

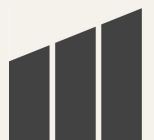
# Technology

# Combined

Policy wording and  
product information



# MARKEL



# Tech insurance, and beyond

## Value added benefits included with a MarkelTech policy

For more information on how policy holders can unlock their benefits please see the Technology Customer onboarding and benefits activation fact sheet for further detail.



### 24/7 cyber incident response service

Did you know that only 22% of small businesses and 55%<sup>†</sup> of medium businesses have a formal cyber incident response plan? Minimise the impact of a cyber breach with specialist 24/7 phone support and up to £10,000 of emergency costs cover should the worst happen.

Access to our 24/7 cyber incident response service is included in a MarkelTech policy at no additional charge.



### Cyber crime: PR crisis management

When your client has worked hard to build up their brand and instil trust, the last thing they need is the reputational damage of a cyber breach. Our dedicated PR crisis management service helps your clients navigate the reputational aspects of a cyber incident to keep damage to a minimum.

### Incentives and reliefs



Our specialist team helps your clients find and secure funding, as well as offering proposal writing services, partner recruitment and project support. MarkelTech policyholders get a 1hr complimentary consultation as well as preferential rates for this service. We've worked with over 500 technology, manufacturing and creative companies, and our services typically secure over £15 million in grant funding for UK businesses each year.

Policyholders have access to a 1hr complimentary review and preferential rates for subsequent pay as you go services.



### Business Hub

Getting the right resources in place can be challenging for technology businesses, and especially start-ups. That's why your clients get 24/7 access to our Business Hub, an online portal packed with DIY contracts, policies, forms and letter templates covering every area of business.

Access to Business Hub is included in a MarkelTech policy at no additional charge.



### R&D tax relief consultancy

R&D opportunities are central to the innovation at the heart of the technology sector, but finding the time to pursue them can be tricky for tech businesses. Our expert team supports your clients in identifying the right R&D opportunities, as well as reviewing existing claims and compiling technical reports and submissions.

Policyholders have access to a 1hr complimentary review and preferential rates.



### Contract review service

New contracts mean new opportunities, but they can also present challenges for tech businesses. Our contract review service highlights concerning clauses and advises your clients on improvements they can make to help them secure favourable terms every time they sign the dotted line.

Access to the contract Review service is included in a MarkelTech policy at no additional charge.\*



## Debt recovery service

Debt can make or break a tech business, with a potentially huge impact on cash flow. Our debt recovery service gives your tech clients access to a team of specialists who can advise on all things debt recovery, helping them find a way forward in the face of late or non-payments.

Access to our debt recovery service is included in a MarkelTech policy at no additional charge.\*



## Business and legal helpline

For help with recruitment challenges, your tech clients have 24/7 access to our in-house lawyers for advice and support at any stage of the employment cycle, from drafting employment contracts to supporting employee terminations or director exits.

Access to the business and legal helpline is included in a MarkelTech policy at no additional charge.



## Contractor tax solutions

Short-term employees are common in the technology sector, but tax can be tricky when it comes to contractors. That's why our experts are on hand to support your tech clients with navigating these complications, ready to offer advice on contractors, employment status and IR35. Policyholders have access to a 1hr complimentary review and preferential rates for subsequent pay as you go services.

# eRiskHub



## Cyber training Lite

Reducing the risk of cyber crime starts by giving your tech clients and their employees the knowledge, skills and best practices to prevent it.

Access to Cyber training Lite is included in a MarkelTech policy at no additional charge.



## Specialist cyber training

Being able to partner with the right cyber specialist is crucial to understanding cyber risks unique to each business and their digital footprint.

MarkelTech policy holders get exclusive discounts for specialist cyber training platforms when accessing the eRiskHub



## Cyber risk management toolkit

From ransomware stress tests to remote working policies and mock breach exercises, our online eRiskHub gives technology businesses the tools they need to proactively lower their risk of cyber crime.

Access to Cyber Risk Management toolkit is included in a MarkelTech policy at no additional charge.



## Cyber knowledge hub

Implementing best practices around cyber security helps reduce your tech clients' risk. Our cyber knowledge hub supports their cyber training and best practices with whitepapers and webinars from leading cyber specialists.

Access to cyber knowledge hub is included in a MarkelTech policy at no additional charge.

Disclaimers \* In 2024 Markel conducted market research focused on understanding more about technology businesses in the UK. † Cyber security breaches survey 2024 – GOV.UK Additional services may be included as standard or available to purchase at an additional cost. Policyholders should refer to their policy documentation and any communications from their insurer or broker for confirmation of the services provided and details on how to access them.

Both the contract review and debt recovery services operate on a fair usage policy and are available to policy holders with an annual turnover under £100million.

# Insurance policy

## Technology Combined

### Insurance cover provided

Professional Liability  
Public/Products Liability  
Directors and Officers Liability  
Entity Defence  
Employers Liability  
Employment law protection  
Property Damage  
Business interruption  
Money and personal assault  
Damage to portable property  
Transit  
Fidelity  
Cyber and data risks

# Our Agreement

## How to make a claim

If you want to make a claim under this policy, either:

- (a) contact your insurance broker, or
- (b) contact us by
  - (i) writing to our claims team at Markel (UK) Limited, City Square House, 11 Wellington Street, Leeds LS1 4DL, or
  - (ii) emailing our claims team - [claimsuk@markel.com](mailto:claimsuk@markel.com)

quoting your policy number and the name of the policyholder shown in the policy schedule.

If you wish to discuss a claim under the policy please phone our claims team on 0345 355 2227.

## Cyber and Data Risks

If you purchase the cyber and data risks section and have suffered a claim, loss, security failure, system failure, extortion threat or cyber theft you can contact the emergency cyber response service outside normal business hours by either:

- (a) phoning 0800 368 3966
- (b) emailing [markelcyber@cyberclan.com](mailto:markelcyber@cyberclan.com)

Please ensure that you read and comply with the sections entitled conditions, claims conditions (under each individual section), general claims conditions and general conditions as a failure to do so may impact your ability to make a claim and/or the amount that you will be paid.

## Complaints

Our aim is to ensure that all aspects of your insurance are dealt with promptly, efficiently and fairly. At all times we are committed to providing you with the highest standard of service.

If you have any questions or concerns about your policy or the handling of a claim you should, in the first instance, contact your insurance broker.

If you remain dissatisfied and wish to make a complaint, you can do so at any time by following the complaints process specified in the Complaints Notice of your policy.

## What you are covered for

The cover provided depends upon which covers you have chosen to include. Please refer to the schedule where each cover will be shown as either "insured" or "not insured." Please see the cover and extensions sections for full details.

## What you are not covered for

The exclusions can depend upon which covers you have chosen to include, and some are section specific. Please see the individual exclusions under each Section, as well as the general exclusions for full details.

## What conditions you need to comply with

Your policy includes important obligations. You will find these in the general conditions, general claims conditions and in each Section of your policy that you have chosen. You must read and understand these in full, as well as any consequences for non-compliance.

## Information about us

Our details including full name, address, company registration and regulatory status are set out in the schedule and the Complaints Notice.

## Feedback

We would welcome any feedback you may have on this policy and your engagement with us and your broker. We are committed to providing a high quality and professional service and to maintain good outcomes for our customers, by seeking to ensure clear and effective documentation and communications.

If you have any queries in relation to this policy, how it operates or any of the information contained in this document, please do also get in touch with us.

## Complaints Notice

### Markel International Insurance Company Limited (MIICL)

Markel is committed to providing a high quality and professional service and to maintain fair outcomes for our customers. If you are dissatisfied or have any complaints about your policy or the handling of a claim you should, in the first instance, contact Legal and Compliance on the following contact details:

By telephone: +44 (0)20 7953 6020

By email: [complaints@markel.com](mailto:complaints@markel.com) <<mailto:complaints@markel.com>>

By writing to: Legal and Compliance  
Markel International Insurance Company Limited  
20 Fenchurch Street  
London  
England  
EC3M 3AZ

The aim of this procedure is to settle the complaint fairly and as quickly as possible. We will use our best endeavours to comply with the timeframes set out below.

- (1) A complaint received by Markel International Insurance Company Ltd (whether by letter, e-mail, telephone conversation or other oral representation) will be allocated to an appropriate person to carry out an independent review of the justification of the complaint.
- (2) Complaints will be acknowledged promptly. We endeavour to acknowledge the complaint in writing within seven business days after receipt. That acknowledgement will include the name of the person who will be reviewing the complaint and a copy of this Complaint Procedure.
- (3) We will try to resolve a complaint within four weeks and give a written final response, or send an interim response explaining why we are not yet in a position to resolve matters.
- (4) By the end of eight weeks following receipt of a complaint, a final response will be issued or a further interim response giving an indication as to when a final response can be expected.
- (5) The Financial Ombudsman Service ("FOS") operates a dispute resolution facility for consumers, micro-enterprises (small businesses), small charities and trustees. An eligible Complainant has up to six months to register a complaint with the FOS if the outcome was not to their satisfaction. If you do not refer your complaint in time, the Ombudsman may not have our permission to consider the complaint and will only be able to do so in very limited circumstances. For example if the Ombudsman believes that the delay was as a result of exceptional circumstances. You can find further information on the FOS at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) <<http://www.financial-ombudsman.org.uk>>.

## Status Disclosure

[uk.markel.com](http://uk.markel.com)

Markel International Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register Number 202570. The company is registered in England and Wales No: 00966670 with registered address at 20 Fenchurch Street, London, EC3M 3AZ. VAT number 245 7363 49.

### Financial Services Compensation Scheme (FSCS) Clause

Markel International Insurance Company Limited is covered by the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from FSCS if Markel International Insurance Company Limited is unable to meet its obligations to you under this insurance.

If you are entitled to compensation from FSCS, the level and extent of compensation will depend on the nature of this insurance. Further information about FSCS is available on their website: [www.fscs.org.uk](http://www.fscs.org.uk) <<http://www.fscs.org.uk>> or you can write to them at PO Box 300, Mitcheldean, GL17 1DY.

### Your Data

Markel are committed to protecting your privacy. Insurance involves the use and disclosure of your personal data to various insurance participants such as intermediaries, insurers and reinsurers. If you would like to know how Markel deals with any personal data you have provided us, please contact your Agent or Broker who will provide you with our contact details. Alternatively, please visit our privacy page at: <<https://www.markel.com/privacy-policy>>

## How this policy works

### Welcome

Welcome and thank you for choosing the Markel Technology Combined insurance policy.

### Legal contract

This document, the schedule and any Endorsement(s) attached form the policy. This policy sets out the conditions of the insurance and is a legal contract between you, the Insured and us, the Insurer. Please carefully read the following to ensure that it meets your requirements and that you understand the terms and conditions of this policy. Please keep this policy in a safe place.

We have assumed that you have provided the application with reasonable skill and care after having made all reasonable and appropriate inquiry. Failure to do so may prejudice the validity of this policy and/or your ability to receive coverage under it.

The intermediary or insurance broker who arranged this insurance for you should be contacted without delay if any correction to this policy is necessary or if other information should be disclosed to us.

### Reliance on information provided to us

In deciding to issue your 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 you become aware that information you have given us is inaccurate you must inform us as soon as practicable.

The information you have provided to us constitutes your fair presentation of risk. A 'fair presentation of the risk' is one:

- (1) which discloses to us every material circumstance which you know of or ought to know of, or
- (2) gives us enough information to put us on notice that we will need to make further enquiries for the purpose of revealing those material circumstances; and

- (3) which makes that disclosure in a manner which is reasonably clear and accessible to us; and
- (4) in which every material representation as to a matter of fact is substantially correct and every material representation as to a matter of expectation or belief is made in good faith.

A 'material circumstance' is one that would influence our decision as to whether or not to agree to insure you and, if so, the terms of that insurance. If you are in any doubt as to whether a circumstance is material you should disclose it to us.

If you fail to make a fair presentation of risk there are a number of remedies available to us which are set out in general condition (18) (Non-Disclosure or Misrepresentation).

## Interpretation

Words when appearing in bold type and in lower case, are defined terms whose meanings appear in either the general definitions or the definitions of each Section. They shall have the same meaning whether expressed in the singular or the plural. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders and any word appearing in this policy in the singular shall include the plural, and in the plural shall include the singular. Headings and titles of paragraphs are included for ease of reference only and do not lend any meaning to this contract. Reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality). Reference to any legislation or regulation includes reference to that instrument as revised or replaced and any other legislation or regulation of materially identical intent. References to covers, extensions, claims conditions, conditions, general exclusions, general conditions, general claims conditions and general definitions relate to the respective sections of this policy.

## Claims conditions that apply to this policy as a whole (general claims conditions)

The following claims conditions apply to this policy as a whole unless stated otherwise, and are in addition to any conditions contained within the general conditions and each Section of cover or extension to cover that you have chosen to insure. Definitions used within this Section are specific to each Section of cover.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these claims conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

### (1) Claims Series

Except where specifically provided otherwise in a Section of Cover, in respect of insured events arising out of the same originating cause or source, coverage is only provided under this policy where the first such insured event occurred during the period of insurance.

### (2) Proof of Loss

Where required by us, you will, as soon as practicable, provide to us a proof of loss. Such proof of loss will provide a detailed description and calculation of the amount of loss for which you seek coverage for under this policy, together with any supporting evidence.

You agree to promptly respond to any requests for information we make in relation to such proof of loss, including any reasonable requests for documentation.

Where we have confirmed cover under this policy for the loss that is the subject of the proof of loss, but the amount of loss remains to be determined, you will agree to retain a firm of loss adjusters or accountants as recommended by us, to prepare the proof of loss. We will pay the reasonable costs incurred by such firm of loss adjusters or accountants, as part of the loss under this policy, and subject to the maximum amount stated in the schedule.

In the event that you do not comply with this condition (2), it may impact your ability to make a claim and/or the amount that you will be paid.

# Other conditions that apply to this policy as a whole (general conditions)

The following conditions apply to this policy as a whole unless stated otherwise, and are in addition to any conditions contained within the general claims conditions and in each Section of cover or extension to cover that the insured has chosen to insure. Definitions used within this Section are specific to each Section of cover.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

## (1) Alteration

If after the start of the period of insurance (And the property damage and/or business interruption sections of this policy are in force) there is any alteration to the business or the premises which results in an increase in the risk of a claim, you must notify us of the relevant change.

We may cancel, suspend or alter the terms of the property damage and/or business interruption sections of this policy or increase the premium with effect from the relevant event.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (1), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

## (2) Cancellation

This policy has a cooling off period of fourteen (14) days from either:

- (a) the date you receive the policy; or
- (b) the start of the period of insurance

whichever is the later.

Outside of the cooling off period, this policy may be cancelled by you giving thirty (30) days written notice to us at the address stated in the schedule.

Other than in respect of the Directors and Officers Liability Section, this policy may also be cancelled by us giving you thirty (30) days written notice at the address stated in the schedule. If you fail to pay the premium by the due date stated in the schedule, we may cancel this policy by giving fifteen (15) days written notice to you at the address stated in the schedule. If the policy is cancelled by us for non-payment of premium, the policy will be cancelled ab initio (from inception).

If any claim, loss or circumstance which might reasonably be expected to give rise to a claim or loss has been reported to us under this policy prior to any notice of cancellation being issued by you or us (either within or outside of the cooling off period), we will retain the total premium for this policy regardless of whether or not any payment is finally made under this policy.

If no claim, loss or circumstance which might reasonably be expected to give rise to a claim or loss have been reported to us prior to any notice of cancellation being issued by you or us (either within or outside of the cooling off period), you will be entitled to a refund of any premium paid. This will be subject to a deduction for any time for which you have been covered under this policy, calculated on a proportional basis.

## (3) Law and Jurisdiction

This policy is governed by the exclusive laws of England and Wales and subject to the exclusive jurisdiction of the courts of England & Wales unless at the commencement of the period of insurance shown in the policy schedule you are a resident of (or, in the case of a business, the registered office or principal place of business is situated in) Scotland, in which case (in the absence of agreement to the contrary) the law of Scotland will apply.

Any legal proceedings between you and us in connection with this policy will take place in the courts of the part of the United Kingdom in which you live or have your registered office.

#### (4) Dispute Resolution

You and we agree that all disputes and differences arising under or in connection with this contract shall be referred to arbitration under ARIAS Arbitration Rules.

- (i) The Arbitration Tribunal shall consist of three arbitrators, one to be appointed by the Claimant, one to be appointed by the Respondent and the third to be appointed by the two appointed arbitrators.
- (ii) The third member of the Tribunal shall be appointed as soon as practicable (and no later than twenty eight (28) days) after the appointment of the two party-appointed arbitrators. The Tribunal shall be constituted upon the appointment of the third arbitrator.
- (iii) The Arbitrators shall be persons (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry.
- (iv) Where a party fails to appoint an arbitrator within fourteen (14) days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within twenty-eight (28) days of their appointment, then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time before the appointment by ARIAS (UK) the party or arbitrators in default may make such appointment.
- (v) The Tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.
- (vi) The seat of arbitration shall be London, United Kingdom.
- (vii) The proper law of this contract shall be the law of England and Wales.

Any arbitration proceedings started against us shall be served upon the Wholesale Claims Director at the "Insurer" address stated in the schedule.

We appoint the Head of Insurance Claims UK at the "Insurer" address stated in the schedule, to accept service of process on our behalf.

#### (5) Contracts (Rights of Third Parties) Act 1999 and Non-Assignment

The parties to this policy are us the insurer and you the insured. A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available other than by virtue of the Act.

Neither this policy nor any right under it may be assigned without our prior written consent.

#### (6) Fraudulent Claims

If you make a fraudulent claim under this policy, we:

- (a) shall not be liable to pay such claim;
- (b) may recover from you any sums paid by us in respect of the claim; and
- (c) may by notice to you treat the policy as having been terminated with effect from the time of the fraudulent claim.

If we do treat the policy as having been terminated, we:

- (a) may refuse all liability to you under this policy in respect of any discovery after the time of the

fraudulent act; and

- (b) need not return any of the premium.

Treating the policy as having been terminated under this Section does not affect the rights and obligations of the parties with respect to notice of a discovery given before the time of the fraudulent claim.

(7) Interpretation

Unless expressly stated otherwise, the terms and conditions of each Section of cover apply only to that particular Section of cover and shall not have any interpretive value in any other Section of cover.

If any express term or condition in the Section specific conditions or claims conditions, general claims conditions, general conditions, general exclusions or general definitions is inconsistent or in conflicts with an equivalent specific express term or condition of any Section of cover, the term or condition of such Section of cover shall prevail to the extent of its ambit.

Where a defined term is used in this policy, it shall be the definition contained in the general definitions unless:

- (a) there is a definition in a Section of cover; in which case that will apply to such Section of cover (only);
- (b) there is no definition in the general definitions; in which case it shall be the Definition(s) used in the respective Section(s) of cover; and
- (c) it is in a provision in the general claims conditions, general conditions, general exclusions, or general definitions which is expressly referring to a specific Section of cover, in which case it shall be the definition in such Section of cover (if there is one).

(8) Unlawful or Unenforceable Provisions

In the event any provision of this policy is determined to be unlawful or unenforceable under applicable law it shall be deemed deleted and shall not affect the validity of the policy as a whole. The parties shall use reasonable efforts to agree an alternative provision that resembles the deleted provision as closely as lawfully possible.

(9) Limit

Unless specified otherwise under each Section, our liability in total under each Section under all covers, extensions and Endorsements combined, shall not exceed the total sum insured, limit of liability or limit (as applicable), irrespective of the number of claims made, losses suffered and/or the number of parties against whom such claims may be made.

(10) Sub Limits of Liability or Indemnity

The sub-limit of liability or indemnity is the most we will pay under the individual cover or extension, regardless of the number of persons, insureds or entities covered by this policy, claims made, losses suffered or amounts incurred. Such sub limits of liability or indemnity are part of, and not in addition to, the Section specific limit, or sum insured/total sum insured.

(11) Extensions

Should any claim or loss involve cover provided by an extension (in conjunction with cover provided by a cover clause or part of a cover clause), our total liability for such claim or loss shall not exceed the limit or sub-limit of liability or indemnity for the cover clause or part of cover clause which applies to such claim or loss. In no event shall the sub limit of liability or indemnity stated against the extension, be provided in addition to the applicable Section cover or Section total sum insured, or limit.

(12) Aggregate Limit

When a limit, or sub-limit, of liability or indemnity is shown in this policy or in the schedule as "in the aggregate", "in all" or any term or phrase having the same or similar meaning then our liability under that cover, including any extensions or Endorsements, shall not exceed the limit, or sub-limit, of liability or indemnity in the aggregate during any one period of insurance, irrespective of the number of

losses suffered, claims made or the number of parties against whom such claims may be made.

(13) Any One Claim/Loss/Event/Occurrence Limit

When the limit is stated in this policy or in the schedule against a cover or extension as "any one claim/loss/event/occurrence" or "each and every claim/loss/event/occurrence" or any term or phrase having the same or similar meaning, our liability under that cover, including any extensions or Endorsements, shall not exceed the limit of liability or indemnity in respect of each claim, loss, event or occurrence irrespective of the number of insureds. All claims, losses, events, occurrences, or other insured events arising out of the same originating cause or source shall be deemed to be one claim, loss, event, occurrence or other insured event for the purposes of the application of the limit of liability or indemnity.

(14) Costs and Expenses Inclusive

When the limit or sub limits of liability or indemnity are stated as "including costs and expenses", "costs inclusive" or any term or phrase having the same or similar meaning then such costs and expenses shall form part of and not be in addition to the limit or sub limits of liability or indemnity and the maximum amount that we shall be liable to pay under that cover, including any extensions or Endorsements, shall not exceed the limit or sub limits of liability or indemnity.

