu/odr>.

This procedure will not prejudice **your** right to take legal proceedings.

If the Financial Ombudsman Service cannot arbitrate over the dispute then **we** and **you** shall both agree on an independent arbitrator (who must be a solicitor or barrister) to arbitrate over the dispute.

Any dispute between **you** and **us** will be decided by arbitration. The arbitrator will be a single arbitrator, either a solicitor or barrister practicing in the Law of England and Wales. The arbitration will take place in England. The arbitration will be governed by both the laws of England and Wales and the Arbitration Act 1996. The apportionment of the costs of the arbitration will be decided by the arbitrator. If **we** and **you** cannot agree on the choice of an arbitrator, an arbitrator will be nominated by the President of either the Law Society or the Bar Council in England and Wales. The costs of the arbitration will be paid by the party that loses the arbitration.

How to make a complaint about the Markel advice line

The telephone legal advice is provided by Markel Law LLP and can advise on general UK law. Markel Law LLP makes no additional charge for providing these telephone services.

Markel Law LLP is authorised and regulated by the Solicitors' Regulation Authority ("SRA") under SRA number 459781 and is part of the Markel group of companies.

If **you** have a complaint about these telephone legal advice services **you** should contact The Director of Compliance, Markel Law LLP, The Observatory, Chapel Walks, Manchester M2 1HL who will provide details of the complaints procedure, including details of how the complaint will be dealt with internally and if required, by the Legal Ombudsman. For complaints about any other advice given then **you** should contact **us** using the details in **Important information – How to make a complaint** and **we** will do our best to resolve the problem.

Personal information/Privacy policy statement

The basics

We collect and use relevant information about **your** business to provide insurance cover and to meet **our** legal obligations.

This information includes details such as names and addresses (and may include more sensitive details such as information about health and criminal convictions).

The way insurance works means that information may be shared with and used by a number of third parties in the insurance sector but only in connection with the insurance cover that **we** provide to **you**.

Other people's details you provide to us

We will process individual's details, as well as any other personal information **you** provide to **us** in respect of your insurance cover, in accordance with our privacy notice and applicable data protection laws.

To enable us to use individual's details in accordance with applicable data protection laws, **we** need **you** to provide those individuals with certain information about how **we** will use their details in connection with **your** insurance cover. As such, **you** agree to provide each individual concerned this notice:

- On or before the date that individual becomes insured under this **policy** or
- The date that **you** first provide information about the individual to **us**

We are committed to only using the personal information **we** need to provide **you** with **your** insurance cover. To help **us** achieve this, **you** should only provide to **us** information about individuals that **we** ask for from time to time.

Want more details?

For more information about how we use personal information provided to **us** please see **our** full **Markel privacy notice**, a copy of which is available online at markelinternational.com/foot/privacy-policy or on request.

Contacting us and individual rights

Individuals have rights in relation to the information **we** hold about them, including the right to access their information. Please contact **us** at dataprotectionofficeruk@markel.com or by writing to the Data Protection Officer, Markel International, 20 Fenchurch Street, London, EC3M 3AZ if you are an individual wishing to exercise your rights, to discuss how we use your information or to request a copy of **our** full Markel privacy notice.

Rights of third parties

A person who is not a party to this **policy** has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this **policy** but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Breach of sanctions

We provide no cover for any **claim** if it means **we** would be in breach of any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of The European Union, The United Kingdom or The United States of America.

Applicable law

The laws of England and Wales apply to this **policy** and any Acts of Parliament referred to are as amended.

Brexit

We provide no cover for any **claim** where the regulatory risk location is within the European Economic Area (EEA) excluding the United Kingdom of Great Britain and Northern Ireland.

Liquidation

If **you** are placed in liquidation, receivership, administration or bankruptcy or enter into a voluntary arrangement or deed of arrangement or if any application is made to the Court or if a meeting for any of these reasons is held, this **policy** will automatically terminate. If this happens, cover under **your policy** for **costs** and **compensation** will be automatically withdrawn and any **costs** incurred or **compensation** awarded on or after the date of withdrawal will not be covered whether **we** previously agreed to them or not.

Commercial Legal Protection Section - Defined terms

Any one claim

All **claims** connected by the same:

- Original cause, event, circumstance or related in time or
- Legal proceedings, tax enquiry, construction project or parties in dispute

even if **you** are claiming under more than one **Sub-section** of this section of this **policy**

Claim

An insurance claim under this Section of the **policy**

Compensation

- **Employment compensation awards**
Basic and compensatory awards for unfair dismissal (which includes constructive dismissal and unfair selection for redundancy) and compensation for unlawful discrimination
- **Data protection compensation**
You have been ordered to pay under the Data Protection Act 2018 (Articles 168 and 169) and the General Data Protection Regulation (Section 82)

Construction contract

A contract as defined by Section [104](#) and [105](#) of the Housing Grants, Construction and Regeneration Act 1996 which for the purposes of this **policy** is extended to include contracts with residential occupiers. Such contracts include but are not limited to those for painting or decorating surfaces of a building, construction, alteration, repair, maintenance of buildings, installation in a building of heating, lighting or electrical systems.

Contracting Party

A person, firm or company with whom **you** have a direct contractual relationship

Costs

- **Own costs**
The legal or professional costs (including any disbursements such as Counsel's or expert's fees) reasonably charged to **you** by **your representative**
- **Other party costs**
In civil proceedings, the legal costs incurred by the party **you** are in dispute with that a Court or Tribunal orders **you** to pay or that **you**, with **our** prior written agreement, agree to pay under the terms of a settlement. This does not include any costs **you** are responsible for paying under the terms of a contract.

Employee

Any person under a contract of service with **you**

Excess

The initial amount of **costs** or **compensation** as shown in the **policy** schedule that **you** must pay in a **claim** before **we** will make any payment under this **policy** if **you**:

- Use **our** choice of **representative**
- Exercise **your** freedom to choose **your representative** as described under **Claims condition: Instruction and choice of your representative, Counsel and experts**

Maximum construction project value

The maximum value a construction project is estimated to cost when the value of all the contracts concerning the project are added together as shown in the **policy** schedule

Period of insurance

The period of time during which insurance is provided by this **policy** as shown in the **policy** schedule

Policy

This insurance policy including the schedule and any endorsements that apply

Property

Land (including walls) or buildings owned or occupied by **you** for which **you** are legally responsible

Reasonable prospects of success

We will make **our** decision on whether to cover **your claim** based on a legal opinion from **your representative** (and any professional advice **we** regard necessary) on whether **your claim** has at least a 51% chance of:

- Successfully pursuing **your** case and securing a legal and/or financial remedy
- Not being found liable in a civil (not criminal) case against **you**
- Being found not guilty in the defence of a criminal prosecution
- Securing a significant reduction of **your** punishment or fine in a criminal prosecution
- Successfully appealing the decision of the relevant authority

If there is 50% or less chance of the above **we** will not provide cover.

Representative

A solicitor, barrister, accountant or other appropriately qualified person appointed to act for **you** and who agrees to comply with the terms of this **policy**. The chosen representative may not be a person employed by **you**.

Territorial limits

The regions as stated in the **policy** schedule which will have the following meanings:

- UK: The United Kingdom of Great Britain and Northern Ireland

We/Our/Us

Markel International Insurance Company Limited trading as Markel Legal Expenses Insurance, 20 Fenchurch Street, London EC3M 3AZ. **Claims** will be handled by Markel Protection Limited which is a separate legal entity to Markel International Insurance Company Limited.

The insurer is liable only for the proportion of liability it has underwritten. The insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is the insurer otherwise responsible for any liability of any other insurer that may underwrite this contract

You/Your

- The business(es) or individual(s) declared to **us** and named in the **policy** schedule
- Under **Criminal defence, Employee extra and Licence appeals** you may request, your **employee**, or a director or a partner of your business to be covered by your **policy** provided that under **Criminal defence** the same **representative** acts for all

Healthcare Section

HEALTHCARE – INSURING AGREEMENTS

Subject to all the terms of this Section the **Insurer** will indemnify the **Insured** for **Damages** the **Insured** is legally liable to pay:

1. on account of **Patient Injury** where such **Patient Injury** is caused by an **Incident** first occurring after the **Retroactive Date** and before the end of the **Period of Insurance**; and
2. as a result of a **Claim** first made against the **Insured** during the **Period of Insurance** and notified to the **Insurer** as soon as reasonably practicable and no later than 30 days after the end of the **Period of Insurance**.