(15) Costs and Expenses in Addition

When the limit or sub limits of liability or indemnity are stated in the schedule as "excluding costs and expenses", "costs and expenses in addition" or any term or phrase having the same or similar meaning then we shall be liable for such costs and expenses in addition to the limit or sub limits of liability or indemnity.

However:

- (a) if your liability for any claim, as finally settled or disposed of, exceeds the limit or sub limits of liability or indemnity, our liability for such costs and expenses shall be limited to the same proportion that the limit or sub limits of liability or indemnity bears to the sum required to settle or dispose of the claim. By acceptance of the inclusion of this clause you specifically agree to reimburse us for any overpayment of their proportion of costs and expenses, and;
- (b) if our liability for costs and expenses on any claim reaches a sum equal to the limit or sub limits of liability or indemnity provided for that claim, then we shall be entitled to pay to you the limit or sub limits of liability or indemnity, or remainder of the limit or sub limits of liability or indemnity (if partially eroded by damages and/or claimant's costs) in full and final discharge of their responsibilities and liabilities for such claim.

(16) Non-Aggregation

Except where condition "Combined Limit of Liability for the Professional Liability Section and Cyber and Data Risks Section" applies (where both Sections are "insured"), if payment is available under more than one Section of cover in respect of the same underlying event, matter, originating cause or source, the total amount payable under any one Section of cover will be reduced by any amount payable under any other Section of cover. In no event shall we be liable for an amount greater than the highest applicable limit.

If payment is available under more than one Section of cover in respect of the same underlying event, matter, originating cause or source, each section of cover's excess or retention (as applicable) shown in the schedule shall apply, but the total amount payable by you under any one Section of cover will be reduced by any amount payable under any other Section of cover. In no event shall you be liable for an amount greater than the highest applicable excess or retention.

Each Section of cover is intended to provide separate and distinct coverage to you and, as such, in no event shall we be liable to make a payment in respect of the same item of loss or covered amount under more than one Section of cover. In the event more than one Section of cover potentially covers the same item of loss or amount the more specific section with regard to all of the circumstances shall apply.

(17) Non-Disclosure or Misrepresentation

You must make a fair presentation of the risk before the start of the cover and before the agreement of

any variations or renewals. In the event of your breach of the duty to make a fair presentation due to a misrepresentation or non-disclosure of material facts or circumstances:

- (a) we will not seek to avoid this policy, unless either:
  - (i) we reasonably believes such misrepresentation or non-disclosure was deliberate or reckless; or
  - (ii) we would not have underwritten this policy on any terms if the facts or circumstances had been disclosed or not misrepresented.
- (b) subject to paragraph (a) above, if we would have underwritten this policy but on different terms had the facts or circumstances been disclosed or not misrepresented, then we may:
  - (i) reduce proportionately the amount paid or payable on any claim by reference to the ratio which the premium bears to the premium which we would have charged had there been no breach of the duty to make a fair presentation. The same reduction will be applied to any claims which have already been paid and any overpayment of such claims by us shall be repaid by you; and/or
  - (ii) treat the policy as if it had included such additional terms (other than terms relating to the premium) as we would have imposed had there been no breach of the duty to make a fair presentation. Any such additional terms apply equally to existing, past and future claims.

If the schedule specifies that a different country's law governs this policy, in the event of a misrepresentation or non-disclosure of material facts or circumstances, the nearest equivalent permissible remedies in such country shall be applied by us.

#### (18) Notice

Any notice under this policy will be regarded as given:

- (a) to us if sent to us at Markel (UK) Limited, City Square House, 11 Wellington Street, Leeds LS1 4DL.
- (b) to you if sent by post to your last known address.

#### (19) Reasonable Precautions

You must, throughout the period of insurance:

- (a) comply with all legal requirements, regulations, rules and guidelines imposed by any competent authority;
- (b) take all reasonable steps to prevent and minimise accidents, loss, injury and damage;
- (c) take all reasonable steps to maintain property in a good state of repair;
- (d) take reasonable care in the selection and supervision of employees; and
- (e) maintain accounts with a complete record of purchases and sales.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (20), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

#### (20) Sanctions Limitation Clause

We shall not be deemed to provide cover and we shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose us 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, United States of America or any trade or economic sanctions, laws or regulations of any other jurisdiction.

#### (21) Several Liability Clause

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing

insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

(22) Statutes

A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment, and includes any subordinate legislation for the time.

(23) Waiver

Any one-time waiver by us of any provision of this policy, will not prevent us from relying on such provision, term or condition in the future.

(24) Premium Payment

Despite any other conditions relating to cancellation, if payment of the premium has been arranged on a deferred basis with a premium finance company which has entered into a contractual agreement with Markel (UK) Limited to provide premium credit facilities, then it is agreed that

- (a) if payment of any instalment to the premium finance company is overdue, Markel (UK) Limited may, in accordance with the authority granted to the premium finance company by you under the terms of the Credit Agreement, accept cancellation instructions from the premium finance company and will allow a return pro-rata premium to the premium finance company provided there have been no claims or circumstances known or reported to us during the period of insurance shown in the policy schedule
- (b) all premiums due or returned will be processed by the premium finance company in accordance with the Credit Agreement.

## Words with special meanings that apply throughout this policy (general definitions)

The following words or phrases (definitions) apply to all Sections of this policy, unless stated otherwise, and are in addition to any words or phrases (definitions) contained within each Section.

### aggregate

The term "aggregate" means the total amount we will pay in the period of insurance, irrespective of the number of claims made, losses incurred and/or the number of parties involved.

### application

The term "application" means the written application prepared by you and any other information provided to us by you for the purposes of this policy.

### contamination

The term "contamination" means the contamination, poisoning, prevention or limitation of use, of property due to the effects of chemical or biological substances.

### we/us / our / insurer

The term "we/us /our/insurer" means the Insurer specified as such in the schedule.

### infectious or contagious disease

The term "infectious or contagious disease" means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

### limit

The term "limit" means the maximum amount we will pay as shown in the schedule or elsewhere within this

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policy.

mould

The term "mould" means any permanent or impermanent fungus (including mould or mildew but not including dry rot) or any of the spores, scents or by-products produced by a fungus regardless of whether or not they are proved to have caused any disease, injury or damage.

mould event

The term "Mould event" means any actual, alleged or threat of contact with, exposure to, inhalation of, absorption of, discharge of, dispersal of, seepage of, migration of, release of, escape of, presence of, growth of, mould.

period of insurance

The term "period of insurance" means the period of insurance shown in the schedule.

policy

The term "policy" means this document, the schedule and any Endorsements.

pollution

The term "pollution" the 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, fungi, viruses, bacteria, fumes, acids, alkalis, chemicals and waste, including, but not limited to material to be recycled, reconditioned or reclaimed.

premium

The term "premium" means the amount shown as such in the schedule plus all applicable taxes.

schedule

The term "schedule" means the document titled "Schedule" that includes your name and address, the premium and other variables to this policy (including Endorsement clauses). Schedules may be re-issued from time to time where each successor overrides the earlier document.

terrorism

The term "terrorism" means an act or series of acts, including the use of force or violence and/or the threat thereof, by any person or groups of persons, whether acting alone or on behalf of or in connection with any organizations or governments, 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.

unlawful association

The term "unlawful association" means any unlawful organisation which is engaged in terrorism including any organisation which at any relevant time is a proscribed organisation within the meaning of the Terrorism Act 2000 or any amendment or re-enactment of that act.

war

The term "war" means war, invasion, act of foreign enemies, hostilities or warlike operations (whether or not war is declared), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, mutiny or usurped power.

# Professional Liability

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of liability and excesses shown in the schedule, to pay on your behalf any:

- (a) civil liability; and
- (b) costs and expenses

in respect of any claim arising out of the conduct of your business, and first made against you during the period of insurance or any applicable extended reporting period, for any actual or alleged

- (i) products and services liability;
- (ii) infringement of intellectual property rights;
- (iii) dishonesty of employees or service providers;
- (iv) service provider liability;
- (v) unintentional breach of contract; and/or
- (vi) wrongful conduct in the performance of your business not listed in (i) to (v) above

which first takes place on or after the retroactive date.

## What we will pay

The most we will pay for any claim or series of claims (regardless of the number of claimants) arising from each and every event is the limit.

In addition to the limit, we will pay your costs and expenses, except that if your legal liability is greater than the limit then the amount we will pay in respect of costs and expenses will be proportionally reduced.

We will not pay the excess, this must be paid by you.

## What you are also covered for (extensions)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sub limits of liability and excesses shown in the schedule, to the following extensions to this section:

- (1) **Acquisitions and Formation of Companies**  
Where you acquire or form a company subsequent to the inception date of this policy, such company shall be automatically included as an insured, from the date of acquisition or formation and without additional premium.

Provided that:

- (a) the turnover relating to such acquired or formed company does not exceed fifteen percent (15%) of the estimated turnover of the companies already covered under this Section as at the inception date of this policy;
- (b) the business carried out by such acquired or formed company is the same or substantially similar to your business;
- (c) before the acquisition, the acquired company was not aware, or ought reasonably to have been aware, of any claim or circumstance which may give rise to a claim during the period of insurance;

- (d) the retroactive date applicable to any such acquired or formed company is deemed to be the date of acquisition or formation;
- (e) you control the composition of the board of directors, or controls more than half the voting power at a general meeting of shareholders, or holds more than half of the issued share capital, regardless of class of share, of such acquired or formed company;
- (f) such acquired or formed company is not domiciled, incorporated or listed in the United States of America, its territories or possessions;
- (g) such acquired or formed company does not derive in excess of twenty percent (20%) of its turnover from the United States of America, its territories or possessions; and
- (h) such acquired or formed company is not domiciled, incorporated or listed within a territory outside of the territory where you are domiciled, as shown in the schedule.

If all of the above criteria cannot be satisfied, then we will require a detailed underwriting submission to consider the inclusion of such acquired or formed company. We may thereafter require an additional premium to be paid and/or additional terms and conditions to be complied with in respect of such newly acquired or formed company.

(2) Continuous Cover

Regardless of exclusion (18) Known Circumstances, cover under this Section is extended to include claims first notified to us during the period of insurance arising out of circumstances, which before inception of this policy, you knew, or ought reasonably to have known, might give rise to a claim, but failed to notify us.

Provided that:

- (a) we have provided this insurance continuously to you since the date of such circumstance;
- (b) you have not given notice of such circumstances under any other contract of insurance, whether underwritten by us or by others; and
- (c) your failure to give prior notice of such circumstances to us, was neither deliberate nor reckless and was free of any fraudulent conduct or intent to deceive.

Claims subsequently falling to be dealt with under this Section solely by virtue of this extension, shall be subject to the following additional conditions:

- (a) The amount of cover available under this Section shall be limited to the lesser of, the amount of cover
  - (i) remaining under the other policy of insurance in force at the time you knew, or ought reasonably to have known of such circumstances; or
  - (ii) available under this Section.
- (b) If the cover available under this Section is greater or wider in scope than that to which you would have been entitled to under any other policy of insurance in force at the time you knew, or ought reasonably to have known of such circumstances, we shall only be liable to cover you for such amount and on such terms as would have been available to you under the other policy of insurance.
- (c) Nothing in this extension shall entitle you to cover wider or more extensive than is otherwise available under this Section.

(3) Court Attendance Compensation

We agree that court attendance compensation cover is provided for any partner, director, member or employee who attends a court, arbitration or adjudication hearing as a witness in connection with a claim notified under and covered by this Section.

For the purposes of this extension, you will mean the person or entity shown as such in the schedule and its subsidiaries.

What we will pay

We will pay you the following rates per day for each day on which attendance is required:

- (a) for any director or partner £500 per day
- (b) for any employee £250 per day

No excess shall apply to this extension.

(4) Documents

We agree to pay you for any amounts you become legally liable to pay:

- (a) as a result of a claim for loss of or damage to documents by you or any service provider first made against you during the period of insurance; or
- (b) for loss of or damage to documents by you or any service provider first discovered by you during the period of insurance.

Provided that:

- (a) we shall not be liable in respect of any:
  - (i) claims arising from wear and tear, gradual deterioration, mould, moth or vermin;
  - (ii) amounts arising out of any dispute as to ownership of or title to documents; and
- (b) any claim is supported by bills and accounts which will be approved by a competent person, to be nominated by us.
- (c) we have not paid you under the property damage section

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

No excess shall apply to this extension.

(5) Employee Indemnification

If you request, we will treat any claim made against any employee as if the claim were made against you.

Provided always that such employee:

- (a) will observe, fulfil and be subject to all the terms, conditions and exclusions of this policy as if they were you;
- (b) does not have any direct or indirect financial interest in the proceeds of the claim; and
- (c) has not made any profit or gain out of the transaction giving rise to the claim.

(6) Indemnity to Other parties

In the event that, before a claim being made, a party other than you contractually stipulates that their interest must be noted under this Section of the policy, we agree to indemnify such party against claims as if they were you.

Provided that:

- (a) we agreed, before a claim being made, to note the interest of such third party;
- (b) such claim arises solely from your acts or omissions and the other party did not contribute in any way to the acts or omissions which gave rise to the claim;
- (c) in the absence of this extension, and if such claim had been made against you, you would be entitled to coverage provided by this Section of the policy;
- (d) we will be entitled to assume the defence and settlement of said claim; and

(e) such claim shall be subject to all policy terms, conditions and exclusions and the other party seeking an indemnity under this policy complies with such terms and conditions.

(7) Joint Ventures/Consortia

Provided that you have declared to us all fees/turnover received from a joint venture or consortium, the cover provided under this Section is extended to include your liability to pay in respect of any claim as a direct result of its participation in such joint venture or consortium.

We will not be liable to:

- (a) provide cover to any participant of such joint venture or consortium other than you;
- (b) pay a contribution to any insurer of any other participant in such joint venture or consortium.

No other participant in such joint venture or consortium, and no other third party, will have any rights under this policy.

(8) Mitigation Costs and Expenses

We agree, that cover under this Section is extended to include the necessary and reasonable costs and expenses incurred with our prior written consent (which are not otherwise covered by this policy), to mitigate a claim or potential claim under this Section.

(9) Outstanding Invoices

We agree, that where during the period of insurance:

- (a) a third party refuses to pay fees owed to you in respect of any services or products provided in the course of your business; and
- (b) such refusal may give rise to a claim covered under this section for an amount greater than the amount in dispute

we may pay to you some or all of the disputed fee amount above the excess, in order to prevent or mitigate any such claim against you.

Before any payment being made, you must satisfy us that such payment will fully and finally resolve all claims by such third party.

Should any of the disputed fee amount subsequently be paid to, or recovered by you; this amount must immediately be paid to us. Such sum paid to us shall not exceed the total amount paid out by us in respect of such claim.

(10) Optional Extended Reporting Period

In the event that:

- (a) we refuse to renew this Section; or
- (b) you decline to accept the renewal terms offered by us

you will have the right to a thirty (30) day extended reporting period for this Section, from the end of the period of insurance at no additional premium; and

During the extended reporting period you may notify us of any claim first made during such period solely in respect of acts, errors or omissions actually or allegedly first committed before the expiry date of the period of insurance.

Provided that:

- (a) the limits of liability shown in the schedule will not in any way be increased by such extended reporting period;
- (b) cover has not been cancelled before the expiry date of the period of insurance;
- (c) you

- (i) provide written notice within ten (10) days of the expiry date of the period of insurance of your requirement for such extended reporting period; and
- (ii) pay the additional premium to us, by the due date shown in the schedule;
- (d) you shall not have obtained any other insurance against substantially the same risks as those covered under this Section, even if such other insurance includes a retroactive cover limitation; and
- (e) if after purchasing an extended reporting period, you obtain other insurance against substantially the same risks as those covered under this Section, even if such other insurance includes a retroactive cover limitation, such extended reporting period shall automatically end from the date of inception of such other insurance.

(11) Public Relations Services

We will pay you for costs resulting from the use, with our prior agreement, of the crisis response service following a crisis.

In addition, we will pay any other related costs agreed with us. However, you must:

- (a) immediately notify us of any event or circumstances which might result in you seeking payment under this section of cover and comply with our recommendations or the recommendations of the crisis response service
- (b) take all reasonable and practical measures to avoid or reduce the costs of the crisis

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

No excess shall apply to this extension.

(12) Regulatory Investigations

We agree, that cover under this Section is extended to include the necessary and reasonable costs and expenses (which are not otherwise covered by this policy), of your legal representation at any investigation of or proceeding against you, first started by a regulator during the period of insurance. Provided that cover under this extension shall only apply when such regulatory investigations directly result from any matter or incident covered under this Section.

## Claims conditions that apply to this section of cover

The following claims conditions apply to the Professional Liability Section only, and are in addition to any conditions contained within the general claims conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these claims conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Notification of Claims

You must notify us in writing at the email address shown in the schedule, as soon as reasonably practicable (and within the period of insurance) of:

- (a) any claim;
- (b) the receipt of any notice of an intention to make a claim; and/or
- (c) any circumstances of which you shall become aware which might reasonably be expected to give rise to a claim, giving detailed reasons for the anticipation of such claim, together with full particulars as to dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

## (2) General Claims Handling

- (a) You, and any person acting on your behalf, must:
- (i) not admit liability in part or in full;
  - (ii) not settle or attempt to settle any claim or loss;
  - (iii) not incur any costs and expenses or make any other payment for which cover may be sought without our prior written consent (such consent not to be unreasonably withheld);
  - (iv) give all such information or assistance possible and forward all documents as we may require, to enable them to investigate, settle or defend any claim or loss or respond to any other insured event.

In the event that you do not comply with this condition (2)(a)(i)-(a)(iv), it may impact your ability to make a claim and/or the amount that you will be paid.

- (b) We will have the right and duty to defend and settle any claim or to prosecute in your name for our own benefit, any claim for payment, indemnity or damages or otherwise against any third party.
- (c) If you refuse to consent to any settlement recommended by us and elect to contest a claim, our liability for such claim (including costs and expenses) will not exceed the sum of the amount for which such claim could have been settled inclusive of costs and expenses incurred up to the date of such refusal;

At any stage of a claim, we can pay you the applicable limit, or whatever remains of such limit following any earlier payment(s).

We will pay costs and expenses already incurred as at the date of our payment.

We will then have no further liability for that claim or costs and expenses.

- (d) You will not, except as may be required by law or during the ordinary course of your business, disclose to anyone the existence of this policy without our prior written consent (not to be unreasonably withheld). For the avoidance of doubt, a requirement to disclose the existence of this policy is not a requirement to disclose its terms and conditions.

However, you may at any time request a proof of cover from its insurance intermediary or broker who has arranged this policy. The disclosure of such proof of cover to any third party will not be considered by us as a breach of this claims condition (2).

In the event that you do not comply with this general claims condition (2), it may impact your ability to make a claim and/or the amount that you will be paid.

## Conditions that apply to this section of cover

The following conditions apply to the Professional Liability Section only of this policy and are in addition to the conditions contained within the general conditions.

- (1) United States of America Claims  
Irrespective of the basis of the limit shown in the schedule or elsewhere for each cover, in respect of US claims under this section, the limit shall always be in the aggregate and costs and expenses inclusive.
- (2) Combined Limit of Liability for the Professional Liability Section and Cyber and Data Risks Section

In the event that any claim or loss is covered, in whole or in part, by both the Professional Liability Section and the Cyber and Data Risks Section (where both are "insured"), our maximum limit of liability for such claim or loss shall be either:

- (a) the highest applicable per claim or loss limit or aggregate limit under both the Professional Liability Section and the Cyber and Data Risks Section; or
- (b) the total remaining sum of the applicable Professional Liability Section and Cyber and Data Risks Section aggregate limit as reduced by payments of other unrelated claims or losses

whichever is the lesser.

(3) Other Insurance

Any indemnity or coverage under this policy is specifically excess of and will not contribute with any other valid and available insurance, unless such other insurance is specifically written as excess insurance over the limit of liability of this policy.

(4) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against:

- (a) any director, member or employee of yours unless the claim or loss is brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of such director, member or employee. Employee shall not include any service provider or critical service provider;
- (b) You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## What is not covered (exclusions)

The following exclusions apply to the Professional Liability Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not be liable under this Section for any damages, claimants' costs, costs and expenses or any other liability or payment which result directly or indirectly from, in consequence of, or in any way relating to:

- (1) Asbestos  
the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos.
- (2) Betterment  
your financial position being in a better or improved position compared to their position in the absence of a claim.
- (3) Bodily Injury and Property Damage
  - (a) injury sustained by any person (other than emotional distress arising from libel or slander);
  - (b) property damage, (other than in respect of documents)  
unless such liability directly results from breach of a professional duty owed by you in the course of your business to a third party, as may be covered under this Section.
  - (c) injury and property damage connected with products;
  - (d) injury and property damage as more specifically insured under the Public/Products Liability Section.
- (4) Consortia and Joint Ventures  
the operation or existence of any joint venture or consortium in which you have an interest other than to the extent that cover is provided under extension (7) Joint Ventures/Consortia.

- (5) **Contractual Liability**  
any liability assumed by you under any express warranty (except a warranty of authority), agreement or guarantee, unless and to the extent such liability would have attached to you regardless of such express warranty, agreement or guarantee. This exclusion shall however not apply to breach of contract as may be covered under this Section.
- (6) **Contractual Service Credits or Penalty Clauses**  
service credits, penalty clauses, or contractual clauses which have the effect of imposing service credits or penalties on you. This exclusion shall not however apply to liquidated damages.
- (7) **Cross Liabilities**  
any claim made against you by:
- (a) you;
  - (b) any parent of yours or subsidiary;
  - (c) any person or entity having a financial, executive or controlling interest in you;
  - (d) any company or entity in which you or any director, partner, member or employee of yours has a financial, executive or controlling interest;
  - (e) any director, partner, member or employee of any person or organisation described above; and/or
  - (f) any agent, heir, representative or successor of any person or organisation described above.
- (8) **Cyber Loss**  
(a) any cyber loss regardless of any other cause or event contributing concurrently or in any other sequence thereto.

This exclusion 3.4.8(a) will not however apply to losses otherwise covered under:

- (i) cover (i) Products and Services Liability;
- (ii) cover (iv) Service Provider Liability;
- (v) cover (v) unintentional breach of contract; and
- (vi) extension (4) Documents,

arising from the provision of or failure to provide professional services by you and involving access to, processing of, use of or operation of any computer system or data.

- (b) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data, including any amount pertaining to the value of such data shall not be recoverable hereunder, nor be considered as physical loss or damage for the purposes of this exclusion clause or any other part of this Section.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This clause supersedes and, if in conflict with any other wording in the policy having a bearing on cyber loss or data, replaces that wording.

- (9) **Directors' and Officers' Liability**  
any personal liability incurred by a director, partner, member or officer of yours when and to the extent acting in that capacity or when managing your business.
- (10) **Dishonest and Malicious Acts**
- (a) any dishonest, fraudulent, criminal or malicious act or omission of yours, other than as provided for by covers (iii) dishonesty of employees or service providers, and (iv) service provider liability, and extension (4) Documents; and/or
  - (b) under covers (iii) dishonesty of employees or service providers, and (iv) (service provider liability), and extension (4) documents, any dishonest, fraudulent, criminal or malicious act or omission committed by any person after you had or should have had reasonable cause for

suspicion of any dishonest, fraudulent, criminal or malicious act or omission in relation to that person.

No person committing or condoning a dishonest, fraudulent, criminal or malicious act or omission shall be entitled to any recovery under this policy.

- (11) Employers Liability and Employment Practices Liability
  - (a) injury sustained by any employee, director, partner or member in the course of their employment for or on your behalf; and/or
  - (b) any breach of any obligation owed by you as an employer or potential employer to any actual or prospective or former employee, director, partner or member.
- (12) Fines/Penalties  
any fine or penalty, punitive, exemplary, multiple, restitutionary or non-compensatory damages other than in respect of exemplary damages for libel or slander.
- (13) Hardware  
the defective workmanship, repair, upgrade, inspection, alteration, removal or replacement of any software, hardware, firmware, cabling or other electronic equipment.
- (14) Infrastructure
  - (a) any failure of infrastructure and/or utilities including the provision of gas, water, electricity, telecommunications or internet service unless provided by you as part of your business; and
  - (b) any termination of any core element of the internet infrastructure that results in a regional, countrywide or global outage of the internet such as a failure of the core DNS root servers or IP addressing system.
- (15) Insolvency/Bankruptcy  
the insolvency or bankruptcy of you or any other company.
- (16) Intentional Acts  
intentional or reckless acts committed by you or at your direction, unless specified otherwise under any individual cover or extension.
- (17) Jurisdictional Limits  
any claim action or proceeding brought in a court or before an arbitration tribunal or made under the laws of any territory outside the jurisdictional limits.
- (18) Known Circumstances  
any circumstances existing prior to or at the inception of this policy and which you knew or ought reasonably to have known might give rise to a claim or any payment under this policy, other than as provided for by extension (2) Continuous Cover.
- (19) Patents  
any actual or alleged infringement of any patent.
- (20) Pollution Liability  
pollution, unless such liability directly results from breach of a professional duty owed by you in the course of your business to a third party, as may be covered under this Section.
- (21) Product Recall  
the repair, alteration, re-creation, reconditioning or recall of products, except when as a result of a claim for a breach of a duty owed by you in the course of your business to a specific third party, as may be provided for under this Section.
- (22) Propelled Vehicles/Aircraft/Watercraft  
the ownership, possession or use by or on your behalf of any aircraft, hovercraft, watercraft, vessel or mechanically propelled vehicle.

- (23) Radioactive Contamination and Sonic Bangs
- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component; and/or
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- (24) Retroactive Date  
any act, event, error or omission occurring or alleged to have occurred prior to the retroactive date, that gives rise to a claim or other insured event.
- (25) Subsidiaries  
the operation or existence of any subsidiary, unless such subsidiary has been included in the application or to the extent that cover is provided for under extension (1) Acquisitions and Formation of Companies.
- (26) Taxation, Competition, Restraint of Trade and Anti-Trust  
any breach of any law, regulation or legislation governing taxation, competition, restraint of trade or anti-trust.
- (27) Terrorism  
a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
- (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association
- regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (d) contamination due to terrorism
- If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.
- If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- (28) Trading Loss  
any trading losses, or trading liabilities or trading debts incurred by any business managed by or carried on by you.
- (29) Upstream Disputes  
any dispute you have with any service provider relating to infringement of intellectual property rights, the termination of a contract or relationship or the payment or disagreement of fees paid or due to be paid between such parties.
- (30) Mould  
mould or a mould event.
- (31) USA
- (a) the Employment Retirement Income Security Act of 1974 and any amendment thereto, or any rules or regulations promulgated thereunder;
  - (b) the Racketeer Influenced and Corrupt Organisation Act 18 USC Sections 1961 or any changes thereto, or any rules and regulations promulgated thereunder;
  - (c) any of the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 or any similar Federal or State law or any common law relating thereto;
  - (d) any regulation, law or statute relating to unsolicited communications, including but not limited to

the CAN-SPAM Act of 2003, the Telephone Consumer Protection Act of 1991 and any subsequent changes to those regulations, laws or statutes.

This exclusion shall only apply to US claims.

## Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Professional Liability Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

### business

The term "business" means your activities, profession or occupation which you have told us about and we have confirmed are acceptable to us for the purpose of this insurance.

### claim

The term "claim" means a demand by a third party for compensation or damages (including liquidated damages) from or the assertion of a right against you.

All claims consequent upon or attributable to one originating source or cause (including but not limited to the dishonest, fraudulent, criminal or malicious acts of any one person or of persons acting in collusion) shall be deemed to be one claim.

### civil liability

The term "civil liability" means damages and claimant's costs, which you shall become legally liable to pay.

### computer system

The term "computer system" means any information and/or communication technology system, device or equipment including any hardware, software or firmware and data stored thereon, but not including telephone systems (whether digital, analogue, IP enabled or any other type of telephone system), irrespective of where these are hosted.

### costs and expenses

The term "costs and expenses" means the necessary and reasonable legal costs and expenses incurred:

- (a) by us; or
- (b) by you (provided we have agreed with you in writing that you may incur these costs and expenses)

solely in the defence, investigation or settlement of a claim made against you and insured under this policy, excluding:

- (a) damages and/or costs awarded against you;
- (b) any kind of payment or payment for work or service due to you; and
- (c) any internal costs and expenses of yours.

### crisis

The term "crisis" means any event which would result in a payment under this section of cover and where in our opinion there is a risk to your business as a consequence of adverse press, publicity or media attention.

### Crisis response service

The term "Crisis response service" means the public relations specialist services provided by us or on our behalf.

### cyber act

The term "cyber act" means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any computer system.

### cyber incident

The term "cyber incident" means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.

#### cyber loss

The term "cyber loss" means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any cyber act or cyber incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act or cyber incident.

#### computer virus

The term "computer virus" means any corrupting, harmful or unauthorised instructions or code that spreads itself through a computer system or network including malware, 'Trojan horses', 'worms' or 'time or logic bombs'.

#### data

The term "data" means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

#### director

The term "director" means any director of yours, including but not limited to C-Suite members such as Chief Technology Officer (CTO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Executive Officer (CEO), Chief Risk Officer (CRO) and Chief Information Officer (CIO).

#### document

The term "document" means:

- (a) all physical documents and electronic data but excluding stamps, currency, coins, bank notes and bullion, traveller's cheques, cheques, drafts, postal orders, money orders, bills of exchange, promissory notes, securities, negotiable instruments and the like; and
- (b) separable programmes, instructions or data for physical incorporation into any computer system belonging to you or for which you are legally responsible, whilst in your custody, or in the custody of any person to or with whom they have been entrusted, lodged or deposited by you in the ordinary course of your business.

#### employee

The term "employee" means any person, other than a director, partner or member of yours, who is or was or may become during the period of insurance:

- (a) under a contract of service or apprenticeship with you;
- (b) supplied to or hired or borrowed by you; or
- (c) under any work experience or similar scheme with you

whilst employed by you or engaged by and under the control of you in connection with your business.

#### excess

The term "excess" means the amount shown in the schedule which is payable by you before we become liable.

The excess shall not form part of any limit.

Where a claim may be indemnified under one or more covers or Sections, only the highest excess shall apply.

#### infringement of intellectual property rights

The term "infringement of intellectual property rights" means:

- (a) plagiarism, piracy, misappropriation of trade secrets or any act of passing off including failure to attribute

authorship;

- (b) libel or slander, including product disparagement, trade libel, malicious falsehood and breach of comparative advertising regulations; or
- (c) infringement of copyrights, trademarks, designs, titles, slogans, trade names, trade dress, service marks, service names, domain names, metatags or moral rights, but not including patents.

injury

The term "injury" means:

- (a) bodily injury;
- (b) mental anguish;
- (c) sickness;
- (d) disease; or
- (e) death.

insured / you / your / yours

The term "insured/you/your / Yours" means:

- (a) the person or entity stated as such in the schedule and its subsidiaries;
- (b) the directors, partners and members of any such entity;
- (c) in the event of the death, incompetence or bankruptcy of any natural person in (a) or (b) above, their estates, heirs, legal representatives or assigns for legal liabilities incurred by those within (a) or (b) above.

jurisdictional limits

The term "jurisdictional limits" means those territories stated as such in the schedule.

liquidated damages

The term "liquidated damages" means damages stipulated in a written contract, representing a fair and reasonable pre-estimate of damages that would actually be suffered by a third party and would also be recoverable against you under common law in the absence of such stipulation.

member

The term "member" means any person holding that position within a limited liability partnership.

partner

The term "partner" has the meaning given by the Partnership Act 1890.

product

The term "product" means any tangible product which you or a service provider has manufactured, sold, supplied, distributed, hired out, serviced, altered, repaired, installed, erected, treated, stored, packaged or transported.

products and services liability

The term "products and services liability" means:

- (a) negligent act, error or omission;
- (b) breach of professional duty;
- (c) negligent misstatement or misrepresentation;
- (d) breach of a duty of care or confidence including any misuse of information which is either confidential or subject to statutory restrictions on its use; and/or
- (e) failure of a product to perform or function.

property damage

The term "property damage" means loss, loss of use, destruction of or damage to tangible property.

#### regulator

The term "regulator" means an authority charged with the administration, investigation, or enforcement, of laws, regulations or professional standards with jurisdiction over your business which shall include but not be limited to:

- (a) an authority charged with the administration or enforcement of laws or regulations relating to the use, transfer, storage, control or processing of information or data, for example the Information Commissioner's Office;
- (b) the Financial Conduct Authority, Prudential Regulation Authority, Ofcom, PCI Security Standards Council, Serious Fraud Office or National Crime Agency; or
- (c) any equivalent authority described in (a) and (b) in another jurisdiction.

#### retroactive date

The term "retroactive date" means either

- (a) the date when this section of cover was first inceptioned, or
- (b) where equivalent cover to that provided under this section of cover has been continuously maintained immediately before the inception of this section of cover, then it means the date that applied to that equivalent cover.

#### service provider

The term "service provider" means a business you do not own, operate, or control, but that you hire for a fee under a contract to supply products and/or services on your behalf in the course of your business.

#### service provider liability

The term "service provider liability" means acts, errors or omissions committed by any service provider and resulting in:

- (a) negligence or breach of professional duty;
- (b) negligent misstatement or negligent misrepresentation;
- (c) breach of a duty of care or confidence including any misuse of information which is either confidential or subject to statutory restrictions on its use; and/or
- (d) infringement of intellectual property rights.

#### subsidiary

The term "subsidiary" means any company in respect of which the person or entity stated as the insured in the schedule at or before the inception date of this policy:

- (a) controls the composition of the board of directors;
- (b) controls more than half of the voting power at a general meeting of shareholders; or
- (c) holds more than half of the issued share capital, regardless of class of share.

#### US claims

The term "US claims" means any claim made, or legal proceedings instituted, within the United States of America and/or territories or possessions which come under the jurisdiction of the United States of America including the enforcement by courts of any other country of any judgement in connection therewith.

For the avoidance of doubt this Section will only cover US claims when the jurisdictional limits include the USA.

# Public/Products Liability

## Public Liability: What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of indemnity and excesses shown in the schedule, to pay you for your legal liability for damages and claimant costs awarded against you caused by:

- (1) injury to any person;
- (2) damage to material property;
- (3) wrongful arrest, imprisonment or eviction of any person; and/or
- (4) trespass, nuisance or any interference with right of way, by land, air or water

occurring during the period of insurance within the United Kingdom

As shown in the schedule and happening in connection with your business.

We will not pay you under this sub section of cover (public liability) if your liability is connected with a product.

### What we will pay

The most we will pay for any claim or series of claims (regardless of the number of claimants) arising from each and every event is the limit.

In addition to the limit, we will pay your:

- (a) costs and expenses, except that if your legal liability is greater than the limit then the amount we will pay in respect of costs and expenses will be proportionally reduced.
- (b) solicitor's fees that we agree to in writing for:
  - (i) your defence in any court of summary jurisdiction of any proceedings brought against you for the breach or alleged breach of any statutory duty resulting in accidental injury; and/or
  - (ii) your representation at a coroner's court or fatal accident inquiry

provided that the breach or injury may result in a claim against you that is insured under this Public/Products Liability Section.

## Products Liability: What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of indemnity and excesses shown in the schedule, to pay you for your legal liability for damages and claimant costs awarded against you caused by:

- (1) accidental injury to any person; and/or
- (2) loss or damage to material property

occurring anywhere in the world during the period of insurance caused by the nature or condition of any product initially sold or supplied by the insured from within the United Kingdom.

### What we will pay

The most we will pay for all claims in the aggregate shall not exceed the limit.

In addition to the limit, we will pay your:

- (a) costs and expenses, except that if your legal liability is greater than the limit then the amount we will pay in respect of costs and expenses will be proportionally reduced.
- (b) solicitor's fees that we agree to in writing for:
  - (i) your defence in any court of summary jurisdiction of any proceedings brought against you for the breach or alleged breach of any statutory duty resulting in accidental injury; and/or
  - (ii) your representation at a coroner's court or fatal accident inquiry provided that the breach or death may result in a claim against you.

provided that the breach or injury may result in a claim against the insured as insured under this policy.

## Public Liability: What you are also covered for (extensions)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of indemnity and excesses shown in the schedule, to also provide the following cover.

### (1) Indemnity to Principal

We will at your request indemnify any principal for whom you are completing a contract for the performance of work, to the extent required by the contract conditions.

Provided that:

- (a) you would have been entitled to payment under this sub section (Public Liability) had the claim been made against you; and
- (b) the principal observes, fulfils and is subject to the terms, conditions and exclusions of this policy in the same way as you are.

Exclusion (7) Contractual liability - Public Liability of this Section shall not apply to this extension.

### (2) Damage to Hired or Rented Premises

We will pay you for your legal liability for damages and claimant costs awarded against you arising from any claim made against you caused by damage to premises and/or the landlord's fixtures and fittings where the premises are hired or rented by you for the purpose of your business during the period of insurance.

We will not pay the first GBP100 of the damages, claimant costs or costs and expenses unless the damage results from fire or explosion. This must be paid by you.

We will not pay you if your legal liability arises from a tenancy agreement or any other agreement. However, we will pay you for any legal liability you would have had, had you not entered into the agreement.

Exclusion (8) Custody and Control of this Section shall not apply to this extension.

### (3) Defective Premises Act

We will pay you for your legal liability for damages and claimant costs awarded against you arising from any claim made against you which arises from an actual or alleged breach during the period of insurance of:

- (a) section 3 of the Defective Premises Act 1972;
- (b) section 5 of the Defective Premises (Northern Ireland) Order 1975; or
- (c) any legislation amending or re-enacting the above in connection with premises which you have disposed of.

We will not pay you for the cost of rectifying any damage or defect in the premises disposed of.

(4) Motor Contingent Liability

We will pay you for your legal liability for damages and claimant costs awarded against you arising from any claim made against you which arises from the use of any motor vehicle being used for the purpose of your business and which is:

- (a) not your property; and/or
- (b) not provided by you.

We will not pay you:

- (i) for any damage to the vehicle or any property on or in the vehicle;
- (ii) for any liability connected with the vehicle being driven by anyone other than an employee; and/or
- (iii) where the vehicle is being used outside of the United Kingdom.

Exclusion (16) Motor Vehicles or Vessels of this Section shall not apply to this extension.

(5) Overseas Liability

If an action for damages is brought in a court of law within the jurisdiction of the United States of America or Canada then the most we will pay you in respect of:

- (a) your legal liability for damages and costs awarded against you; plus
- (b) costs and expenses

is the limit.

We will not pay you where your legal liability arises from the ownership of any land or buildings.

Exclusion (15) Legal Action of this Section shall not apply to this extension.

(6) Cross Liabilities

If the insured comprises of more than one person or entity then the cover provided by this Section of cover (public liability) shall be interpreted as if a separate policy had been issued to each person or entity.

However, irrespective of the number of insureds, the total amount payable by us in respect of all insureds shall not exceed the limit.

(7) Member to Member Liability

If any member of your:

- (a) canteen, social, sports or welfare organisations, or
- (b) fire, ambulance, first aid, medical or security services

brings an action for damages against any other member then we will pay the member against whom the action is brought in the same way that we would pay you if the action had been brought against you.

However, we will only pay the member if they observe, fulfil and are subject to the terms, conditions and exclusions of this policy as you are.

We will not pay the member if they are entitled to payment under any other insurance.

For the purpose of this extension we will regard any guest or voluntary helpers as members.

(8) General Data Protection Regulation and Data Protection Act

We will pay you for your legal liability for damages and costs awarded against you arising from any claim made against you under:

- (a) paragraph 1 of Article 82 of the General Data Protection Regulation (EU) 2016/679;
- (b) section 168 of the Data Protection Act 2018; and/or
- (c) any legislation amending or re-enacting the Act

as a result of a personal data breach occurring during the period of insurance in connection with your business.

We will not pay you:

- (a) where your liability results from your deliberate act or omission the result of which could reasonably have been anticipated;
- (b) where your liability results from any act of fraud or dishonesty;
- (c) where your liability arises from the storage, recording, processing or provision of data for a fee or to determine the financial status of any person;
- (d) where your liability results from data processed outside of the European Union;
- (e) if you do not have a data protection accountability statement which is reviewed at least annually;
- (f) in respect of the costs and expenses of:
  - (i) rectifying, reinstating, replacing, rewriting, completing, blocking, erasing, destroying or restricting personal data and processing thereof;
  - (ii) responding to any request to access personal data; and/or
  - (iii) notifying any person or supervisory authority of a personal data breach;
- (g) arising from a failure to:
  - (i) respond to any request to access personal data; and/or
  - (ii) notify any person or supervisory authority of a personal data breach;
- (h) for which indemnity is provided in whole or in part under any other more specific insurance or to the extent that indemnity is provided elsewhere within this policy;
- (i) for material or non-material damage suffered by any person whose personal data was not the subject of the personal data breach; and/or
- (j) occurrences happening in or claims or legal proceedings brought or originating in the United States of America, Canada or in any territory within the jurisdiction of either such country.

Exclusion (9) Cyber and Data shall not apply to this extension, to the extent required to give effect to this extension.

Cover under this extension shall not be provided, when the schedule shows the Cyber and Data Risks Section as "insured."

### What we will pay

The maximum amount we will pay for each and every event, unless shown otherwise in the schedule, is the amount shown in the schedule.

## Products Liability: What you are also covered for (extensions)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant, limit, sub limits of indemnity and excesses shown in the schedule, to also provide the following cover.

- (1) Consumer Protection and Food Safety  
We will pay you for costs and expenses in defence of any claim made against you which arises from a

breach of:

- (a) part II of the Consumer Protection Act 1987;
- (b) sections 7, 8, 14 and/or 15 of the Food Safety Act 1990; or
- (c) any legislation amending or re-enacting the above

committed or allegedly committed in the course of your business during the period of insurance, including costs and expenses in an appeal against conviction.

We will not pay you where your legal liability arises from your wilful, reckless or intentional disregard of your duties under these Acts.

(2) Product to Product Liability

We will pay you for your legal liability for damages and costs awarded against you arising from any claim made against you which arises from loss or damage to a product after it has left your charge or control:

- (a) caused by another product supplied, installed or fitted by you or on your behalf under a separate contract; or
- (b) when you are engaged in any operation not connected with the supply, installation or fitting of the original product.

Provided that such costs are not more specifically covered under Product liability extension (3) Vendor's Indemnity.

Exclusion (19) Products of this Section shall not apply to this extension.

(3) Vendor's Indemnity

At your request, we will indemnify any person or organisation (herein referred to as "vendor"), but only with respect to accidental injury or damage to material property arising out of your products distributed or sold in the regular course of the vendor's business.

Provided that:

- (a) this extension shall not apply in respect of liability arising from:
  - (i) any express warranty unauthorised by you;
  - (ii) any physical or chemical change in the form of the products made intentionally by the vendor;
  - (iii) repacking, unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from you and then repacked in the original container;
  - (iv) demonstration, installation, servicing or repair operations, except demonstration performed at the vendor's premises in connection with the sale of the products; or
  - (v) products which after distribution or sale by you have been labelled, relabelled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
- (b) this extension shall not apply to any person or organisation from whom you have acquired such products or any ingredient, part or container entering into accompanying or containing such products;
- (c) such vendor shall as though they were you be subject to the terms of this Section and the policy insofar as they can apply;
- (d) the limit shall not be increased hereby; and
- (e) such costs are not more specifically covered under Product Liability extension (2) Product to Product Liability.