If written notice of a **Circumstance** is first given by the **Insured** to the **Insurer** during the **Period of Insurance**, any **Claim** arising from such **Circumstance** will be deemed first made and notified to the **Insurer** at the time such **Circumstance** was first notified.

The **Insurer** will also indemnify the **Insured** for **Defence Costs** incurred by the **Insured** with the **Insurer's** prior written consent (not to be unreasonably withheld) in respect of a **Claim** covered under this Section.

Limits of Liability

The **Insurer's** maximum liability under this Section is specified in the **Schedule** for this Section. The each **Claim** Limit of Liability specified therein will be the **Insurer's** maximum liability under this Section in respect of each **Claim**. The Aggregate Limit of Liability specified therein will be the **Insurer's** maximum liability under this Section regardless of the number of **Insureds**, **Claims**, **Incidents** or **Circumstances** under this Section. Any payment of **Defence Costs** by the **Insurer** will be subject to and will reduce the Limits of Liability of this Section even if the **Insurer** assumes control pursuant to the Claims Control Condition of this Section.

Excess

The Excess under this Section is specified in the **Schedule** for this Section and will be the first amount of **Damages** and **Defence Costs** in respect of each **Claim** retained by the **Insured**, for which the **Insurer** will not be liable under this Section and in excess of which the cover provided by this Section will apply. Any payment of **Defence Costs** by the **Insurer** will be subject to the Excess for this Section.

Related Losses

Same Person

All **Claims** arising from **Patient Injury** of any kind sustained by the same natural person, or their foetus, caused by:

1. the same **Incident**; or
2. related, repeated or similar **Incidents**,

will be deemed to be one **Claim**.

All such **Claims** will be deemed to have been first made at the time the first **Claim** arising from any of such **Patient Injury** is first made, and to have been notified to the **Insurer** at the time the first notice of any of such **Claims** is

given to the **Insurer**, or if any of such **Claims** arises from any **Circumstance** first notified to the **Insurer** before any of such **Claims** is first made, all such **Claims** will be deemed to have been first made and notified to the **Insurer** at the time the first notice of the first such **Circumstance** is given to the **Insurer**.

All acts, errors or omissions, or events or exposures to conditions, giving rise to such **Claims** will be deemed to have taken place at the time of the first of such matters giving rise to any of such **Claims**.

HEALTHCARE – DEFINITIONS

Notwithstanding the General Definitions of this **Policy**, the words defined below will have the following special meanings wherever they appear in bold letters within this Section

Abuse means the actual or threatened sexual abuse, sexual molestation, sexual assault, sexual victimisation, physical abuse, physical assault, verbal abuse, bullying, any resulting mental or emotional injury, or any coercion to engage in sexual or abusive activities.

Bodily Injury means death, physical injury to the body, disease, illness or mental injury.

Circumstance means:

1. an **Incident**, whether or not breach of duty is accepted, which has or may have caused **Patient Injury** in respect of a person reasonably identifiable by the **Insured**, but only where such **Patient Injury** is, or would be if caused, reasonably likely to give rise to a **Claim**; or
2. any of the following matters regardless of whether they are likely to give rise to a **Claim**:
 - a. unexpected fatality or major permanent loss of mental or physical function not related to the natural course of the patient's illness or underlying condition;
 - b. wrong site or wrong patient surgery;
 - c. birth trauma or other intra-partum injury reasonably likely to cause major permanent loss of mental or physical function; or
 - d. birth defect not previously identified in any genetic test or ante-natal scan conducted by or on behalf of the **Insured**.

Claim means a demand or assertion of a right or entitlement made by a person against the **Insured** for **Damages** or the intimation by a person of the intention to seek such **Damages**, provided such demand, assertion or intimation is communicated to the **Insured**.