Exclusion (19) Products of this Section shall not apply to this extension.

(4) Product Recall

We will pay you for costs you incur in respect of product recall expenses, caused by an occurrence arising from products during the period of insurance.

Provided that:

If any claim is made under this extension for which you and we shall fail to agree as to the

- (a) necessity for the recall of the products; or
- (b) amount of costs and expenses recoverable under this extension

then such disagreement shall be referred to an arbitrator to be appointed by the parties in accordance with the relevant statutory provisions.

Where any disagreement is by this condition to be referred to arbitration, an award must be made before any right of action against us.

We will not pay for product recall expenses as a result of:

- (a) a wish to recall other products which are similar to, but not the same as, the products giving rise to an occurrence;
- (b) products being of the same trade or brand name but of different batches than that which has been determined as being the likely cause of loss under this extension, if you have advised that the products are identifiable by batch, code, or other similar means;
- (c) inherent deterioration, decomposition or transformation of the products or the products reaching the end of the period within which, use, consumption or storage is recommended;
- (d) loss of customer faith or approval, or any costs incurred in order to regain customer faith or approval, or any other consequential loss arising therefrom;
- (e) changes in the condition of the products or any part thereof, if such changes were deliberately caused by the act or omission of any person, and whether occurring before or after the release of such products by you;
- (f) any pre-existing condition of the products which could cause a loss under this extension and of which you had prior knowledge;
- (g) circumstances arising from any deliberate act by you;
- (h) any occurrence arising from products which were sold or supplied before the period of insurance;
- (i) withdrawal of any product without the reasonably held belief that its use, consumption or storage would or could result in either injury or damage to material property;
- (j) use of materials after they have been banned or declared unsafe by any authorised governmental entity;
- (k) acts or omissions of any of your employees and of which any of your officers or directors had prior knowledge;
- (l) the express conditions of any contract or agreement entered into by you which imposes costs or expenses for the recall or replacement of the products, which would not have been incurred in the absence of such contract or agreement.

Exclusion (19) Products of this Section shall not apply to this extension.

### What we will pay

Our liability shall not exceed the sub limit of liability shown in the schedule, in the aggregate.

## Public/Products Liability: What you are also covered

## for (extensions)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant, limit, sub limits of indemnity and excesses shown in the schedule, to also provide the following cover.

- (1) Compensation for Court Attendance  
If at our request, any director or partner of yours, or any employee attends a court as a witness in connection with a claim that is insured under this Section, we will provide compensation cover for court attendance.

### What we will pay

We will pay you the following rates per day for each day on which attendance is required:

- (a) for any director or partner £500 per day
- (b) for any employee £250 per day

- (2) Health and Safety at Work  
We will pay your costs and expenses in your defence of any criminal proceedings (including a charge of manslaughter) brought against you for a breach of:

- (a) the Health and Safety at Work Act 1974;
- (b) the Health and Safety at Work (Northern Ireland) Order 1978; or
- (c) any legislation amending or re-enacting the above

committed or alleged to have been committed in the course of your business during the period of insurance.

We will also pay your costs and expenses in an appeal against conviction and/or prosecution costs awarded against you arising from the above criminal proceedings.

We will not pay you if the proceedings relate to the health, safety and welfare of an employee.

### What we will pay

The most we will pay for all costs and expenses in the aggregate is £250,000. This amount is inclusive of and not additional to the amount we will pay under:

- (a) (Public Liability);
- (b) (Products Liability).

## Claims conditions that apply to this section of cover

The following claims conditions apply to the Public/Products Liability Section only, and are in addition to any conditions contained within the general claims conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these claims conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

- (1) Notification of Claims  
You must notify us in writing at the email address shown in the schedule:
- (a) within seven (7) days in respect of riot damage;
  - (b) as soon as reasonably practicable after the occurrence of all other insured events under this policy

- including the receipt of any communication of an intention to make a claim against you;
- (c) as soon as reasonably practicable of any circumstance of which you shall become aware which might reasonably be expected to give rise to:
- (i) a claim against you; or
  - (ii) you seeking payment under this policy.

You must give us full details of particulars, dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made or insured event occurring that arises out of the same originating cause or source, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

(2) General Claims Handling

You must comply with the following:

- (a) you must give us the information and co-operation that we may reasonably request;
- (b) you must not do anything which might prejudice us;
- (c) you must take all reasonable steps to prevent or minimize any further claim, loss or request for payment under this policy;
- (d) you must not admit liability or settle any claim or incur any costs and expenses or make any payment for which cover may be sought without our prior written consent;
- (e) you must tell the police as soon as possible of any damage or loss involving personal assault, theft or attempted theft, malicious damage or vandalism or any other crime involving the loss of money.

In the event that you do not comply with this claims condition (2) (a) to (e), it may impact your ability to make a claim and/or the amount that you will be paid.

We are entitled to take over the defence or settlement of any claim in your name.

You are entitled at your own risk to contest any claim or legal proceedings which in our opinion should be compromised or settled but, if you choose to do this, we will not be liable for any loss incurred as a result of your refusal to compromise or settle the claim or legal proceedings.

We are entitled at any time to pay you:

- (i) the limit or limit of liability as applicable, and as shown in the schedule (or as much of it as remains available), or
- (ii) any lesser sum for which any claim can be settled.

If we do this, we will not be under any further liability to you in respect of such claim.

## Public/Products Liability: Conditions that apply to this section of cover

The following conditions apply to the Public/Products Liability Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Calibration Procedures and Maintenance

You must ensure that all equipment utilised for the purpose of your business is calibrated and/or maintained in accordance with the manufacturer's recommendations.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (1), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

- (2) Maintenance of Rights and Remedies  
You must maintain all their rights and remedies against all service providers, designers, consultants or contractors that they engage.
- (3) Other Insurance  
Any indemnity or coverage under this policy is specifically excess of and will not contribute with any other valid and available insurance, unless such other insurance is specifically written as excess insurance over the limit of liability of this policy.
- (4) Subrogation  
We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## Public/Products Liability: What is not covered (exclusions)

The following exclusions apply to the Public/Products Liability Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not pay you under this Public/Products Liability Section for liability connected with or comprising any of the following:

- (1) Abuse  
abuse
- (2) Aircraft and Watercraft  
ownership, possession, or use by you, or on your behalf, of:
  - (a) any aircraft, aerial device or hovercraft
  - (b) watercraft exceeding 8m in length.
- (3) Asbestos  
manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of, or exposure to, asbestos or materials or products containing asbestos.
- (4) Clause 21.2.1 insurance (JCT Standard Form of Building Contract)  
damage to property if you are required to arrange insurance under the terms of:
  - (a) clause 21.2.1 of the 1980 edition of the Joint Contract Tribunal conditions of contract;
  - (b) any later version or substitution of the above; or
  - (c) any other contract that requires you to obtain similar insurance.
- (5) Communicable Disease  
An infectious or contagious disease or the fear or threat (whether actual or perceived) of a infectious or contagious disease, including any cost to clean-up, detoxify, remove, monitor or test for a infectious or contagious disease.

- (6) Contractual Liability (Products Liability)  
an agreement that you have entered into if your liability is increased beyond that applicable in the absence of the agreement. However, this exclusion will not apply where the liability arises out of a condition of warranty of goods implied by law.
- (7) Contractual Liability (Public Liability)  
an agreement that you have entered into if your liability is increased beyond that applicable in the absence of the agreement.
- (8) Custody and Control  
damage to:
- (a) property that belongs to you;
  - (b) property or that part of any property on which you or anyone acting on your behalf are or have been working where the loss or damage is a direct result of the work; or
  - (c) property that is in your charge, custody or control or in the charge, custody or control of an employee, other than
    - (i) the personal property of your directors, partners, visitors or employees; or
    - (ii) premises (including fixtures, fittings and contents) that are not owned, hired or rented by you but are temporarily occupied by you for the purpose of your business.
    - (iii) material property of others, which is being used or is to be used for the purposes of your business.
- (9) Cyber and Data  
any:
- (a) cyber act or cyber incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act or cyber incident; or
  - (b) loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any data, including any amount pertaining to the value of such data,
- regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- This clause supersedes and, if in conflict with any other wording in the policy having a bearing on a cyber act, cyber incident or data, replaces that wording.
- (9) Employers Liability
- (a) injury to any employee that results from their employment by the insured; or
  - (b) a breach of any obligation you owe as an employer to any employee or prospective employee.
- (10) Fines and Penalties  
any:
- (a) fine or penalty;
  - (b) non-compensatory damages;
  - (c) aggravated damages;
  - (d) liquidated damages; and/or
  - (e) damages resulting from the multiplication of compensatory damages.
- (11) Intentional Acts  
intentional or reckless acts committed by you or at your direction, unless specified otherwise under any individual cover or extension.
- (12) Joint Ventures

where your legal liability arises from the acts or omissions of other members of a joint venture or consortium.

- (13) Known Circumstances  
circumstances existing prior to or at inception of this policy and which you knew or ought reasonably to have known might give rise to a claim.
- (14) Legal Action  
where:
- (a) the claim is brought in a court of law outside the jurisdiction shown in the schedule for this Section of cover; and/or
  - (b) action for damages is brought in a court within that jurisdiction to enforce a foreign judgment.
- (15) Motor Vehicles or Vessels  
ownership, possession, or use by you, or on your behalf of:
- (a) any mechanically propelled vehicle for which insurance or security is required under road traffic legislation, however, this exclusion will not apply:
    - (i) when the vehicle is being used as a tool of trade (other than if compulsory insurance is required under road traffic legislation);
    - (ii) to the loading or unloading of the vehicle or the delivery or collection of goods to or from the vehicle;
    - (iii) if the vehicle does not belong to you and is moved because it is interfering with the performance of your business (unless it is more specifically insured by another insurance policy when this exclusion will apply).
  - (b) anything that is made or intended to travel through water or air, however, this exclusion shall not apply to hand propelled watercraft of up to eight (8) metres in length when used on inland waterways.
- (16) Mould  
mould or a mould event.
- (17) Pollution
- (a) pollution, and/or
  - (b) the cost of removing, treating or cleaning up the pollution.

However, we will pay you if the pollution occurs anywhere other than the United States of America and/or Canada (including any dependency or trust territory) and provided that:

- (i) the pollution is caused by a sudden identifiable unintended and unexpected incident;
- (ii) the incident takes place in its entirety at a specific time and place during the period of insurance;
- (iii) all pollution arising from the incident shall be regarded as having taken place at the time of the incident; and
- (iv) all pollution arising from the incident shall be regarded as one incident irrespective of the number of periods of insurance over which the pollution occurs.

The most we will pay for damages arising out of all pollution regarded as having occurred during any one period of insurance shall not exceed the limit.

- (18) Products
- (a) the cost of repair, alteration, removal, recall (unless Products Liability extension (4) Product Recall is shown as "Insured" in the schedule) or replacement of a product or for the cost of its reduction in contract value;
  - (b) products which, to your knowledge, are used in any aircraft or aerial device;

- (c) products which, to your knowledge, are used in the petrochemical industry; products which, to your knowledge, are exported to Canada or the United States of America or any dependency or trust territory;
  - (d) products, where such liability is more specifically insured under the Professional Liability Section.
- (19) Professional Services  
professional advice and services, consultancy, design, specification, inspection, certification testing or treatment, provided or performed by you or on your behalf for a fee or where a fee would normally be charged.
- (20) Radioactive Contamination and Sonic Bangs
- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component; and/or
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- (21) Terrorism  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
- (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association
- regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## Public/Products Liability: Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Public/Products Liability Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

### abuse

The term "abuse" means:

- (a) the deliberate infliction of physical or mental harm;
- (b) sexual assault;
- (c) harassment, intimidation or molestation;
- (d) exploitation; and/or
- (e) any contravention of the Modern Slavery Act 2015.

### business

The term "business" means your activities, profession or occupation as shown in the schedule.

For the purpose of this Section, the Definition of business is extended to include:

- (a) your occupation and maintenance of land and buildings;
- (b) the provision and management of canteen, social, sports and welfare organisations for the benefit of employees;
- (c) the provision and management of ambulance, first aid and medical services for the benefit of employees;
- (d) the provision and management of fire and security services for the protection of premises owned or occupied by you; and
- (e) private duties undertaken by an employee for the insured or, with the insured's consent, for any director or partner of the insured or any employee.

caused by

The term "caused by" means:

Factually and legally resulting from the specified event, incident or state of affairs in that:

- (a) the resulting event, incident, state of affairs, injury, damage or loss would not have occurred but for the specified event, incident or state of affairs; and/or
- (b) the specified event, incident or state of affairs was a real, efficient and direct cause of the resulting event, incident, state of affairs, injury, damage or loss.

computer system

The term "computer system" means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the previously mentioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

connected with

The term "connected with" means relating to the specified event, incident or state of affairs, in that:

- (a) the specified event, incident or state of affairs was a direct or indirect cause of the related event, incident, state of affairs, injury, damage or loss;
- (b) the specified event, incident or state of affairs wholly or partly contributed to the related event incident, state of affairs, injury, damage or loss; and/or
- (c) the specified event, incident or state of affairs increased the risk of the related event, incident, state of affairs, injury, damage or loss occurring.

costs and expenses

The term "costs and expenses" means the necessary and reasonable legal costs and expenses incurred:

- (a) by us; or
- (b) by you (provided we have agreed with you in writing that you may incur these costs and expenses)

solely in the defence, investigation or settlement of a claim made against you and insured under this policy, excluding:

- (i) damages and/or costs awarded against you;
- (ii) any kind of payment for work or service due to you; and
- (iii) any internal costs and expenses of yours.

cyber act

The term "cyber act" means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any computer system.

#### cyber incident

The term "cyber incident" means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.

#### damage

The term "damage" means physical loss, destruction or damage.

#### data

The term "data" means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

#### employee

The term "employee" means anyone (other than a director of yours) who is:

- (a) under a contract of service or apprenticeship with you;
- (b) under a work experience or similar scheme with you;
- (c) supplied to you;
- (d) hired in or borrowed by you;
- (e) labour only sub-contractors and any person supplied by them; or
- (f) any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with you

and works for you under your direct control in connection with your business.

#### event

The term "event" means an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this Section.

#### excess

The term "excess" means the amount shown in the schedule which is payable by you before we become liable.

The excess shall apply to each and every event and shall be inclusive of costs and expenses (unless specifically stated to the contrary in the schedule or elsewhere in the policy).

The excess shall not form part of any limit.

Where a claim may be indemnified under one or more covers or Sections, only the highest excess shall apply.

#### injury

The term "injury" means:

- (a) bodily injury;
- (b) mental anguish;
- (c) sickness;
- (d) disease; or
- (e) death.

#### insured / you / your / yours

The term "insured / you / your / yours" means:

- (a) the person or persons;

- (b) the firm and all partners and former partners in the firm;
- (c) the limited liability partnership;
- (d) the trust; and/or
- (e) the company and all directors and former directors of the company

named as 'insured' in the Schedule, and/or

- (f) the estates, heirs or legal representatives of any natural person above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the "insured."

In addition, we will pay, at your request, the following persons in the same way that they would pay you:

- (i) any employee; and
- (ii) any officer or member of your canteen, social, sports or welfare organisations, fire, ambulance, first aid, medical or security services (but only whilst they are acting in their capacity as an officer or member of the above organisations or services).

Provided that the above persons observe, fulfil and are subject to the terms, conditions and exclusions of this policy.

net loss

The term "net loss" means the product recall expenses after making proper deduction for all recoveries and salvages collectible.

occurrence

The term "occurrence" means, solely with respect to product recall expenses, the ascertainment that the use, consumption or storage of products has caused or could cause accidental injury to a person or damage to material property, which creates the need to:

- (a) recover possession or control of the products from any purchaser, distributor or user; and/or
- (b) destroy or dispose of such products.

Such occurrence must result from one or more of the following events:

- (i) the accidental omission by you of a substance or component from or within the products;
- (ii) the accidental introduction of or accidental substitution by you of a deleterious substance or defective component to or within the products;
- (iii) an unintentional error or deficiency in the manufacture, design, blending, mixing, compounding, packaging or labelling of the products by you, but only if such error or deficiency is known or recognised as such in the industry at the time such error or deficiency occurred.

A recall by order of a government, federal, state, or other regulatory body or official shall also be deemed an occurrence, provided that any such recall is the result of any event specified in sub-paragraphs (i), (ii) or (iii) above.

The amount payable in respect of each and every occurrence is limited to the net loss in excess of the excess shown in the schedule to this extension. All product recall expenses incurred in the simultaneous recall of different types, classes or models of the same product shall be considered as arising out of one occurrence.

personal data

The term "personal data" means information by which a natural person can be identified directly or indirectly by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

personal data breach

The term "personal data breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data transmitted stored or

otherwise processed.

premises

The term "premises" means the premises specified in the schedule.

product

The term "product" means:

- (a) any goods or products; and
- (b) the containers, labelling and instructions provided in connection with the goods or products that are:
  - (i) sold;
  - (ii) supplied;
  - (iii) processed;
  - (iv) installed;
  - (v) serviced;
  - (vi) repaired;
  - (vii) altered;
  - (viii) treated; and/or
  - (ix) renovated

by you or on your behalf.

product recall expenses

The term "product recall expenses" shall mean the reasonable and necessary costs and expenses incurred, with our prior written consent, by you or by persons or organisations acting on behalf of you, for:

- (a) newspaper, magazine, radio and television announcements, correspondence and other communications;
- (b) the transportation of products from any purchaser, distributor or user to a place or places designated by you;
- (c) the hire of additional persons who are not existing employees of yours;
- (d) the remuneration paid to your regular employees at normal hourly rates or overtime rates if required;
- (e) expenses incurred by your employees for transportation and accommodation;
- (f) the cost of the rent or hire of additional warehouse or storage space;
- (g) the extra costs incurred to properly dispose of any recalled products and/or packaging materials that cannot be reused

but only when such costs and expenses are incurred exclusively for the purpose of or as a consequence of recalling products.

# Directors and Officers Liability

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy, and the relevant limit, sub limits of liability, and excess(es) shown in the schedule, to pay:

- (1) Director or Officer Liability
- any director or officer for their legal liability for damages and costs awarded against them arising from any claim first made against them and reported to us during the period of insurance shown in the policy schedule which arises from any actual or alleged wrongful act, error or omission committed or attempted by a director or officer during the performance of their duties as a director or officer of yours including
- (a) breach of any duty including fiduciary or statutory duty
  - (b) breach of trust
  - (c) negligence, negligent statement, misleading statement or negligent misrepresentation
  - (d) libel, slander or defamation
  - (e) wrongful trading as defined under United Kingdom law
  - (f) breach of warranty of authority
  - (g) or any other act, error or omission committed by them in their capacity of a director or officer of yours

Related, continuous or repeated wrongful acts, or wrongful acts that are connected by the same cause, shall constitute a single wrongful act.

In addition we will pay

- (i) the director and officer's costs and expenses resulting from the claim.
- (ii) punitive or exemplary damages awarded against the director or officer where the payment is lawfully allowed under this policy.
- (iii) the premium paid by the director or officer for insurance or bonds which, in certain jurisdictions, are required to begin an appeal.

If claims are made against both you and the director or officer and those claims arise from the same wrongful act, we will pay the director or officer's costs and expenses in full even if those costs and expenses incidentally benefit you. However, this does not apply if the wrongful act is an employment wrongful act.

However, if you are legally allowed to pay the director or officer under your Memorandum or Articles of Association, trust deed, constitution or charter for their legal liability and we reimburse you or make that payment on your behalf under section of cover 8 (company reimbursement)

- (2) Outside Board Cover
- any director or officer for their legal liability for damages and costs awarded against them arising from any claim first made against them and reported to us during the period of insurance shown in the policy schedule which arises from any actual or alleged wrongful act, error or omission committed or attempted by a director or officer during the performance of their duties as a director or officer of the outside company when they hold the position of director or officer at your written request including
- (a) breach of any duty including fiduciary or statutory duty
  - (b) breach of trust
  - (c) negligence, negligent statement, misleading statement or negligent misrepresentation

- (d) libel, slander or defamation
- (e) wrongful trading as defined under United Kingdom law
- (f) breach of warranty or authority, or
- (g) any other act, error or omission committed by them in their capacity of a director or officer of the outside company.

Related, continuous or repeated wrongful acts, or wrongful acts that are connected by the same cause, shall constitute a single wrongful act.

In addition we will pay

- (i) the director and officer's costs and expenses resulting from the claim.
- (ii) punitive or exemplary damages awarded against the director or officer where the payment is lawfully allowed under this policy.
- (iii) the premium paid by the director or officer for insurance or bonds which, in certain jurisdictions, are required to begin an appeal.

However, we will not pay any amount which the director or officer recovers from you and where we pay you under subsection of cover 8 (company reimbursement) below.

- (3) Disqualification proceedings  
any director or officer for costs and expenses arising from disqualification proceedings which are first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

However, we will not pay any amount which the director or officer recovers from the company and where we pay the company under subsection of cover 8 (company reimbursement) below.

- (4) Investigation costs  
any director or officer for costs and expenses arising from an investigation which is first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

However, we will not pay any amount which the director or officer recovers from you and where we pay you under subsection of cover 8 (company reimbursement) below.

- (5) Environmental proceedings  
any director or officer for costs and expenses arising from environmental proceedings which are first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

However, we will not pay any amount which the director or officer recovers from you and where we pay you under subsection of cover 8 (company reimbursement) below.