Claims Jurisdiction means the territory or territories specified in the **Schedule** for this Section.

Clinical Trial means any study, research, test, experiment or trial in relation to humans to develop, discover, test or verify the safety, efficacy, reactions to or effects of substances, drugs, treatments, procedures, products or devices.

Clinician means any physician, surgeon, obstetrician, pharmacist, dentist or psychiatrist.

Computer Systems means computer hardware, software or firmware, or associated input and output devices, data storage devices, networking equipment, back up facilities or electronic data, whether operated by the **Insured** or on its behalf by a third party service provider.

Coverage Territory means the territory or territories specified in the **Schedule** for this Section.

Damages means compensatory damages and claimant's costs relating to such damages.

Defence Costs means reasonable and necessary legal costs and expenses incurred in the investigation, defence or

settlement of a **Claim**. It does not mean:

1. the salaries, wages, benefits or expenses of the **Insured**;
2. the **Insured's** administrative expenses; or
3. any costs or expenses referred to in the definition of **Damages**.

Food or Drink means any nutritious substance that a person eats or drinks. It does not include any medicine or other similar substance used to treat or prevent illness, disease or other injury (or any food or drink containing any such medicine or other substance).

Good Samaritan Act Treatment means **Healthcare Treatment** voluntarily administered without remuneration or any other benefit at the scene of an accident, medical emergency, disaster or catastrophe which is not on the **Insured's Premises** and which is not for or on behalf of any charity or other organisation.

Healthcare Treatment means medical, surgical, nursing, dental, therapeutic or mental health diagnosis, treatment or care, or any other similar service, together with any advice given in connection with such diagnosis, treatment or care, physical rehabilitation in connection with such diagnosis, treatment or care, and the furnishing or use of **Food or Drink**, medication, medical devices, appliances or any other products in connection with such diagnosis, treatment or care, and the handling or the performance of post-mortem examinations on human bodies.

Incident means a negligent act, negligent error or negligent omission by the **Insured**, or by a person acting for or on behalf of the **Insured**, in breach of professional duty in rendering or failing to render:

1. **Professional Healthcare Services** within the **Coverage Territory**, or
2. **Good Samaritan Act Treatment** anywhere in the world.

Insured's Business means the business or profession described in the **Schedule**, provided that in no event will such business or profession be broader than that described in the **Proposal**.

Insured's Premises means premises used by the **Insured** for the purpose of rendering **Healthcare Treatment** in connection with the **Insured's Business**.

Network Security Breach means:

1. unauthorised access to or unauthorised use of any **Computer Systems** by any person not an **Insured** under this Section;
2. a denial of service attack against any **Computer Systems**; or
3. infection of any **Computer Systems** by a malicious code or transmission of a malicious code from any **Computer Systems**.

Organisational Change means:

1. the **Insured** consolidating with, merging into, or selling all or substantially all of its assets to any other person or group of persons acting in concert; or
2. any person or group of persons acting in concert acquiring more than fifty per cent (50%) of the assets, shareholding or voting rights in respect of the **Insured**.

Patient Injury means **Bodily Injury** sustained by a natural person, or their foetus, arising from the rendering of or failure to render Healthcare Treatment to such natural person by the Insured or by a person acting for or on behalf of the Insured.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant or any other irritant or contaminant,

including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste (including materials to be discarded, stored pending final disposal, recycled, reconditioned or reclaimed).

Product means a product or good manufactured, sold, supplied, distributed, specified, designed, formulated, constructed, modified, mixed or tested by or on behalf of the Insured, including any container, packaging, labelling or instructions for use with such product or good.

Professional Healthcare Services means **Healthcare Treatment** but only insofar as undertaken in the conduct of the Insured's Business.

Proposal means the proposal form completed by or on behalf of the Insured and all other information provided to the Insurer in connection with this **Policy** before the parties entered into this contract.

Retroactive Date means the applicable date specified in the **Schedule** for this Section.