### What we will pay

The most we will pay for all costs and expenses in the aggregate is the amount shown in the schedule.

This amount is inclusive of the limit.

- (6) Extradition proceedings  
We will pay any director or officer for costs and expenses arising from extradition proceedings which are first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

However, we will not pay any amount which the director or officer recovers from you and where we pay you under subsection of cover 8 (company reimbursement) below.

- (7) Manslaughter claims cover

We will pay any director or officer for costs and expenses arising from proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 (or any legislation amending or re-enacting the Act) which are first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

However, we will not pay any amount which the director or officer recovers from you and where we pay you under subsection of cover 8 (company reimbursement) below.

(8) Company Reimbursement

If you are legally allowed to pay on behalf of a director or officer any amount which the director or officer would otherwise be entitled to payment by us under subsection of cover

- (a) 1 (directors and officers liability)
- (b) 3 (disqualification proceedings)
- (c) 4 (investigation costs)
- (d) 5 (environmental proceedings)
- (e) 6 (extradition proceedings)
- (f) 7 (manslaughter claims cover)

Then we will reimburse you for that payment

We will not pay the excess where:

- (a) action for damages is brought in a court of law of, or costs and expenses arise within, the United States of America, or
- (b) action is brought in a court of law elsewhere to enforce a judgment of a court of law of the United States of America.

This amount must be paid by you.

(9) Discovery period

If we refuse to renew this section of cover for reasons other than

- (a) non-payment of premium, or
- (b) failure to comply with or observe the terms, provisions and conditions of this policy

or if any director or officer or you declines to accept our renewal terms, then the director or officer or you shall automatically be entitled to a 30 day discovery period.

The discovery period shall only apply to:

- (a) wrongful acts
- (b) disqualification proceedings
- (c) investigations
- (d) environmental proceedings
- (e) extradition proceedings
- (f) proceedings under the Corporate Manslaughter and Corporate Homicide Act 2007

first committed or allegedly committed, ordered or commissioned during the period of insurance shown in the policy schedule.

The discovery period can be extended from 30 days to:

- (a) 90 days subject to an immediate payment to us of 25% of the premium applicable to this section of cover.
- (b) 180 days subject to an immediate payment to us of 50% of the premium applicable to this section

of cover.

- (c) 12 calendar months subject to an immediate payment to us of 100% of the premium applicable to this section of cover.

The extension of the discovery period must be requested within 30 days of the expiry of the period of insurance shown in the policy schedule and can only be extended once.

The director or officer or you shall not be entitled to any discovery period if other insurance has been bought with the intention of providing equivalent cover for any part of the discovery period.

If a discovery period is also provided under subsection of cover 10 (retired directors or officers) then the two discovery periods shall run concurrently.

(10) Retired Directors or Officers

If, for any reason, we or any director or officer or you refuse to renew this section of cover a retired director or officer shall automatically be entitled to a 72 calendar months discovery period.

The discovery period shall only apply to:

- (a) wrongful acts
- (b) disqualification proceedings
- (c) investigations
- (d) environmental proceedings
- (e) extradition proceedings
- (f) proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007

first committed or allegedly committed, ordered or commissioned during the period of insurance shown in the policy schedule.

The retired director or officer shall not be entitled to any discovery period if other insurance has been bought with the intention of providing equivalent cover for any part of the discovery period.

If a discovery period is also provided under subsection of cover 9 (discovery period) then the two discovery periods shall run concurrently.

(11) Public Relations Crisis Management

We will pay any director or officer for costs resulting from the use, with our prior agreement, of the crisis response service following a crisis.

In addition we will pay any other related costs agreed with us.

### What we will pay

The most we will pay in the period of insurance shown in the policy schedule for costs resulting from the use of the crisis response service is shown in the policy schedule. This amount is in addition to the limit.

(12) Non Executive Directors

If the limit of this section of cover and any other cover that the director and officer is entitled to is completely used up, we will consider the limit to be increased by a further 10% but only in respect of costs and expenses incurred in the director or officer's capacity as a non-executive director of yours.

(13) Emergency Costs and expenses

If our prior written consent cannot reasonably be obtained before a director or officer becomes subject to costs and expenses (or costs resulting from the use of the crisis response service) then we will agree to pay these up to a maximum of 10% of the limit.

(14) Compensation for Court Attendance

We agree, that court attendance compensation cover is provided for any partner, director, member or employee who attends a court, arbitration or adjudication hearing as a witness in connection with a claim notified under and covered by this Section.

For the purposes of this extension, you will mean the person or entity shown as such in the schedule and its subsidiaries.

We will pay you the following rates per day for each day on which attendance is required:

- (a) for any director or partner £500 per day
- (b) for any employee £250 per day

### What we will pay

The most we will pay in the period of insurance shown in the policy schedule for

- (a) all claims in total, plus
  - (b) all costs and expenses, plus
  - (c) all punitive or exemplary damages, plus
  - (d) all premiums for insurance or bonds required to begin an appeal,
- is the limit.

## What is not covered (exclusions)

The following exclusions apply to the Directors and Officers Liability Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not pay you or the director or officer under this section

- (1) Fines and Penalties  
for any fine or penalty
- (2) Radioactive Contamination  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speedsand in Northern Ireland and the Republic of Ireland only
  - (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.
- (3) War risks and terrorism  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you and/or the director or officer.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

(4) Mould

for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from mould or a mould event.

(5) Other insurance

for a loss where they or you have a right to payment under any other insurance.

However, if they have a right to payment under any other insurance we will contribute in excess of the payment provided by that insurance. If the other insurance is also provided by us then the amount that we will pay under this insurance will be reduced by the amount that we pay under the other insurance

(6) Legal action

(a) where the claim is brought in a court of law outside the jurisdiction shown in the policy schedule for this section of cover, and/or

(b) where action for damages is brought in a court within that jurisdiction to enforce a foreign judgment.

where disqualification proceedings, investigation, environmental proceedings or extradition proceedings are ordered or commissioned outside that jurisdiction.

(7) Employment Disputes

if

(a) you are an unincorporated body, or

(b) if the employment law protection section of cover has been chosen

then we will not pay a director or officer or you for

(a) an employment wrongful act

(b) an investigation in respect of employment discrimination or health and safety.

(8) Dishonest and malicious acts

if the director or officer admits to dishonest, fraudulent or malicious conduct or if this is established in a judgment or final ruling.

This exclusion does not apply to any shareholder action where the loss in value of the share capital is a result of the dishonest, fraudulent or malicious conduct of the director or officer.

(9) Remuneration

to the extent of any remuneration of any kind that is due to any director or officer or employee.

(10) Prior and Pending Litigation

or pay any costs and expenses arising from

(a) a wrongful act

(b) disqualification proceedings

(c) an investigation

(d) environmental proceedings

(e) extradition proceedings

(f) any proceedings brought under the Corporate Manslaughter and Corporate Homicide Act

arising in any way from any previous or known litigation or proceedings (including allegations from the same or essentially the same facts) involving a director or officer, you or an outside company that was first started prior to the date that this section of cover came into force.

We will not cover any claim, proceedings or circumstances which have been reported or notified under any contract of insurance which this section of cover renews or replaces.

(11) Pollution  
in respect of any claim or proceedings arising from or in any way involving pollution.

This exclusion does not apply to subsection of cover 5 (environmental proceedings).

This exclusion does not apply to any shareholder action where the loss in value of the share capital is a result of pollution.

(12) Injury or Property Damage  
for any claim involving

- (a) injury to any person
- (b) loss, damage, destruction or loss of use of property.

This exclusion does not apply to emotional distress arising from

- (c) libel, slander or defamation
- (d) employment wrongful act (provided the employment law protection section of cover has not been chosen)

This exclusion does not apply to the criminal prosecution of any director or officer for manslaughter in relation to your activities,

This exclusion does not apply to any shareholder action where the loss in value of the share capital is a result of injury or loss, damage, destruction or loss of use of property.

(13) Pension Funds  
in respect of any claim or proceedings arising from the director or officer acting in the capacity of trustee or administrator of any pension, retirement or superannuation scheme or programme created for the benefit of a director or officer or employee.

(14) Takeover or Merger  
for any actual or alleged wrongful act committed or attempted after the effective date of your takeover or merger by or with any person or entity.

We will not cover any disqualification proceedings, investigations, environmental proceedings or extradition proceedings instigated after the effective date of your takeover or merger by or with any person or entity.

(15) Professional Duties to Third Parties  
for any claim made by a third party for any breach of any professional duty owed to that party.

This exclusion does not apply to any shareholder action where the loss in value of the share capital is a result of breach of professional duty owed.

(16) Claims Made by any Outside Company  
for any claim made by or on behalf of any outside company and/or any director, officer or trustee of the outside company.

This exclusion does not apply to

- (a) any claim in respect of any employment wrongful act concerning the employment of the director or officer of the outside company

- (b) any claim brought by any shareholder or bondholder of the outside company (which is made without any solicitation by, or assistance or participation of, any director, officer or trustee) due solely to any actual or alleged loss in value of the share capital of the outside company
- (c) costs and expenses in the defence of any claim made by or on behalf of any outside company and/or any director, officer or trustee of the outside company
- (d) any claim for contribution brought by any director, officer or trustee of the outside company if the claim directly results from any other claim or payment under this section of cover
- (e) any claim brought by any person who is no longer a director, officer or trustee of the outside company
- (f) any claim brought by a liquidator, receiver or administrative receiver due to the insolvency of the outside company.

We will not cover any claim made by or on behalf of any person who controls more than 15% of the issued share capital of any outside company.

- (17) Punitive and Exemplary Damages (Employment)  
for the cost of any punitive or exemplary damages awarded in relation to any claim arising from or in any way involving an employment wrongful act.

This exclusion shall not apply to exemplary damages in respect of employment related libel, slander or defamation.

If the jurisdiction shown in the policy schedule for this section of cover includes the United States of America, then the following exclusions also apply:

- (18) Insured v Insured (USA)  
for any claim made against a director or officer brought by

- (a) you, or
- (b) any present or former holding company of yours, or
- (c) any other director or officer, or
- (d) any outside company

where the claim is brought

- (a) within or subject to the laws of the United States of America, or
- (b) anywhere else to enforce a judgement of a United States of America court

This exclusion shall not apply to:

- (a) any claim in respect of any employment wrongful act concerning the employment of the director or officer of the company
- (b) any shareholder action
- (c) the director or officers costs and expenses in the defence of the claim
- (d) any claim for contribution brought by any director or officer if the claim directly results from any other claim or payment under this section of cover
- (e) any claim brought by any person who is no longer a director or officer
- (f) any claim brought by a liquidator, receiver or administrative receiver due to your insolvency

- (19) United States of America  
for any claim made against any director or officer or you or pay any costs and expenses arising from

- (a) a wrongful act
- (b) disqualification proceedings

- (c) an investigation
- (d) environmental proceedings
- (e) extradition proceedings

caused by or relating to any breach of the following legislation of the United States of America:

- (a) the Racketeer Influenced and Corrupt Organizations Act 18 USC Sections 1961 et seq., any amendments of this Act or any rules or regulations made under it.
- (b) the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, the rules or regulations of the Securities Exchange Commission under either or both Acts, similar securities laws or regulations of any state, or any laws of any state relating to any transactions caused by, involving or relating to the sale of securities
- (c) the Employment Retirement Income Security Act of 1974 as amended, or any rules or regulations made under it, or similar provisions of any federal, state or local law.

(20) Cyber and Data Risks

for any actual or alleged loss or legal liability arising in any way from any actual or alleged

- (a) cyber incident
- (b) the transmission of a computer virus
- (c) recovering or reconstituting data
- (d) cyber act

this exclusion does not apply to any shareholder action where the loss in value of the share capital is a result of your response to, or management of the incident.

(21) Anti-Trust

in respect of any claim or proceedings arising from the violation of any law or regulation designed to prevent any anti-trust competitive practices, cartel or price fixing activity or abuse of dominant position.

## Directors and Officers Liability: Conditions that apply to this section of cover

The following conditions apply to the Directors and Officers Liability Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Notification of Claims

You must notify us in writing at the email address shown in the schedule, as soon as reasonably practicable (and within the period of insurance) of:

- (a) any claim;
- (b) the receipt of any notice of an intention to make a claim; and/or
- (c) any circumstances of which you shall become aware which might reasonably be expected to give rise to a
  - (iii) the instigation of disqualification proceedings, investigation, environmental proceedings, tax investigation or extradition proceedings, or
  - (iv) you or a director or officer seeking payment under this policy

giving detailed reasons for the anticipation of such claim, together with full particulars as to dates and

persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

(2) General Claims Handling

(a) You, and any person acting on your behalf, must:

- (i) not admit liability in part or in full;
- (ii) not settle or attempt to settle any claim or loss;
- (iii) not incur any costs and expenses or make any other payment for which cover may be sought without our prior written consent (such consent not to be unreasonably withheld);
- (iv) give all such information or assistance possible and forward all documents as we may require, to enable them to investigate, settle or defend any claim or loss or respond to any other insured event.

In the event that you do not comply with this condition (2)(a)(i)-(a)(iv), it may impact your ability to make a claim and/or the amount that you will be paid.

(b) You or the director or officer have a duty to defend any claim, disqualification proceedings, investigation, environmental proceedings, tax investigation or extradition proceedings. We have the right but not the obligation, to actively associate with you or the director or officer in the settlement or handling of any claim, disqualification proceedings, investigation, environmental proceedings, tax investigation or extradition proceedings. You have the right, subject to our written consent, to appoint any appropriately qualified legal representative to deal with any claim notified to us in accordance with this condition 1 (notification of claims).

(c) If you refuse to consent to any settlement recommended by us and elect to contest a claim, our liability for such claim (including costs and expenses) will not exceed the sum of the amount for which such claim could have been settled inclusive of costs and expenses incurred up to the date of such refusal;

At any stage of a claim, we can pay you the applicable limit, or whatever remains of such limit following any earlier payment(s).

We will pay costs and expenses already incurred as at the date of our payment.

We will then have no further liability for that claim or costs and expenses.

(d) You will not, except as may be required by law or during the ordinary course of your business, disclose to anyone the existence of this policy without our prior written consent (not to be unreasonably withheld). For the avoidance of doubt, a requirement to disclose the existence of this policy is not a requirement to disclose its terms and conditions.

However, you may at any time request a proof of cover from its insurance intermediary or broker who has arranged this policy. The disclosure of such proof of cover to any third party will not be considered by us as a breach of this claims condition (2).

In the event that you do not comply with this general claims condition (2), it may impact your ability to make a claim and/or the amount that you will be paid.

(3) Unintentional Non-disclosure

You or the director or officer must have provided the proposal with reasonable skill and care and after having made all reasonable and appropriate enquiries.

Despite general condition 18 (non-disclosure or misrepresentation):

(a) If you or the director or officer have made any misrepresentation or non-disclosure of any material facts or circumstances then we will not avoid this section of cover

unless either:

- (i) we reasonably believe the misrepresentation or non-disclosure was deliberate or reckless; or
- (ii) we would not have underwritten this section of cover on any terms if the facts or circumstances had been disclosed or not misrepresented

and provided that

- (iii) where you or the director or officer should have notified us during a preceding period of insurance to that shown in the policy schedule of a claim or the instigation of disqualification proceedings, investigation, environmental proceedings or extradition proceedings and the cover to which you or the director or officer would have been entitled was in any way more restrictive than that provided at the date of notification we will only be liable to the extent available during that preceding period of insurance.
- (iv) where you or the director or officer have prejudiced the handling or settlement of any claim, disqualification proceedings, investigation, environmental proceedings or extradition proceedings, the amount we will pay you will be reduced to the amount which, in our opinion, would have been payable in the absence of the prejudice.

(b) Subject to the above, if you or the director or officer make any misrepresentation or non-disclosure of any material facts and we would still have underwritten this section of cover but on different terms had the facts been disclosed or not misrepresented, then we may instead:

- (i) reduce proportionately the amount paid or payable on any claim by reference to the ratio which the premium actually charged bears to the premium which we would have charged had you or the director or officer told us about a material fact or circumstance. The same reduction will be applied to any claims which have already been paid and any overpayment of claims by us will be repaid by you or the director or officer; and/or
- (ii) treat this section of cover as if it had included such additional terms (other than terms relating to premium) as we would have imposed had you or the director or officer told us about a material fact or circumstance. These additional terms will apply equally to existing, past and future claims.

(c) We will not deny payment on the grounds of the breach of conditions 1 (notification of claims) or 2 (general claims handling) of this Section subject to the above.

#### (4) Cancellation

Neither a director or officer nor you has a right to cancel this section of cover or to reduce the cover provided.

We will only consider a request for cancellation or a reduction in cover if we are reasonably satisfied that the request has been sanctioned by all the directors or officers whose rights under this section of cover are or may be affected.

Whether or not we agree to a request for cancellation or reduction in cover is at our complete discretion.

#### (5) Offering

If you decide to make a public or private offering of your shares or other equity interest during the period of insurance shown in the policy schedule then

you shall provide us with

- (a) any prospectus, and/or
- (b) any offering statement, and/or
- (c) any other information we may require

we may at our discretion

- (a) amend the terms, limitations, exclusions and/or conditions of this section of cover, and/or
- (b) charge an additional premium.

(6) Severability

Nothing in the proposal or otherwise known or done by any director or officer shall be attributed to any other person in determining any right or obligation of the director or officer under this section of cover.

In no case shall a director or officer be prevented from pursuing any point in his or her defence only because it is obstructive or harmful to the interests of any other director or officer.

(7) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any company that is a subsidiary or parent company of the insured's. ('Subsidiary' or 'parent' company being defined by current legislation).

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## Directors and Officers Liability: Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Directors and Officers Liability Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

The following words or phrases have the same meaning wherever they are highlighted in bold in this section of cover. Plural forms of the words defined in this policy have the same meaning when used in the singular form.

### crisis

The term "crisis" means

- (a) the allegation of a wrongful act committed by the director or officer during the period of insurance shown in the policy schedule
- (b) the successful defence of an allegation of a wrongful act originally alleged to have been committed by the director or officer during the period of insurance shown in the policy schedule

where, in our opinion, there is a risk to the livelihood of the director or officer as a consequence of adverse press, publicity or media attention.

### director or officer

The term "director or officer" means

- (a) any person who was, is, or during the period of insurance shown in the policy schedule becomes a director, trustee, partner, member or officer of yours.
- (b) any natural person acting in the capacity as a director of yours (not including any administrator, liquidator, receiver or auditor).
- (c) any shadow director as defined under United Kingdom law or similar legislation in any other country.

- (d) any employee of yours.
- (e) the lawful husband, wife or civil partner of any of the above, only because of their relationship, following a claim against the above.
- (f) the estates, heirs or legal representatives of any of the above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the above.

#### disqualification proceedings

The term "disqualification proceedings" means legal action taken against the director or officer following which they are liable to be disqualified from continuing to be a director or officer of yours.

#### employee

The term "employee" means any person (other than an independent agent, consultant, sub-contractor or professional advisor) who is (or was or who may be in the future):

- (a) under a contract of service or apprenticeship with you, or
- (b) under a work experience or similar scheme, or
- (c) supplied to or hired in or borrowed by you

and who are working for and under your direct control in connection with your business.

#### employment wrongful act

The term "employment wrongful act" means any actual or alleged

- (a) act or omission that results in a dispute in connection with the employment of an employee or prospective employee, or
- (b) retaliatory treatment

committed or allegedly committed by you.

#### environmental proceedings

The term "environmental proceedings" means any

- (a) prosecution
- (b) official investigation
- (c) examination
- (d) inquiry, or
- (e) other proceedings

by any official body or institution that has the authority or power to investigate your affairs and/or the affairs of the outside company, arising from pollution or alleged pollution.

#### excess

The term "excess" means the first amount of any claim for which you are responsible. The amount in respect of this section of cover is shown in the policy schedule.

#### extradition proceedings

The term "extradition proceedings" means proceedings brought against the director or officer under

- (a) the Extradition Act 2003, or
- (b) any legislation amending or re-enacting the Act including any appeal relating to those proceedings.

#### injury

The term "injury" shall mean bodily injury, mental injury, emotional distress, shock, sickness, disease or death.

#### investigation

The term "investigation" means any

- (a) official investigation
- (b) examination
- (c) inquiry, or
- (d) other proceedings

(other than when arising from pollution or alleged pollution) by any official body or institution that has the authority or power to investigate your affairs and/or the affairs of the outside company, arising from pollution or alleged pollution.

#### limit

The term "limit" means the maximum amount we will pay. The amount in respect of this section of cover is shown in the policy schedule.

#### outside company

The term "outside company" means

- (a) any company that is not a subsidiary company
- (b) any registered charity
- (c) any trade, research, promotional, training or similar organisation existing for non-profit making purposes (whether incorporated or not)
- (d) any profit-sharing or share option committee, sports, social or similar association or organisation (whether incorporated or not) that is established or conducted for the directors or officers and their family's or dependent's benefit or the benefit of and employee and their families and dependents

but this does not include any company, charity or non-profit making organisation that is domiciled, registered or incorporated in the United States of America.

#### retaliatory treatment

The term "retaliatory treatment" means action taken against an employee on account of the employee exercising or attempting to exercise their rights under law.

#### retired director or officer

The term "retired director or officer" means any natural person who voluntarily ceased to be a director or officer during the period of insurance shown in the policy schedule and who does not resume a position of director or officer.

#### shareholder action

The term "shareholder action" means a claim brought by any shareholder or bondholder of the company (which is made without any solicitation by, or assistance or participation of, any director or officer) due solely to any actual or alleged loss in value of the share capital of the company.

#### subsidiary company

The term "subsidiary company" means any company where you

- (a) own more than 50% of the share capital
- (b) have a majority of the voting rights
- (c) have the right to appoint or remove a majority of the company's board of directors
- (d) control a majority of the voting rights of the company under a written agreement with other shareholders or members.