HEALTHCARE – EXCLUSIONS

This Section does not cover, and the Insurer will not indemnify or be liable to the Insured under this Section in respect of any actual or alleged:

Abuse

1. Liability arising from actual or alleged **Abuse**;
2. Liability arising from the actual or alleged conscious disregard of **Abuse**, which term where used here and elsewhere in this Section will be understood to mean the failure by any natural person who was aware, or ought reasonably to have been aware, of **Abuse**, to take all reasonable steps to prevent such **Abuse**;
3. Liability arising from the employment or credentialing of any person who has or is alleged to have committed **Abuse**; or
4. Liability arising from the negligent supervision, investigation or reporting to the proper authorities of any person who has or is alleged to have committed **Abuse**;

Advertising Activity

Liability arising from advertising activities, including liability arising from the incorrect description of any goods, services, articles or commodities or a mistake or incorrect description in any advertised price;

Aircraft/Motor Vehicle/Watercraft

Liability arising from the ownership, maintenance, use, operation or entrustment to others of any aircraft (including any unmanned aerial vehicle), motor vehicle or watercraft, except that this Exclusion will not apply to liability on account of **Patient Injury** arising from the loading or unloading of any aircraft, motor vehicle or watercraft by or on behalf of the Insured;

Asbestos

Liability arising from or connected with the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of or exposure to asbestos, asbestos containing products or materials or asbestos fibres or asbestos contained in or forming part of any building, building material or insulating material, or any derivatives of asbestos, except that this Exclusion will not apply to any **Patient Injury** caused by an act, error or omission in breach of professional duty in the rendering of or failure to render **Healthcare Treatment** for **Bodily Injury** caused by any of the matters referred to above

Claims Jurisdiction

Liability arising in connection with any legal proceedings commenced outside of the **Claims Jurisdiction**;

Clinical Trials

Liability arising from any **Clinical Trial**, including the protocol for any such **Clinical Trial** and any publication relating to any **Clinical Trial**, except that this Exclusion will not apply to **Patient Injury** caused by an act, error or omission in breach of professional duty in the rendering of or failure to render **Healthcare Treatment** in the execution of a **Clinical Trial**;

Contractual Liability

Liability arising from any oral or written contract or agreement, including any express warranties or guarantees and any liability of any party assumed by the **Insured** under any oral or written contract or agreement, except that this Exclusion will not apply to the extent the **Insured** would have been liable in the absence of such contract or agreement;

Criminal, Fraudulent, Dishonest Acts or Omissions

Liability of an **Insured** arising in connection with any actual or alleged criminal, fraudulent, dishonest, malicious or reckless act or omission committed, condoned or contributed to by such **Insured**;

Directors' and Officers' Liability

Liability of the **Insured** incurred as a director, officer or trustee in respect of the performance or non-performance of their duties as a director, officer or trustee;

Electronic Media

Liability, loss, cost or expense arising from any defamation, harassment or extortion which occurs in connection with any information, text, graphics, images, or video or sound content, of any kind, published or posted (or in the case of extortion, threatened to be published or posted) on any form of electronic media, any website or any form of social media (including any blog and any on-line business or social network);

Insured vs Insured

Liability of the **Insured** to another **Insured** (or affiliate or relative of an **Insured**), except that this Exclusion will not apply to liability of the **Insured** to any **Insured** individual on account of **Patient Injury** sustained by such **Insured** individual, caused by an act, error or omission in breach of professional duty in the rendering of or failure to render **Healthcare Treatment** to such **Insured** individual;

Intoxicants

Liability of an **Insured** on account of **Patient Injury** caused or contributed to by such **Insured** whilst under the influence of any type of alcohol, narcotic, hallucinogenic agent or any other type of intoxicant;

Liability of the **Insured** vicariously liable in respect of **Patient Injury** caused by another person whilst under the

influence of any type of alcohol, narcotic, hallucinogenic agent or any other type of intoxicant but only if such **Insured** knew or should reasonably have known that such person was under the influence of any type of alcohol, narcotic, hallucinogenic agent or any other type of intoxicant at or about the time such **Patient Injury** was caused;

Knowing Breach of Confidence etc.