If a company ceases to be a subsidiary, cover will continue but only for

- (a) wrongful acts covered under subsection of cover a (directors and officers liability)
- (b) disqualification proceedings
- (c) investigations
- (d) environmental proceedings

- (e) extradition proceedings
- (f) proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007

first committed or allegedly committed, ordered or commissioned before it stopped being a subsidiary.

But, subsidiary company shall not include any company acquired or created on or after the inception date of this policy which is domiciled, registered or incorporated in the United States of America unless agreed by us in writing.

#### United Kingdom

The term "United Kingdom" means England, Scotland, Wales, Northern Ireland, the Isle of Man and the Channel Islands.

#### wrongful act

The term "wrongful act" means any actual or alleged wrongful act, error or omission committed or attempted by a director or officer during the performance of their duties as a director or officer of yours including

- (a) breach of any duty including fiduciary or statutory duty
- (b) breach of trust
- (c) negligence, negligent statement, misleading statement or negligent misrepresentation
- (d) libel, slander or defamation
- (e) wrongful trading as defined under United Kingdom law
- (f) breach of warranty or authority
- (g) or any other act, error or omission committed by them in their capacity of a director or officer of yours.

Related, continuous or repeated wrongful acts, or wrongful acts that are connected by the same cause, shall constitute a single wrongful act.

#### you/your/yours

The term "you/your/yours" shall mean

- (a) the limited liability partnership or company named as the policyholder in the policy schedule, and
- (b) the subsidiary company

# Entity Defence

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy, and the relevant limit, sub limits of liability, and excess(es) shown in the schedule, to pay:

- (1) **Public Relations Crisis Management**  
you for costs resulting from the use, with our prior agreement, of the crisis response service following a crisis first occurring and reported to us during the period of insurance shown in the policy schedule.

In addition we will pay any other related costs agreed with us.

The most we will pay in the period of insurance shown in the policy schedule for costs resulting from the use of the crisis response service is shown in the policy schedule. This amount is not in addition to the limit.

- (2) **Identity Fraud**  
you for costs and expenses in establishing that identity fraud has occurred following the attempted enforcement within the United Kingdom of an agreement in connection with your business by a third party and which is first discovered and reported to us during the period of insurance shown in the policy schedule.

We will not pay you under this section of cover if cover is provided under the crime section of cover or would be

if the crime section of cover had been chosen, or but for the excess or any conditions applicable to the crime section of cover.

- (3) **Investigations**  
you for costs and expenses arising from an investigation which is first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

We will not pay you under this section of cover for costs and expenses arising from an investigation in respect of employment discrimination and/or health and safety if the employment law protection section of cover is in force.

We will not pay the excess. This amount must be paid by you.

- (4) **Corporate Manslaughter**  
you for costs and expenses arising from proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 (or any legislation amending or re-enacting the Act) which are first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

- (5) **Breach of Contract**  
We will pay you for costs and expenses in defending a claim first made against you and reported to us during the period of insurance shown in the policy schedule for alleged breach of any express written contract or agreement between you and your customer for the provision of goods or services in connection with your business.

We will not pay you for defending a claim where you or your parent or ultimate holding company is

- (a) a non-departmental public body, or
- (b) a government-owned corporation, state-owned enterprise, or governmental business enterprise

or where the Government or any government agency is a majority shareholder of yours or of your

parent or ultimate holding company.

We will not pay you for defending a claim alleging

- (c) infringement of copyright, patent, registered design, trademark, merchandise marks or any other intellectual property rights
- (d) breach of any secrecy and/or any confidentiality agreements.

We will not pay you for defending a claim relating to any licence or franchise agreement.

We will not pay you for defending a claim involving an employment wrongful act

We will not pay you for defending a claim

- (e) involving the ownership, occupation or use of any land or building
- (f) relating to the tenancy or letting of property
- (g) relating to the construction, extension, alteration, demolition, repair, renovation or refurbishment of any property.

We will not pay you for defending a claim involving the provision of insurance.

We will not pay you for defending a claim relating to modified proprietary and/or bespoke software and/or hardware and/or hardware systems.

We will not pay you for defending a claim involving an amount of less than £5,000.

(6) Pollution

for costs and expenses in defending a claim first made against you and reported to us during the period of insurance shown in the policy schedule which arises from any actual or alleged wrongful act committed by a director or officer during the performance of their duties as a director or officer of yours which results in pollution.

In addition we will pay you for costs and expenses arising from environmental proceedings which are first ordered or commissioned and reported to us during the period of insurance shown in the policy schedule.

(7) Taxation

for costs and expenses in negotiating on your behalf and in an appeal following a tax investigation by HM Revenue and Customs which is first instigated and reported to us during the period of insurance shown in the policy schedule.

We will not pay you for costs and expenses in respect of

- (a) an aspect enquiry
- (b) any tax investigation arising from a tax avoidance scheme
- (c) any tax investigation caused by your failure to register for Value Added Tax
- (d) any tax investigation or enquiry into alleged dishonesty or alleged criminal offences
- (e) an application for judicial review.

We will not pay you for costs and expenses after a tax investigation first becomes referred to or dealt with by Special Investigations or Civil Investigations of Fraud Units of HM Revenues & Customs.

We will not pay you to the extent of the cost of undertaking anything which you would necessarily deal with in the absence of a tax investigation.

(8) Data Protection

for costs and expenses in defending a claim (and in an appeal) first made against you and reported to us during the period of insurance shown in the policy schedule for a breach or alleged breach of the Data Protection Act 1998 (or any legislation amending or re-enacting the

Act, for example General Data Protection Regulation) in connection with your business.

We will not pay you under this section of cover for costs and expenses if the breach or alleged breach involves data processed outside the European Union.

We will only pay you under this section of cover if you have a data protection accountability statement which is reviewed at least annually.

(9) Discovery Period

If we refuse to renew this section of cover for reasons other than

- (a) non-payment of premium, or
- (b) failure to comply with or observe the terms, provisions and conditions of this policy

or if you decline to accept our renewal terms, then you shall automatically be entitled to a 30 day discovery period.

The discovery period shall only apply to

- (a) a crisis occurring, or
- (b) identity fraud committed, or
- (c) an investigation, environmental proceedings instigated, ordered or commissioned, or
- (d) tax investigation instigated, or
- (e) a breach of contract occurring, or
- (f) a wrongful act committed or allegedly committed, or
- (g) a breach or alleged breach of the Data Protection Act 1998, or any legislation amending or re-enacting the Act, occurring

during the period of insurance shown in the policy schedule.

You shall not be entitled to any discovery period if other insurance has been bought with the intention of providing equivalent cover for any part of the discovery period.

### What we will pay

The most we will pay for covers in the period of insurance shown in the policy schedule for

- (a) all costs and expenses, plus
- (b) costs resulting from the use of the crisis response service

is the limit shown in the policy schedule.

## What is not covered (exclusions)

The following exclusions apply to the Entity Defence Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not pay you under this section:

(1) Fines and Penalties  
any

- (a) fine or penalty
- (b) non-compensatory damages.

(2) Radioactive Contamination and Sonic Bangs

for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
- (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

and in Northern Ireland and the Republic of Ireland only

- (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.

(3) War risks and terrorism

for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

- (a) war and/or terrorism
- (b) any action taken in controlling, preventing or suppressing war and/or terrorism
- (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

(4) Confiscation

for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from confiscation, requisition, nationalisation, seizure, detention or destruction by any government, public, local or customs authority

(5) Electronic Data

for loss, destruction, damage, distortion, erasure, corruption or alteration of electronic data from any cause (including computer virus) or any resulting loss of use, reduction in functionality, cost, or expense, of whatever nature, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, destruction, damage, distortion, erasure, corruption or alteration.

This exclusion does not exclude physical loss, destruction, damage, distortion, erasure, corruption or alteration directly caused by fire or explosion.

(6) Mould

for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from mould or a mould event.

(7) Other Insurance

where you have a right to payment under any other insurance.

However, if you have a right to payment under any other insurance we will contribute in excess of the payment provided by that insurance. If the other insurance is also provided by us then the amount that we will pay under this insurance will be reduced by the amount that we pay under the other insurance.

(8) Circumstances Known at Inception

if you knew or ought to have known of any circumstances that existed prior to the date that this section of cover became operative then we will not pay you for any costs and expenses or costs resulting from the use of the crisis response service that arises from such circumstances.

- (9) Dishonest and Malicious Acts  
if you admit to dishonest, fraudulent or malicious conduct or if this is established in a judgement or final ruling.
- (10) Known Acts  
for any costs and expenses or costs resulting from the use of the crisis response service that arises from something you did knowing it to be wrongful or ignoring that possibility.
- (11) Disputes between Insureds  
for any costs and expenses or costs resulting from the use of the crisis response service arising from any dispute between insureds in the same partnership, trust or committee.
- (12) Takeover or Merger  
for any costs and expenses or costs resulting from the use of the crisis response service arising from
- (a) any crises occurring
  - (b) any identity fraud discovered
  - (c) any investigation, tax investigation or environmental proceedings ordered or commissioned
  - (d) any tax investigation instigated
  - (e) proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 that are ordered or commissioned
  - (f) any claim made against you
  - (g) an appeal made
- after either
- (a) the effective date of your takeover or merger by or with any person or entity, or
  - (b) the appointment of an administrator, liquidator, trustee, receiver or any other similar official.
- (13) Legal Action  
for any costs and expenses where
- (a) a claim is brought in a court of law outside the jurisdiction of the United Kingdom, and/or
  - (b) where action for damages is brought in a court of law within the jurisdiction of the United Kingdom to enforce a foreign judgment.
- (14) Cyber and Data Risks  
for any costs and expenses or costs resulting from the use of the crisis response service arising from any actual or alleged
- (a) cyber incident
  - (b) the transmission of a computer virus
  - (c) cyber act
  - (d) recovering or reconstituting data
- (15) Anti-Trust  
in respect of any claim or proceedings arising from the violation of any law or regulation designed to prevent any anti-trust competitive practices, cartel or price fixing activity or abuse of dominant position.

## Entity Defence: Conditions that apply to this section

# of cover

The following conditions apply to the Entity Defence Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

## (1) Notification of Claims

You must notify us in writing at the email address shown in the schedule, as soon as reasonably practicable (and within the period of insurance) of:

- (a) any claim;
- (b) the receipt of any notice of an intention to make a claim; and/or
- (c) any circumstances of which you shall become aware which might reasonably be expected to give rise to your seeking payment under this policy or a claim against you

giving detailed reasons for the anticipation of such claim, together with full particulars as to dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

## (2) General Claims Handling

(a) You, and any person acting on your behalf, must:

- (i) not admit liability in part or in full;
- (ii) not settle or attempt to settle any claim or loss;
- (iii) not incur any costs and expenses or make any other payment for which cover may be sought without our prior written consent (such consent not to be unreasonably withheld);
- (iv) give all such information or assistance possible and forward all documents as we may require, to enable them to investigate, settle or defend any claim or loss or respond to any other insured event.

In the event that you do not comply with this condition (2)(a)(i)-(a)(iv), it may impact your ability to make a claim and/or the amount that you will be paid.

(b) We will have the right and duty to defend and settle any claim or to prosecute in your name for our own benefit, any claim for payment, indemnity or damages or otherwise against any third party.

(c) If you refuse to consent to any settlement recommended by us and elect to contest a claim, our liability for such claim (including costs and expenses) will not exceed the sum of the amount for which such claim could have been settled inclusive of costs and expenses incurred up to the date of such refusal;

At any stage of a claim, we can pay you the applicable limit, or whatever remains of such limit following any earlier payment(s).

We will pay costs and expenses already incurred as at the date of our payment.

We will then have no further liability for that claim or costs and expenses.

(d) You will not, except as may be required by law or during the ordinary course of your business, disclose to anyone the existence of this policy without our prior written consent (not to be

unreasonably withheld). For the avoidance of doubt, a requirement to disclose the existence of this policy is not a requirement to disclose its terms and conditions.

However, you may at any time request a proof of cover from its insurance intermediary or broker who has arranged this policy. The disclosure of such proof of cover to any third party will not be considered by us as a breach of this claims condition (2).

In the event that you do not comply with this general claims condition (2), it may impact your ability to make a claim and/or the amount that you will be paid.

(3) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any company that is a subsidiary or parent company of the insured's. ('Subsidiary' or 'parent' company being defined by current legislation).

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## Entity Defence: Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Entity Defence Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

The following words or phrases have the same meaning wherever they are highlighted in bold in this section of cover. Plural forms of the words defined in this policy have the same meaning when used in the singular form.

### appeal

The term "appeal" means

- (a) in respect of a tax investigation
  - (i) appeal proceedings in respect of a full enquiry, and/or
  - (ii) appeal proceedings in a dispute concerning your compliance with Pay As You Earn or Social Security Regulations, and/or
  - (iii) appeal proceedings following an assessment for Value Added Tax due.
- (b) in respect of a breach or alleged breach of the Data Protection Act 1998, or any legislation amending or re-enacting the Act
  - (i) an appeal against the refusal of your application for registration by the Data Protection Commissioner
  - (ii) an appeal against the refusal of an application for the alteration of registered particulars by the Data Protection Commissioner
  - (iii) an appeal against an enforcement notice
  - (iv) an appeal against a de-registration notice
  - (v) an appeal against a transfer prohibition notice.

### aspect

The term "aspect" enquiry means an examination by HM Revenue & Customs which considers one or more specific aspects of your self-assessment and/or corporation tax return.

### crisis

The term "crisis" means

- (a) allegations of fraud or corruption
- (b) serious injury to employees or members of the public
- (c) dismissal or resignation of members of your main board of directors
- (d) investigation by any official body or institution that is empowered to investigate your affairs

where in our opinion there is a risk to your business as a consequence of adverse press, publicity or media attention within the United Kingdom.

crisis response service

The term "Crisis response service" means public relations specialist services that we provide.

director or officer

The term "director or officer" means any natural person who was or is or who may be in the future

- (a) a director or officer of yours, or
- (b) an employee, or
- (c) a shadow director as defined under United Kingdom law.

employee

The term "employee" means any person (other than an independent agent, consultant, sub-contractor or professional advisor) who is (or was or who may be in the future):

- (a) under a contract of service or apprenticeship with you, or
- (b) under a work experience or similar scheme, or
- (c) supplied to or hired in or borrowed by you

and who are working for and under your direct control in connection with your business

environmental proceedings

The term "environmental proceedings" means any

- (a) prosecution
- (b) official investigation
- (c) examination
- (d) inquiry, or
- (e) other proceedings

by any official body or institution that has the authority or power to investigate your affairs arising from pollution or alleged pollution.

excess

The term "excess" means the first amount of any claim for which you are responsible. That amount is £1,000.

full enquiry

The term "full enquiry" means a fundamental challenge to and an extensive examination of your tax affairs by HM Revenue & Customs.

identity fraud

The term "identity fraud" means an agreement with a third party entered into by anyone other than a director or officer who fraudulently represents themselves as you.

insured, you, your, yours

The term "insured, you, your, yours" means the person named as the policyholder in the policy schedule and any subsidiary company.

instigated

The term "instigated" means

- (a) in respect of a full enquiry, the date HM Revenue & Customs first notifies you in writing of their intention to make enquiries
- (b) in respect of disputes concerning your compliance with Pay As You Earn or Social Security Regulations or your liability to pay Value Added Tax, the date when HM Revenue & Customs sends you an assessment or written decision.

investigation

The term "investigation" means any official investigation, examination, inquiry or other proceedings instigated against you by any official body or institution, other than HM Revenue & Customs, that is empowered to investigate your affairs within the United Kingdom.

limit

The term "limit" means the maximum amount we will pay. The amount in respect of this section of cover is shown in the policy schedule.

subsidiary company

The term "subsidiary company" means any company where the person named as the policyholder in the policy schedule

- (a) owns more than 50% of the share capital
- (b) has a majority of the voting rights
- (c) has the right to appoint or remove a majority of the company's board of directors
- (d) controls a majority of the voting rights of the company under a written agreement with other shareholders or members.

If a company ceases to be a subsidiary, cover will continue but only for

- (e) a crisis occurring, or
- (f) identity fraud committed, or
- (g) an investigation, environmental proceedings or tax investigation instigated, ordered or commissioned, or
- (h) corporate manslaughter proceedings brought, or
- (i) a breach of contract occurring, or
- (j) a wrongful act committed, or
- (k) a breach or alleged breach of the data protection Act 1998, or any legislation amending or re-enacting the Act,

occurring before it stopped being a subsidiary.

tax investigation

The term "tax

investigation" means

- (a) a full enquiry, and/or
- (b) a dispute concerning your compliance with Pay as You Earn or Social Security Regulations, and/or
- (c) a dispute concerning your liability for Value Added Tax

United Kingdom

The term "United Kingdom" means England, Scotland, Wales, Northern Ireland, the Isle of Man and the Channel Islands.

wrongful act

The term "wrongful act" means any actual or alleged wrongful act, error or omission committed or attempted

by a director or officer during the performance of their duties as a director or officer of yours.

Related, continuous or repeated wrongful acts, or wrongful acts that are connected by the same cause, will constitute a single wrongful act.

SPECIMEN

# Employers Liability

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of indemnity and Excesses shown in the schedule, to pay you for your legal liability for damages and costs awarded against you for injury sustained by any employee during the period of insurance, whilst employed in or temporarily outside the United Kingdom.

Provided that:

- (1) the injury occurs during the period of insurance;
- (2) the injury arises out of and in the course of the employee's employment by you in connection with your business; and
- (3) the action for damages is brought against you under the jurisdiction of a court within the United Kingdom, the Channel Islands and the Isle of Man.

We will also pay:

- (a) costs and expenses; and
- (b) your solicitor's fees that we agree to in writing for:
  - (i) your defence in any court of summary jurisdiction of any proceedings brought against you for the breach or alleged breach of any statutory duty resulting in accidental injury;
  - (ii) your representation at a coroner's court or fatal accident inquiry,

provided that the breach or death may result in a claim against you that is insured under this Section.

### What we will pay

The most we will pay for all claims, including costs and expenses, in connection with each and every event shall be the limit.

## What you are also covered for (extensions)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant, limit, sub limits of indemnity and excesses shown in the schedule, to also provide the following cover.

- (1) Compensation for Court Attendance

If at our request any:

- (a) director or partner of yours; or
- (b) employee

attends a court as a witness in connection with a claim which is insured under this Section,

### What we will pay

We will pay you the following rates per day for each day on which attendance is required:

- (a) for any director or partner           £500 per day
- (b) for any employee                       £250 per day

(2) Health and Safety at Work

We will pay your costs and expenses in your defence of any criminal proceedings (including a charge of manslaughter) brought against you for a breach of:

- (a) the Health and Safety at Work Act 1974;
- (b) the Health and Safety at Work (Northern Ireland) Order 1978; or
- (c) any legislation amending or re-enacting the above

committed or alleged to have been committed in the course of your business during the period of insurance.

We will also pay your costs and expenses in an appeal against conviction and/or prosecution costs awarded against you arising from the above criminal proceedings.

We will not pay you if the proceedings relate to the health, safety and welfare of anyone other than an employee.

### What we will pay

The most we will pay for all costs and expenses in the aggregate is £250,000. This amount is inclusive of and not additional to the amount we will pay under this Employers Liability Section.

(3) Unsatisfied Court Judgments

We will at your request pay an employee or their personal representative the amount of any award following a judgment which has been obtained for accidental injury against any company, partnership or person operating from premises within the United Kingdom, the Channel Islands and the Isle of Man and which remains unpaid six months after the date of the judgment.

Provided that:

- (a) there is no appeal outstanding;
- (b) the injury was sustained during the period of insurance by the employee whilst working in connection with your business;
- (c) the judgment was obtained in a court within the jurisdiction of the United Kingdom the Channel Islands and the Isle of Man; and
- (d) the employee or their personal representative assigns the judgement to us.

We will only pay the amount of the award that remains outstanding.

(4) Indemnity to Principal

We will at your request indemnify any principal for whom you complete a contract for the performance of work, to the extent required by the contract conditions.

However, we will only pay the principal if

- (a) you would have been entitled to payment under this Section had the claim been made against you; and
- (b) the principal observes, fulfils and is subject to the terms, conditions and exclusions of this policy in the same way as you.

## Claims conditions that apply to this section of cover

The following claims conditions apply to the Employers Liability Section only, and are in addition to any conditions contained within the general claims conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these claims conditions are not met, we may need to reject a claim payment or

a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Notification of Claims

You must notify us in writing at the email address shown in the schedule:

- (a) within seven (7) days in respect of riot damage;
- (b) as soon as reasonably practicable after the occurrence of all other insured events under this policy including the receipt of any communication of an intention to make a claim against you;
- (c) as soon as reasonably practicable of any circumstance of which you shall become aware which might reasonably be expected to give rise to:
  - (i) a claim against you; or
  - (ii) you seeking payment under this policy.

You must give us full details of particulars, dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made or insured event occurring that arises out of the same originating cause or source, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

(2) General Claims Handling

You must comply with the following:

- (a) you must give us the information and co-operation that we may reasonably request;
- (b) you must not do anything which might prejudice us;
- (c) you must take all reasonable steps to prevent or minimize any further claim, loss or request for payment under this policy;
- (d) you must not admit liability or settle any claim or incur any costs and expenses or make any payment for which cover may be sought without our prior written consent;
- (e) you must tell the police as soon as possible of any damage or loss involving personal assault, theft or attempted theft, malicious damage or vandalism or any other crime involving the loss of money.

In the event that you do not comply with this claims condition (2) (a) to (e), it may impact your ability to make a claim and/or the amount that you will be paid.

We are entitled to take over the defence or settlement of any claim in your name.

You are entitled at your own risk to contest any claim or legal proceedings which in our opinion should be compromised or settled but, if you choose to do this, we will not be liable for any loss incurred as a result of your refusal to compromise or settle the claim or legal proceedings.

We are entitled at any time to pay you:

- (i) the limit or limit as applicable, and as shown in the schedule (or as much of it as remains available), or
- (ii) any lesser sum for which any claim can be settled.

If we do this, we will not be under any further liability to you in respect of such claim.

## Conditions that apply to this section of cover

The following conditions apply to the Employers Liability Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

- (1) **Certificate of Employers Liability**  
If the cover provided by this Section of cover is cancelled, then any certificate of Employers Liability insurance issued under this Section is similarly cancelled from the same date.
- (2) **Right of Recovery**  
The cover provided by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in the United Kingdom, the Channel Islands and the Isle of Man but you shall repay to us all sums paid by us which we would not have been liable to pay under the terms of this policy but for the provision of such law.
- (3) **Conflict of Interest**  
In the event of a conflict of interest between you and any other insured party indemnified by this Section, separate representation will be arranged for each party.
- (4) **Employers Liability Trading Office Notice**  
In respect of the coverage provided under this Section, certain information relating to your policy, namely:
  - (a) the policy number(s);
  - (b) employers' names and addresses (including subsidiaries and any relevant changes of name);
  - (c) coverage dates; and
  - (d) (if relevant) the employer's reference numbers provided by Her Majesty's Revenue and Customs and Companies House Reference Numbers; will be provided to the Employers Liability Tracing Office, (the "ELTO") and added to the Employers Liability Database (ELD).

It is understood by you that the above named information provided to us will be processed by us, for the purpose of providing the ELD, in compliance with the provisions of the Employers Liability Insurance: Disclosure by Insurers Instrument 2010.

The ELTO may provide such information to third parties to assist individuals with claims arising out of their course of employment in the United Kingdom for employers carrying on, or who carried on, business in the United Kingdom, to identify an insurer or insurers that provided employers liability insurance.

- (5) **Maintenance of Rights and Remedies**  
You must maintain all their rights and remedies against all service providers, designers, consultants or contractors that they engage.
- (6) **Other Insurance**  
Any indemnity or coverage under this policy is specifically excess of and will not contribute with any other valid and available insurance, unless such other insurance is specifically written as excess insurance over the limit of liability of this policy.
- (7) **Subrogation**  
We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## What is not covered (exclusions)

The following exclusions apply to the Employers Liability Section only of this Policy and are in addition to the

exclusions contained within the general exclusions.

We shall not pay you for liability connected with or comprising any of the following:

- (1) Offshore  
injury to any employee whilst on or working from, or travelling by sea or air, to, from or between an offshore rig, platform or similar offshore installation.
- (2) Fines and Penalties  
any:
  - (a) fine or penalty;
  - (b) non-compensatory damages;
  - (c) aggravated damages;
  - (d) liquidated damages; and/or
  - (e) damages resulting from the multiplication of compensatory damages.
- (3) Radioactive Contamination and Sonic Bangs
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component; and/or
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

and in Northern Ireland and the Republic of Ireland only

- (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons
- (4) Terrorism  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This exclusion shall not apply to the extent required to satisfy the requirements of the relevant law applicable in the United Kingdom, the Isle of Man and the Channel Islands or where so extended to offshore installations in any waters outside the United Kingdom to which the Employers Liability (Compulsory Insurance) Act 1969 or any amending primary legislation applies. Provided that the limit in this respect shall be reduced to GBP 5,000,000 for each and every event inclusive of all claimants' and defence costs and expenses, if specified in the schedule.

- (5) Confiscation  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from confiscation, requisition, nationalisation, seizure, detention or destruction by any

government, public, local or customs authority.

## Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Employer's Liability Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

### business

The term "business" means your activities, profession or occupation as shown in the schedule.

For the purpose of this Section, the Definition of business is extended to include:

- (a) your occupation and maintenance of land and buildings;
- (b) the provision and management of canteen, social, sports and welfare organisations for the benefit of employees;
- (c) the provision and management of ambulance, first aid and medical services for the benefit of employees;
- (d) the provision and management of fire and security services for the protection of premises owned or occupied by you; and
- (e) private duties undertaken by an employee for the insured or, with the insured's consent, for any director or partner of the insured or any employee.

### computer system

The term "computer system" means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the previously mentioned and including any associated input, output, data storage device, networking equipment or back up facility.

### connected with

The term "connected with" means relating to the specified event, incident or state of affairs, in that:

- (a) the specified event, incident or state of affairs was a direct or indirect cause of the related event, incident, state of affairs, injury, damage or loss;
- (b) the specified event, incident or state of affairs wholly or partly contributed to the related event incident, state of affairs, injury, damage or loss; and/or
- (c) the specified event, incident or state of affairs increased the risk of the related event, incident, state of affairs, injury, damage or loss occurring.

### costs and expenses

The term "costs and expenses" means the necessary and reasonable legal costs and expenses incurred:

- (a) by us; or
- (b) by you (provided we have agreed with you in writing that you may incur these costs and expenses)

solely in the defence, investigation or settlement of a claim made against you and insured under this policy, excluding:

- (i) damages and/or costs awarded against you;
- (ii) any kind of payment for work or service due to you; and
- (iii) any internal costs and expenses of yours.

### data

The term "data" means information, facts, concepts, code or any other information of any kind that is recorded

or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

#### employee

The term "employee" means anyone (other than a director of yours) who is:

- (a) under a contract of service or apprenticeship with you;
- (b) under a work experience or similar scheme with you;
- (c) supplied to you;
- (d) hired in or borrowed by you;
- (e) labour only sub-contractors and any person supplied by them; or
- (f) any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with you

and

- (i) works for you under your direct control in connection with your business; and
- (ii) is normally resident in the United Kingdom, the Channel Islands and the Isle of Man.

#### event

The term "event" means an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this Section.

#### excess

The term "excess" means the amount shown in the schedule which is payable by you before we become liable.

The excess shall apply to each and every event and shall be inclusive of costs and expenses (unless specifically stated to the contrary in the schedule or elsewhere in the policy).

The excess shall not form part of any limit.

Where a claim may be indemnified under one or more covers or Sections, only the highest excess shall apply.

#### injury

The term "injury" means:

- (a) bodily injury;
- (b) mental anguish;
- (c) sickness;
- (d) disease; or
- (e) death.

#### insured / you / your / yours

The term "insured / You / your / yours" means:

- (a) the person or persons;
- (b) the firm and all partners and former partners in the firm;
- (c) the limited liability partnership;
- (d) the trust; and/or
- (e) the company and all directors and former directors of the company named as 'Insured' in the Schedule, and/or
- (f) the estates, heirs or legal representatives of any natural person above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the "Insured."

In addition, we will pay, at your request, the following persons in the same way that they would pay you:

- (i) any employee; and
- (ii) any officer or member of your canteen, social, sports or welfare organisations, fire, ambulance, first aid, medical or security services (but only whilst they are acting in their capacity as an officer or member of the above organisations or services).

Provided that the above persons observe, fulfil and are subject to the terms, conditions and exclusions of this policy.

SPECIMEN

# Employment Law Protection

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy, and the relevant limit, sub limits of liability, and excess(es) shown in the schedule, to pay:

- (1) Employment Disputes  
for your legal liability for damages and costs awarded against you arising from any claim first made against you and reported to us during the period of insurance shown in the policy schedule which arises from any actual or alleged
  - (a) act or omission resulting in a dispute concerning the employment of an employee or any prospective employee, and/or
  - (b) action taken against an employee on account of the employee exercising or attempting to exercise his or her rights under law

committed or allegedly committed by you.

In addition we will pay your costs and expenses resulting from the claim.

- (2) Investigations  
your costs and expenses arising from your or your representative's attendance at any official investigation, examination, inquiry or other proceedings instigated against you by any official body or institution that is empowered to investigate your affairs in respect of:

- (a) employment discrimination
- (b) health and safety

which is first ordered or commissioned during the period of insurance shown in the policy schedule.

- (3) Discovery Period  
If we refuse to renew this section of cover for reasons other than

- (a) non-payment of premium, or
- (b) failure to comply with or observe the terms, provisions and conditions of this policy,

or if you decline to accept our renewal terms, then you shall automatically be entitled to a 30 day discovery period.

The discovery period shall only apply to

- (a) employment wrongful acts first committed or allegedly committed during the period of insurance shown in the policy schedule and/or
- (b) investigations which are first ordered or commissioned during the period of insurance shown in the policy schedule.

You shall not be entitled to any discovery period if other insurance has been bought with the intention of providing equivalent cover for any part of the discovery period.

## What we will pay

The most we will pay in the period of insurance shown in the policy schedule for

- (a) all claims in total, plus

- (b) all costs and expenses in total is the limit.

We will not pay the excess. This must be paid by you. The excess will be applied to each claim made against you by or on behalf of each employee.

## What is not covered (exclusions)

The following exclusions apply to the Employment Law Protection Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not pay you under this section:

- (1) Fines and Penalties  
for any
  - (a) fine or penalty
  - (b) non-compensatory damages.
- (2) Radioactive Contamination and Sonic Bangs  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speedsand in Northern Ireland and the Republic of Ireland only
  - (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.
- (3) War risks and terrorism  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful associationregardless of any other cause or event contributing concurrently or in any other sequence to the loss.
  - (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- (4) Mould  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from mould or a mould event.
- (5) Other insurance  
where you have a right to payment under any other insurance.

However, if you have a right to payment under any other insurance we will contribute in

excess of the payment provided by that insurance. If the other insurance is also provided by us then the amount that we will pay under this insurance will be reduced by the amount that we pay under the other insurance.

- (6) Legal Action
  - (a) where the claim is brought in a court of law outside the jurisdiction of England and Wales and/or Scotland, and/or
  - (b) where action for damages is brought in a court within that jurisdiction to enforce a foreign judgment.
- (7) Dishonest or Fraudulent Conduct  
if you admit to dishonest, fraudulent or malicious conduct or if this is established in a judgment or final ruling.
- (8) Deliberate Acts  
in respect of any claim or investigation that results from your wilful, reckless or intentional disregard of any employment legislation. However, we will not impute the wilful, reckless or intentional disregard of one insured to another insured.
- (9) Voluntary Assumption of Liability  
in respect of any claim or investigation arising from or in any way involving your voluntary assumption of liability for any act or omission of whatever nature of any other person.
- (10) Circumstances Known at Inception  
if you knew or ought to have known of any circumstances that existed prior to the date that this section of cover started then we will not pay you for any legal liability that arises from such circumstances.
- (11) Injury Property Damage  
in respect of any claim
  - (a) for injury sustained by anyone (other than emotional distress arising from any libel, slander, defamation or employment wrongful act), or
  - (b) for any loss, damage or destruction of property, including loss of use of the property.
- (12) Takeover Merger or Liquidation  
for
  - (a) any actual or alleged employment wrongful act occurring, or
  - (b) any investigation instigated after
  - (c) your takeover or merger by or with any person or entity, or
  - (d) the appointment of a liquidator, trustee, receiver or other similar officer.
- (13) Failure to Adapt Premises to Working Methods  
in respect of any claim arising from or in any way involving your obligation to adjust or adapt any premises or working methods to meet the needs of a person with a disability. However, we will pay your costs and expenses in defending a claim.
- (14) Remuneration, Redundancy and Benefits  
any amount that you are obliged to pay any employee in accordance with
  - (a) any law governing health and safety, worker's compensation, unemployment insurance, social security, disability benefits, redundancy, remuneration or any similar law, including any regulations created under those laws.
  - (b) the employee's contract of employment with you
  - (c) any benefit scheme or the failure to contribute to, fund, reimburse or make payment in connection with a benefit scheme.

- (15) Non Pecuniary Relief  
any amount that arises in any way from the cost of compliance with any order for, grant of or agreement to provide injunctive or non-pecuniary relief. However, we will pay your costs and expenses.
- (16) Disputes Between Insureds  
in respect of any claim arising from a dispute concerning the dissolution of any partnership agreement between two or more insureds.
- (17) Cyber and Data Risks  
for any loss or legal liability arising in any way from any actual or alleged
  - (a) cyber incident
  - (b) the transmission of a computer virus
  - (c) recovering or reconstituting data
  - (d) cyber act

## Employment Law Protection: Conditions that apply to this section of cover

The following conditions apply to the Employment Law Protection Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

- (1) Severability  
Nothing in the proposal or otherwise known or done by any insured shall be attributed to any other person in determining any right or obligation of the insured under this section of cover.  
  
In no case shall an insured be prevented from pursuing any point in his or her defence only because it is obstructive or harmful to the interests of any other insured.
- (2) TUPE  
You must consult and follow the advice of the Markel employer helpline in any matter to which the terms of the
  - (a) Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), or
  - (b) any legislation amending or re-enacting the above apply.

If you fail to do this your claim may not be covered or the amount we pay you may be reduced.

- (3) Subsidiary Companies  
If you acquire or create a subsidiary company after the date that this section of cover came into force, and  
  
if your total number of employees increases by more than 10% compared with the number of employees at the beginning of the period of insurance shown in the policy schedule as a result of that acquisition or creation  
  
you will
  - (a) notify us in writing within 30 days of its acquisition or creation, and
  - (b) give us any additional information we may require, and
  - (c) agree to any terms and/or additional premium we may require.

If you fail to do this your claim may not be covered or the amount we pay you may be reduced.

## Employment Law Protection: Conditions that apply to this section of cover

The following conditions apply to the Employment Law Protection Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

### (1) Notification of Claims

You must notify us in writing at the email address shown in the schedule, as soon as reasonably practicable (and within the period of insurance) of:

- (a) any claim;
- (b) the receipt of any notice of an intention to make a claim; and/or
- (c) any circumstances of which you shall become aware which might reasonably be expected to give rise to your seeking payment under this policy or a claim against you

giving detailed reasons for the anticipation of such claim, together with full particulars as to dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

### (2) General Claims Handling

(a) You, and any person acting on your behalf, must:

- (i) not admit liability in part or in full;
- (ii) not settle or attempt to settle any claim or loss;
- (iii) not incur any costs and expenses or make any other payment for which cover may be sought without our prior written consent (such consent not to be unreasonably withheld);
- (iv) give all such information or assistance possible and forward all documents as we may require, to enable them to investigate, settle or defend any claim or loss or respond to any other insured event.

In the event that you do not comply with this condition (2)(a)(i)-(a)(iv), it may impact your ability to make a claim and/or the amount that you will be paid.

- (b) We will have the right and duty to defend and settle any claim or to prosecute in your name for our own benefit, any claim for payment, indemnity or damages or otherwise against any third party.
- (c) If you refuse to consent to any settlement recommended by us and elect to contest a claim, our liability for such claim (including costs and expenses) will not exceed the sum of the amount for which such claim could have been settled inclusive of costs and expenses incurred up to the date of such refusal;

At any stage of a claim, we can pay you the applicable limit, or whatever remains of such limit following any earlier payment(s).

We will pay costs and expenses already incurred as at the date of our payment.

We will then have no further liability for that claim or costs and expenses.

- (d) You will not, except as may be required by law or during the ordinary course of your business, disclose to anyone the existence of this policy without our prior written consent (not to be unreasonably withheld). For the avoidance of doubt, a requirement to disclose the existence of this policy is not a requirement to disclose its terms and conditions.

However, you may at any time request a proof of cover from its insurance intermediary or broker who has arranged this policy. The disclosure of such proof of cover to any third party will not be considered by us as a breach of this claims condition (2).

In the event that you do not comply with this general claims condition (2), it may impact your ability to make a claim and/or the amount that you will be paid.

(3) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any company that is a subsidiary or parent company of the insured's. ('Subsidiary' or 'parent' company being defined by current legislation).

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## Employment Law Protection: Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Employment Law Protection Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

The following words or phrases have the same meaning wherever they are highlighted in bold in this section of cover. Plural forms of the words defined in this policy have the same meaning when used in the singular form.

insured/you/your/yours

The term "insured/you/your/yours" means:

- (a) the entity
- (b) any person who was, is, or during the period of insurance shown in the policy schedule becomes a director, trustee, partner, governor, council member or officer of yours.
- (c) any employee of yours.
- (d) the lawful husband, wife or civil partner of any of the above, only because of their relationship, following a claim against the above.
- (e) the estates, heirs or legal representatives of any of the above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the above.

benefit scheme

The term "benefit scheme" means any

- (a) superannuation or pension scheme, programme or plan
- (b) profit sharing, share option or share purchase scheme
- (c) health and welfare or other employee benefit plan or trust

established or conducted for the benefit of any employee and their families and dependants

#### employee

The term "employee" means anyone who was or is or may become subject to a contract of service or apprenticeship with the entity including anyone held to be an employee of yours by an Employment Tribunal or the Employment Appeals Tribunal.

#### employment wrongful act

The term "employment wrongful act" means any actual or alleged

- (a) act or omission that results in a dispute in connection with the employment of an employee or prospective employee, or
- (b) retaliatory treatment

committed or allegedly committed by you.

#### entity

The term "entity" means the person named as the policyholder in the policy schedule and the subsidiary company.

#### excess

The term "excess" means the first amount of any claim for which you are responsible. That amount is:

in respect of any claim that arises in any way from

- (a) Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)
- (b) any legislation amending or re-enacting the above

either £10,000 or the amount shown in the policy schedule for this section of cover, whichever is the most.

in respect of any other claim, the amount shown in the policy schedule for this section of cover.

#### injury

The term "injury" means bodily injury, mental injury, emotional distress, shock, sickness, disease or death.

#### investigation

The term "investigation" means any

- (a) official investigation
- (b) examination
- (c) inquiry, or
- (d) other proceedings

by any official body or institution that has the authority or power to investigate your affairs in respect of

- (a) employment discrimination
- (b) health and safety.

#### limit

The term "limit" means the maximum amount we will pay. The amount in respect of this section is shown in the policy schedule.

#### Markel employer helpline

The term "Markel employer helpline" means employer helpline specialist services provided by us or on our behalf.

#### retaliatory treatment

The term "retaliatory treatment" means action taken against an employee on account of the employee exercising or attempting to exercise their rights under law.

#### subsidiary company

The term "subsidiary company" means any company where you

- (a) own more than 50% of the share capital
- (b) have a majority of the voting rights
- (c) have the right to appoint or remove a majority of the company's board of directors
- (d) control a majority of the voting rights of the company under a written agreement with other shareholders or members.

If a company ceases to be a subsidiary cover will continue but only for

- (a) employment wrongful acts
- (b) investigations

first committed or allegedly committed, ordered or commissioned before it stopped being a subsidiary.

#### United Kingdom

The term "United Kingdom" means England, Scotland, Wales, Northern Ireland, the Isle of Man and the Channel Islands.

# Property Damage

## What is covered (cover)

In consideration of payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sums insured, total sum insured, limits of liability, sub limits of liability and excesses, to pay for damage to property insured at the premises occurring during the period of insurance.

The most we will pay in the period of insurance will not exceed the sum insured shown in the schedule for each item of property insured or any applicable sub limit. Any applicable sub limit specified in the schedule will form part of the sum insured.

Following damage which is insured under this Section, the relevant sum insured will be automatically restored to its original amount from the date of the damage, provided that you:

- (a) pay any additional premium we may require; and
- (b) comply with any reasonable recommendations we may make to prevent further damage.

### What we will pay

The maximum amount we will pay for each and every event for each item of property insured is the sum insured shown in the schedule.

## What you are also covered for (extensions)

In consideration of payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sums insured, limits of liability, sub limits of liability and excesses stated in the schedule, to the following extensions to this Section.

### (1) Additional Metered Utility Charges

We will pay you the cost of additional metered water, gas or other metered utilities, which you have to pay as a result of damage to the buildings at the premises by any accidental cause not otherwise excluded.

We will not pay for such damage at unoccupied premises.

We will calculate the amount payable by comparing the charges made by the relevant utility companies for the period during which the loss occurs with the charges for the previous normal period. We will take into account any relevant factors affecting your normal consumption of utilities, when calculating the amount payable.

Exclusion (7) Consequential Loss of this Section shall not apply to this extension.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

### (2) Capital Additions

We will pay for damage to any

- (a) newly erected buildings extensions and alterations
- (b) newly acquired contents
- (c) newly acquired stock

- (d) newly acquired computer and telecommunications equipment
- (e) inflationary increase in the value of the buildings, contents and/or computer and telecommunications equipment (but only if the sum insured shown in the policy schedule for the buildings, contents and/or computer and telecommunications equipment, at the start of the period of insurance shown in the policy schedule, is not less than their value)

but only for an amount not exceeding

- (a) in respect of buildings, 25% of the sum insured on buildings or £50,000, whichever is the least, and/or
- (b) in respect of contents and/or computer and telecommunications equipment, 15% of their respective sums insured or £10,000 in total, whichever is the least.

### (3) Computer and Telecommunication Equipment Breakdown

If your computer and telecommunication equipment breaks down during the period of insurance we will, at our option, either:

- (a) pay you the market value of the computer and telecommunication equipment at the time of the breakdown; or
- (b) repair, restore or replace the computer and telecommunication equipment or any part of the computer and telecommunication equipment that has broken down;

However, we will only pay you if the computer and telecommunication equipment is subject to a manufacturer's guarantee and/or a maintenance contract providing free parts and labour in the event of breakdown.

We will not pay you:

- (a) if the breakdown is as a result of gradual deterioration, wear and tear or inherent defect;
- (b) if the computer and telecommunication equipment is more than ten (10) years old from the date of manufacture;

Exclusion (20) Mechanical or Electrical Breakdown of this Section shall not apply to this extension.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

### (4) Computer and Telecommunication Equipment Damage

We shall pay for damage to computer and telecommunication equipment at the premises, occurring during the period of insurance.