Liability of an **Insured** arising from any breach of confidence, misuse of private information, breach of data protection legislation or breach of any right of privacy, known by such **Insured**, or which ought reasonably to have been known by such **Insured**, to be a breach of confidence, misuse of private information, breach of data protection legislation or breach of right of privacy at the time of the disclosure or use of the information concerned;

Knowing False Statements

Liability of an **Insured** arising from any oral or written statement known by such **Insured**, or which ought reasonably to have been known by such **Insured**, to be false at the time of publication;

Liability as an Employer

Liability arising from any duty or obligation of the **Insured** as an employer owed to an **Employee**, or former, prospective or applicant employee, or dependent of any such employee, including liability arising:

1. from **Bodily Injury** to any **Employee** arising out of or during the course of his or her employment;
2. under any workers' compensation scheme, disability benefits, or unemployment compensation law, or any similar law or employment protection legislation; and
3. from any refusal to employ, termination of employment or coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination in respect of an employee, or other employment-related practices, policies, acts or omissions;

Alcohol Liability

Liability arising from:

1. causing or contributing to the intoxication of any person by the furnishing of alcoholic beverages;
2. the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
3. any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages;

Medical Licences

Liability of an **Insured** arising from an act, error or omission occurring at a time when any licence required by the relevant lawfully established and recognised licensing authority within the **Coverage Territory** in respect of such **Insured** or such **Insured's** activity had not been obtained, was not in force or was suspended;

Network Security Breach

Liability, loss, cost or expense arising in connection with any **Network Security Breach**, except that this Exclusion will not apply where:

1. such **Network Security Breach** causes any equipment, device or **Computer Systems** used for the purpose of rendering **Healthcare Treatment** to a person on the **Insured's Premises** to function other than in the way intended by the **Insured**; and
2. as a direct result of such failure, such person sustains **Bodily Injury** as a direct result of the rendering of or failure to render such **Healthcare Treatment**;

Nuclear

Liability arising from any nuclear fission, nuclear fusion or radioactive contamination or any other nuclear related hazard, except that this Exclusion does not apply to **Patient Injury** resulting from the use of nuclear medicine or radiation therapy in rendering **Healthcare Treatment**, but does apply to liability arising from nuclear waste or by-product material which is created by the rendering of **Healthcare Treatment**;

Pollution

Liability, loss, cost or expense arising from:

1. the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**; or
2. the testing for, monitoring, cleaning-up, removing, containing, treating, detoxifying or neutralising of **Pollutants**, whether or not any of the foregoing are or should be performed by the **Insured** or by others;

Prior Known

Liability of any **Insured**:

1. arising from any **Claim** or **Circumstance**, which is known in whole or in part by such **Insured** prior to the **Period of Insurance**; or
2. arising from any **Claim** or **Circumstance**, which is known in whole or in part by the **Insured** or any manager (or equivalent) in any **Insured** risk, insurance, claims or legal department, prior to the **Period of Insurance**;

Prior Occurring

Liability:

1. arising in whole or in part from any act, error or omission, event or exposure to conditions taking place before the **Retroactive Date** (hereinafter "matters") or from any act, error or omission, event or exposure to conditions related to any such matters, including any duty to warn or otherwise advise in respect of any such matters; or
2. arising from any **Claim** first made (or, under the terms of this Section or any other insurance policy issued by the **Insurer**, deemed first made) before the beginning of the **Period of Insurance**;

Prior Notified

Liability arising from any **Incident**, **Claim**, **Circumstance** or any other matter:

1. notified to a Medical Defence Organisation prior to the **Period of Insurance**; or
2. notified under any insurance policy commencing prior to the **Period of Insurance**, or deemed notified, or which the **Insured** was entitled to or should reasonably have notified, under the terms of any such policy;

Privacy Breach Costs and Expenses

Notification costs, computer security costs, forensic costs, call centre costs, public relations costs, credit or personal information monitoring costs or any other such costs or expenses, or any financial loss of any kind, incurred in connection with the theft, access to, loss of, damage to or disclosure of private, confidential, privileged or personal information or data, whether arising in connection with any **Network Security Breach** or otherwise, and whether incurred by the **Insured** or by others;

Products

Liability arising from any **Product** except that this Exclusion will not apply to any liability arising from any **Food or Drink** manufactured, sold or supplied by or on behalf of the **Insured** on the **Insured's Premises**;

Punitive Damages, Fines and Penalties

Exemplary or punitive damages or that part of damages resulting from the multiplication of compensatory damages;

1. Aggravated damages;
2. Restitutionary damages;
3. Fines, penalties or other pecuniary sanctions; or
4. **Damages** arising from any of 1 to 4 above;

Territorial Limits

Liability arising from or in connection with the activities of the **Insured's Business** outside of the **Coverage Territory**;

Terrorism, War and Weapons of Mass Destruction (WMD)

Liability arising from or connected with any of the following:

1. war (whether declared or not), invasion, acts of a foreign enemy, hostilities, or any similar act, condition or operation, or action by a regular or irregular military force or other authority to hinder or defend against actual or expected attack;
2. insurrection, rebellion, revolution, riot, attempt to usurp power, popular uprising, or any action taken by any government or martial authority in hindering or defending against any of the foregoing;
3. **Terrorism** or any government or other civil authority responding to actual or anticipated **Terrorism**; or
4. discharge, explosion, or use of a weapon of mass destruction of any kind, including any nuclear, radioactive, biological or chemical weapon or agent;
 - a. except that this Exclusion will not apply to **Patient Injury** caused by an act, error or omission in breach of professional duty in the rendering of or failure to render **Healthcare Treatment** for **Bodily Injury** caused by any of the matters referred to above;

Unlicensed/Unapproved Products

Liability arising in connection with the recommendation, furnishing or use for any purpose of any product or good which is not licensed or approved in accordance with applicable laws, regulations or rules, but only if such product or good is required to be licensed or approved for the purpose in question.

HEALTHCARE – CONDITIONS

Credentialing Requirements

The **Insured** must use its best endeavours to ensure that each **Clinician** acting for or on behalf of such **Insured**, or from the Insured's **Premises**, at all times:

1. maintains all licences required for their individual activity by the relevant lawfully established and recognised regulator or licensing authority within the **Coverage Territory**; and
2. maintains professional liability insurance arranged with a reputable insurer with a good credit rating, or other indemnity provided by a recognised Medical Defence Organisation, providing:
 - a. limits of liability on a primary or first-loss basis appropriate to the **Healthcare Treatment** provided by such **Clinician**, with cover at least as broad as the minimum professional liability insurance requirements of the relevant regulator; and
 - b. cover for the reporting of claims first made after the expiry of the policy or after any such **Clinician** ceases carrying out professional medical services for or on behalf of the **Insured** or at the **Insured's Premises**.

Manner of Notice

Except as set out in the Manner of Notice of Claims Condition of this Section, any notice to be given under this Section must be sent by email or by recorded post to the address specified in the **Schedule**. Any notice by or on behalf of the **Insured** to the **Insurer** will be deemed given only on actual receipt by the **Insurer**.

Organisational Change

If an **Organisational Change** occurs during the **Period of Insurance**, cover will not be provided for **Claims** arising from or related to **Incidents** occurring after the effective date of such **Organisational Change** unless otherwise agreed by the **Insurer** by written endorsement to this Section.

Other Insurance

If there is other insurance or indemnity available to the **Insured** for liability, loss, cost or expense covered under this Section, except any such other insurance written specifically excess of this Section for the **Period of Insurance**, then this Section will apply excess of such other insurance or indemnity. This Condition applies even if such other insurance or indemnity is subject to a provision similar to this Condition.

Paying the Limit

The **Insurer** will be entitled at any time and at its absolute discretion to pay the **Insured** the full remaining Limits of Liability of this Section, after which the **Insurer** will have no liability whatsoever under this Section.

Payments by the Insurer within the Excess

Any sums paid by the **Insurer** which are within any Excess specified in the **Schedule** for this Section must be reimbursed by the **Insured** at the **Insurer's** request.

NOTICE AND CONDUCT OF CLAIMS CONDITIONS

Notice of Claim

Notwithstanding any provision of this Section (including any deeming provision), the **Insured** must, as a condition precedent to the **Insured's** right to be indemnified under this Section in respect of any **Claim**, give notice to the **Insurer** as soon as reasonably practicable of such **Claim**.

Notice of Circumstance

The **Insured** must give notice to the **Insurer** as soon as reasonably practicable of any **Circumstance**.

Manner of Notice of Claims

Notice by the **Insured** as contemplated by Notice and Conduct of Claims Conditions above, together with any subsequent correspondence in respect of such matters, must be sent by email or by recorded post to the applicable address specified in the **Schedule**. Such notice must contain sufficient information to allow the **Insurer** to identify the **Claim** or **Circumstance** in question, and also to identify the nature of the **Patient Injury** and the identity of the person concerned. Any notice by or on behalf of the **Insured** to the **Insurer** will be deemed given only on actual receipt by the **Insurer**.

Cooperation

The **Insured** must fully cooperate with the **Insurer** in the defence, investigation or settlement of any matter that may involve this Section and, at its own expense, must provide all information and assistance that the **Insurer** may reasonably require. In addition, the **Insured** must ensure that all information is retained in accordance with relevant statutory regulations or procedures and ensure that all information relevant to any **Claim** and any **Circumstance** is preserved in its entirety and is not in any way destroyed or otherwise disposed of or sent to any third party except for the **Insured's** legal representatives without the prior written consent of the **Insurer**.

Claims Control

1. Insurer's Right to Control Claim

The **Insurer** does not assume any duty to defend the **Insured** under this Section in respect of any **Claim** or otherwise. However, the **Insurer** will have the right at any time to take sole control of the defence (including the selection and direction of defence counsel), investigation or settlement of any **Claim** or **Circumstance**. The **Insurer** will have the right at any time to withdraw from the defence, investigation or settlement of any such matters and upon such withdrawal such defence, investigation or settlement will revert to the **Insured**.

2. Consent to Settlement etc.

As a condition precedent to the right to be indemnified under this Section, the **Insured** must not, in whole or in part, admit or assume any liability, agree to any settlement, incur any costs or expenses, including **Defence Costs**, consent to any arbitral or alternative dispute resolution proceedings or make any settlement offer or engage in any settlement negotiations without the **Insurer's** prior written consent.

Notwithstanding the above, any statement by the **Insured** in seeking to comply with the Duty of Candour will not be deemed to be an admission of liability, to the extent that such statement is reasonably necessary to comply with such duty.

In addition, the **Insured** may, without the consent of the **Insurer**, enter into a full and final settlement of a **Claim** or pay **Defence Costs** in respect of any **Claim** which have been invoiced by a legal representative of the **Insured** retained with the **Insurer's** prior written consent, provided that:

- a. the Excess specified in the **Schedule** for this Section is not exceeded by such settlement or payment of **Defence Costs**;
- b. the **Insured** notifies the **Insurer** as soon as it is reasonably likely that the limit of the applicable Excess may be reached; and
- c. the **Insurer** has not assumed control of the **Claim** concerned.

3. Insured's Right to Settle

The **Insured** will not be obliged to defend any **Claim** the subject of legal proceedings if a Queen's Counsel with the appropriate experience and expertise mutually agreed upon by the **Insurer** and the **Insured** (or if no agreement is reached, appointed by the Chairman of the Bar Council) advises that such proceedings cannot be contested with a reasonable prospect of success. The costs of the Queen's Counsel's advice will be deemed to be **Defence Costs** under this Section.

4. Insured's Right to Contest

If the **Insured** refuses to consent to a settlement amount recommendation by the **Insurer** in respect of any **Claim** that in the **Insurer's** reasonable opinion could be settled for such amount, and the **Damages** are ultimately in excess of the amount of the **Insurer's** settlement recommendation, then the **Insurer** will not be liable under this Section for the **Damages** excess of the amount of the **Insurer's** settlement recommendation or any **Defence Costs** incurred by the **Insured** after the time of such recommendation.

5. Mitigation

The **Insured** must take all reasonable steps to minimize and not to increase any liability in connection with any **Claim** or **Circumstance** which may be covered under this Section.