We will not pay for the value of the data contained within the computer and telecommunication equipment.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

### (5) Contamination Events

We shall pay you for damage to property insured resulting from sudden or unexpected pollution which takes place in its entirety at a specific time and place during the period of

insurance and which results in it being impure and harmful to itself or other property or persons at the premises.

We will not pay you for:

- (a) damage resulting from
  - (i) the suppression of fire by any solid, liquid or gas;
  - (ii) the escape of fire suppression agents;
  - (iii) the escape of water from any plumbing or heating system, processing equipment or refrigeration system;
  - (iv) the backup of sewers or drains;
  - (v) an error in operation of the machinery and plant;
  - (vi) an act or the decision of the failure to act or decide of any person group of organisation; or
- (b) the costs involved to test for, monitor, clean up, remove, contain, detoxify, neutralise, or in any way respond to the enforcement of any order or legislation in respect of the effects of the pollution.

Exclusions (2) Change in Temperature, Texture and Colour, and (22) Pollution of this Section shall not apply to this cover.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

#### (6) Continuing Interest and Hire Charges

We will pay for the continuing interest or hire charges for which you remain legally liable following damage to hired contents provided that we have confirmed cover for the damage.

### What we will pay

The most we will pay each and every event and in the aggregate shall be the lesser of:

- (a) continuing hire charges up to the period of ninety (90) calendar days; or
- (b) the amount shown in the schedule for "Continuing interest and hire costs."

Such amount shall form part of the sum insured.

Exclusion (7) Consequential Loss of this Section shall not apply to this extension.

#### (7) Contract Works

We will pay for the costs incurred for damage by any accidental cause during the period of insurance not otherwise excluded, in respect of refurbishment and extensions to existing structures of or to contract works at the site of contracts Insured.

Where work is carried out at any premises under a Joint Contract Tribunal (J.C.T.) building contract or similar contract for minor construction, the Contractor and others named in the contract are deemed to be joint insured under this extension, but only to the extent required by that contract.

We shall also pay for:

- (a) overtime, weekend and shift working or bonus payments; and
- (b) plant hire charges or express delivery (including airfreight)

necessarily and reasonably incurred in expediting repair, replacement or rectification of the damage to the contract works but excluding costs incurred solely to expedite the completion of:

- (i) any construction, erection or installation of contract works not damaged; and
- (ii) the project at a faster rate than would have been attained if no damage had occurred.

Should the original estimated contract price of any contracts insured (including the value of free issue materials) increase by twenty-five percent (25%), the sub-limit shown in the schedule for "Contract Works" shall also be increased by twenty-five percent (25%) in respect of such contract insured only, subject to you paying an additional premium calculated by us.

We shall not pay for:

- (a) damage to and/or the costs necessary to replace, repair or rectify contract works:
  - (i) which are in a defective condition due to a defect in design, plan, specification, materials or workmanship of such contract works or any part thereof;
  - (ii) which are reliant on support or stability from those mentioned under subparagraph (a)(i) above; or
  - (iii) damaged to enable the replacement, repair or rectification of contract works excluded by subparagraphs (a)(i) and (a)(ii) above.

Exclusions (a)(i) and (a)(ii) above shall not apply to other contract works which are free of the defective condition but are damaged in consequence thereof.

For the purposes of this extension the contract works shall not be regarded as lost or damaged solely by virtue of the existence of any defect in the design, plan, specification, materials or workmanship in the contract works or any part thereof.

- (b) damage to contract works arising from any multiple lifting operation(s) where two (2) or more lifting machines are used for the purpose of lifting or lowering a load;
- (c) fines, penalties or liquidated damages in respect of non-completion or non-compliance with contract provisions;
- (d) damage to:
  - (i) constructional plant and equipment (including temporary buildings);
  - (ii) personal tools and effectsowned by or for which the employees' of:
  - (A) you; and/or
  - (B) the Contractor (including subcontractor of any tier);are legally liable for;
- (e) damage to property forming or which formed part of any structure before the start of the contract works.

## What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £250,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

### (8) Controlled Environments Deviation

We will pay you for damage to property insured occurring during the period of insurance caused by a change in temperature, humidity, dampness or air quality within an area where the environment is artificially controlled.

We will not pay for damage arising out of:

- (a) error in operation of the machinery or plant;
- (b) an act or decision or the failure to act or decide of any person, group or organisation;
- (c) the failure to comply with manufacturers recommendations;
- (d) the use of components unapproved by the manufacturer;
- (e) failure of any machinery or plant which is not subject to a manufacturer's guarantee and/or maintenance contract; and/or
- (f) wanton, wilful or reckless acts performed by you, employees or former employees.

Exclusions (2) Change in Temperature, Texture and Colour, and (19) Livestock, Crops or Plants of this Section shall not apply to this cover.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

#### (9) Debris Removal

We will pay you, costs you incur with our prior consent, for removing debris; and dismantling and/or demolishing that portion or portions of the buildings, contents, stock and/or computer and telecommunication equipment as a result of damage.

We will only pay for these costs if we have paid you (or admitted liability) for the damage to the buildings, contents, stock and/or computer and telecommunication equipment.

We will not pay any costs:

- (a) for removing debris except from the site of the damage and the area immediately adjacent to the site;
- (b) that arise from pollution or contamination of any property that is not insured by this Section of cover; or
- (c) more specifically insured.

### What we will pay

The most we will pay in the period of insurance shown in the policy schedule for these costs, and the damage to the buildings and/or contents and/or computer and telecommunications equipment shall not exceed the sum insured shown in the policy schedule for the buildings and/or contents and/or computer and telecommunications equipment as appropriate.

#### (10) Documents

We shall pay for damage to documents, manuscripts and business books at the premises and during the period of insurance, but only for the value of the materials as stationery, together with the cost of clerical labour in writing them up.

We will not pay you for the value of the information contained within the documents, manuscripts or books.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £10,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

## (11) Exhibitions

We shall pay for damage to contents and/or stock during the period of insurance whilst it is at any exhibition within the Territorial Limits (including whilst being erected, dismantled or in transit thereto and therefrom).

However, we will not pay you:

- (a) If the contents and/or stock is damaged whilst at any premises that are owned or occupied by you; or
- (b) if the damage is covered under any other policy or contract of insurance.

### What we will pay

The maximum amount we will pay for all damage to any one item of contents and/or stock at any one exhibition is £5,000. The maximum amount we will pay in the aggregate is £25,000.

Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

## (12) Fixed Glass

If fixed glass is damaged at the premises during the period of insurance, we will pay you:

- (a) the cost of replacing the fixed glass;
- (b) the cost of boarding-up following damage to the fixed glass; and
- (c) the cost of removing and/or replacing tenant fixtures and fittings during the replacement of the fixed glass.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £10,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

## (13) Grounds of the Premises

We will pay you, subject to our prior consent, for the cost of repairing damage to gardens and grounds of the premises caused by the emergency services attending the premises following a fire at the premises.

However, we will only pay for such costs if we have paid (or admitted liability) for such damage.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £5,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

## (14) Incompatibility of Computer and Telecommunication Equipment Records

In the event that damage to computer and telecommunication equipment as insured and covered under this Section results in undamaged computer and telecommunication equipment being incompatible with the replacement computer and telecommunication equipment, we shall pay for costs necessarily and reasonably incurred by you, with our prior written consent for:

- (a) the cost of a modification to the replacement computer and telecommunication equipment; or
- (b) the replacement of current and back up computer and telecommunication equipment and reinstatement of programs and/or information thereon;

in order to achieve compatibility with the replacement computer and telecommunication equipment.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

### (15) Machinery Breakdown

We will pay you for damage occurring during the period of insurance to your machinery or plant used for the purposes of the business, whilst at the premises, following its failure, distortion, breaking, or burning out whilst in use and arising from:

- (a) mechanical or electrical defects in the machinery and plant
- (b) failure or fluctuation in the electricity supply

which results in sudden stoppage of the functions of the machinery and plant and necessitating repair or replacement before it can resume working.

We will, at our option, either:

- (a) pay you the value of the machinery or plant at the time of the breakdown, or
- (b) repair, restore or replace the machinery or plant or any part of the machinery or plant that has failed, distorted, broken or burned out, to a condition as good as, but not better or more extensive than, its condition when new.

We will not pay you for damage connected with or comprising of:

- (a) the deliberate act of any utility or component authority to withhold or restrict supply;
- (b) error in operation or instalment of the machinery or plant;
- (c) an act or decision or the failure to act or decide of any person, group or organisation;
- (d) the failure to comply with manufacturers recommendations or the use of components not approved by the manufacturer;
- (e) the failure of any plant not subject to a manufacturers guarantee and/or maintenance contract provided in accordance with manufacturers recommendations; and/or
- (f) wanton, wilful or reckless acts performed by you or your current or former employees.

Exclusion (20) Mechanical or Electrical Breakdown of this Section shall not apply to this cover.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

### (16) Professional Fees

We will pay you for reasonable and necessary surveyor's, consulting engineers', legal and other

professional fees for repairing, restoring or replacing the buildings and/or contents following covered damage.

However, we will not pay for any fees for preparing any claim or request for payment under this Section.

### What we will pay

The most we will pay in the period of insurance shown in the policy schedule for these fees, and the damage to the buildings, and/or contents will not exceed the sum insured shown in the policy schedule for the buildings and/or contents as appropriate.

#### (17) Property Awaiting Installation

We will pay you for damage to stock and/or contents during the period of insurance, where such stock and/or contents is away from the premises:

- (a) at a customer's premises; or
- (b) whilst temporarily warehoused

in the United Kingdom and awaiting, installation, commissioning, testing or acceptance by a customer, in order to fulfil a contractual agreement.

We will not pay for damage arising:

- (a) forty-five (45) days after delivery of such stock and/or contents to the customer's premises or the temporary warehouse; or
- (b) after the fulfilment of such contractual agreement.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £50,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event at each separate premises.

#### (18) Property in the Open

We will pay you for damage to garden furniture and groundmen's equipment whilst in the open at the premises.

Exclusion (30) Theft and exclusion (9) Fences, Gates and Moveable Property of this Section shall not apply to this cover, to the extent required to give effect to this cover.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £5,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

#### (19) Rent Payable

We will pay all sums which you are legally liable to pay as rent in respect of the premises whilst the premises are unfit for occupation caused by damage insured and covered under this Section.

Exclusion (7) Consequential Loss of this Section shall not apply to this extension.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is the amount

shown in the schedule. Such amount shall form part of the sum insured.

#### (20) Replacement of Locks

We will pay you the cost of replacing locks and/or access control equipment of the building following the covered damage, or theft during the period of insurance of such keys and/or access cards from:

- (a) the building; or
- (b) your home; or
- (c) the home of any of your directors, partners or employees.

anywhere within the territorial limits.

Exclusion (30) Theft of this Section shall not apply to this cover.

#### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £1,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

#### (21) Temporary Removal

We will pay you for damage to property insured occurring during the period of insurance whilst the property insured is temporarily removed for cleaning, renovation, repair or similar purposes to anywhere within the United Kingdom.

We will also pay you if the property insured is damaged whilst in transit by road, rail, air or sea from and to the premises and where it is to be cleaned, renovated or repaired.

However, we will not pay you if:

- (a) the property insured is removed to a location that is occupied by you ; or
- (b) the property insured is damaged by storm or flood whilst in the open or in transit; or
- (c) the property insured is removed for more than ninety (90) consecutive days.

#### What we will pay

The maximum amount we will pay you is fifteen percent (15%) of the sum insured shown in the schedule for the property insured that is damaged, up to a maximum amount shown in the schedule.

The excess shall apply to each and every event.

#### (22) Temporary Removal of Computer and Telecommunication Equipment

We will pay you for damage to computer and telecommunication equipment occurring during the period of insurance whilst they are temporarily removed to anywhere within the United Kingdom.

We will also pay you if the computer and telecommunication equipment are damaged whilst in transit by road, rail, air or sea from and to the premises and their place of temporary removal.

However, we will not pay you if:

- (a) the computer and telecommunication equipment are removed to a location that is occupied by you;
- (b) the computer and telecommunication equipment is damaged by storm or flood whilst in the open or in transit;

- (c) the computer and telecommunication equipment is removed for more than ninety (90) consecutive days;
- (d) cover is already provided under extension (25) Temporary Removal.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £1,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

#### (23) Theft Damage to Buildings

We will pay for damage to:

- (a) buildings insured under this Section; or
- (b) buildings for which you are not legally responsible to insure but use for the purposes of the business,

at the premises caused by theft or attempted theft.

We will not pay for damage:

- (a) caused by any person lawfully on the premises;
- (b) while the premises are unoccupied;
- (c) unless the theft is otherwise covered under this Section; and/or
- (d) more specifically insured by or on your behalf under another insurance policy.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £25,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

#### (24) Theft of Oil

We will pay you for the theft of heating oil from tanks, barrels apparatus or pipes at the premises.

However, we will not pay you if the premises are unoccupied.

Exclusion (30) Theft of this Section shall not apply to this cover, to the extent required to give effect to this cover.

### What we will pay

The maximum amount we will pay for each and every event and in the aggregate is £5,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

#### (25) Trace and Access

If the buildings and/or contents at the premises are damaged during the period of insurance by the escape of substances from any tank, apparatus or pipe, we will pay you for costs incurred by you, with our prior written consent, to detect and locate the point of escape of such substances, effect repairs and make good any such damage incurred.

Exclusion (22) Pollution of this Section shall not apply to this cover, to the extent required to give effect to this cover.

## What we will pay

The maximum amount we will pay for each and every event is £5,000. The most we will pay in the aggregate is £10,000. Such amount shall form part of the sum insured.

The excess shall apply to each and every event.

## Basis of Settlement

Except where expressly stated otherwise in an extension, we shall calculate the amount payable under this Section according to the provisions below.

### (1) Standard Basis

In the event of damage to stock, personal effects and/or any property shown in the schedule or by Endorsement as subject to the "Standard basis," we will, at our option, either:

- (a) pay you the market value of the property at the time of the damage taking into account its age and condition; or
- (b) pay the cost to repair, restore or replace the property to a condition substantially the same as it was at the time of the damage.

The maximum we will pay in the aggregate will not exceed:

- (a) the sum insured for each item shown in the schedule; or
- (b) the total sum insured shown in the schedule; or
- (c) any other maximum amount payable or limit specified in this Section or the schedule.

### (2) Reinstatement Basis

In the event of damage to property insured other than stock, rent, motor vehicles, personal effects and computer and telecommunication equipment, we will pay for the reinstatement of the damaged item.

Should computer and telecommunication equipment suffer damage insured by this Section, then this Section will cover the cost to repair or replace the computer and telecommunication equipment itself plus the costs of copying the data from back-up or from originals of a previous generation, up to the sub limit shown in the schedule. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this Section excludes any amount pertaining to the value of such data, to the insured or any other party, even if such data cannot be recreated, gathered or assembled.

We will also pay the costs necessary to comply with any:

- (a) European Union Legislation;
- (b) Act of Parliament; or
- (c) Bye laws of any public authority

in respect of damaged or undamaged portions of the property insured, other than:

- (a) where damage is not insured under this Section;
- (b) where notice was served on you before the damage occurred;
- (c) where an existing requirement must be completed within a stipulated period; or
- (d) property or parts of property, other than foundations, which have not suffered damage.

We will not pay the insured:

- (a) in respect of property insured partially damaged, more than we would have done had it been totally destroyed;
- (b) more than the "Standard Basis"
- (c) unless reinstatement starts and continues without unreasonable delay;
- (d) unless reinstatement is completed within twelve (12) months of the damage occurring, or such longer period as may be agreed by us in writing;
- (e) unless and until the cost of reinstatement has actually been incurred;
- (f) if the property at the time of the damage is insured by you or on your behalf under any other insurance which is not on the same or similar basis of reinstatement; and/or
- (g) for the amount of any charge or assessment that arises from capital appreciation which is payable in respect of the property insured following compliance with any European Union Legislation, Act of Parliament and/or Bye laws of any public authority.

The work of reinstatement may be carried out at or on another site and in a manner suitable to your needs.

However, this will not:

- (i) increase our liability; or
- (ii) apply when the premises are unoccupied, unless otherwise agreed in writing by us.

If at the time the damage occurs, the sum insured as shown in the schedule for the property insured is less than eighty-five (85%) of the full cost of reinstatement, you shall be liable to bear a proportionate share of the loss.

### (3) Average

If, at the time of the damage, the sum insured shown in the schedule for the property insured is less than the value of the property insured then the amount that we will pay you will be reduced in the same proportion.

This clause will not apply if the amount we pay is calculated on a reinstatement basis.

### (4) Automatic Reinstatement of Sums Insured

Following damage as insured under this Section of cover, the sums insured will be automatically restored to their original amount from the date of the damage, provided that you:

- (a) pay any additional premium we may require; and/or
- (b) comply with any reasonable recommendations we may make to prevent further damage.

### (5) Rent

If rent is insured under this Section, we will pay you in respect of loss of rent resulting from the premises or any part of the premises:

- (a) generating the rent received; or
- (b) for which rent is payable

being made unfit for the purpose of the business as a result of damage as insured under this Section.

The maximum amount we will pay in respect of loss of rent, will be the proportion of the rent sum insured that would have been payable during the period from the date of the damage until the building is repaired or reinstated.

# Claims conditions that apply to this section of cover

The following claims conditions apply to the Property Damage Section only and are in addition to any conditions contained within the general claims conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these claims conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

## (1) Notification of Claims

You must notify us in writing at the email address shown in the schedule:

- (a) within seven (7) days in respect of riot damage;
- (b) as soon as reasonably practicable after the occurrence of all other insured events under this policy including the receipt of any communication of an intention to make a claim against you;
- (c) as soon as reasonably practicable of any circumstance of which you shall become aware which might reasonably be expected to give rise to:
  - (i) a claim against you; or
  - (ii) you seeking payment under this policy.

You must give us full details of particulars, dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made or insured event occurring that arises out of the same originating cause or source, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

## (2) General Claims Handling

You must comply with the following:

- (a) you must give us the information and co-operation that we may reasonably request;
- (b) you must not do anything which might prejudice us;
- (c) you must take all reasonable steps to prevent or minimize any further claim, loss or request for payment under this policy;
- (d) you must not admit liability or settle any claim or incur any costs and expenses or make any payment for which cover may be sought without our prior written consent;
- (e) you must tell the police as soon as possible of any damage or loss involving personal assault, theft or attempted theft, malicious damage or vandalism or any other crime involving the loss of money.

In the event that you do not comply with this claims condition (2)(a) to (e), it may impact your ability to make a claim and/or the amount that you will be paid.

We are entitled to take over the defence or settlement of any claim in your name.

You are entitled at your own risk to contest any claim or legal proceedings which in our opinion should be compromised or settled but, if you choose to do this, we will not be liable for any loss incurred as a result of your refusal to compromise or settle the claim or legal proceedings.

We are entitled at any time to pay you:

- (i) the limit or limit of liability as applicable, and as shown in the schedule (or as much of it as remains available), or

- (ii) any lesser sum for which any claim can be settled.

If we do this, we will not be under any further liability to you in respect of such claim.

## Conditions that apply to this section of cover

The following conditions apply to the Property Damage Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

### (1) Calibration Procedures and Maintenance

You must ensure that all equipment utilised for the purpose of your business is calibrated and/or maintained in accordance with the manufacturer's recommendations.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (1), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

### (2) Designation of Property

If we need to determine the heading under which any property insured is insured, we agree to accept the designation under which the property insured has been entered in your business books.

### (3) Explosion

If any vessel, machinery or apparatus (or their contents) is damaged by an explosion that originates within the vessel, machinery or apparatus, you must comply with any statutory regulations that require the vessel, machinery or apparatus to be examined.

### (4) Interested Parties

The interest is noted of suppliers of property insured to you under a hiring, leasing or similar agreement provided that, in the event of damage to the property insured you tell us the nature and extent of that interest.

### (5) Maintenance of Rights and Remedies

You must maintain all their rights and remedies against all service providers, designers, consultants or contractors that they engage.

### (6) Non-invalidity

This Section of cover will not be invalidated by any act or omission or an alteration where the risk of damage is increased unknown to you and beyond your control, provided that you:

- (a) tells us as soon as reasonably practicable you become aware of it; and
- (b) pay any additional premium we may require; and
- (c) comply with any additional terms we may require.

### (7) Rights of the Insurer

If damage occurs which may lead to a claim under this Section, we may:

- (a) enter or take possession of the building or premises;

- (b) take possession of, or require to be delivered to us, the property insured, which we will deal with in a reasonable manner without incurring liability or reducing your rights.

We will not pay for any damage if you or anyone acting on your behalf:

- (a) do not comply with our requirements; and/or
- (b) hinder or obstruct us.

You are not entitled to abandon any property to us.

## (8) Security Protections

You must ensure that the following security protections (and/or any subsequent protections installed or fitted at our request) are in full and proper use at all times when the premises are closed for business or left unattended and will be maintained in proper working order throughout the period of insurance shown in the policy schedule

- (a) all external doors (and any internal doors leading to any part of the buildings not in your sole occupation) to be secured with either
  - (i) if an aluminium door: a cylinder operated mortice deadlock, or
  - (ii) if an armoured plate door: the door manufacturer's locks as supplied, or
  - (iii) if a UPVC door: a cylinder operated mortice deadlock with a multi-point locking system incorporating a minimum of 3 deadbolts
  - (iv) if any other type of single leaf door
    - 1. a five-lever mortice deadlock to at least British Standard 3621 together with a boxed steel striking plate, or
    - 2. a deadlocking rim latch to at least British Standard 3621 keyed into the deadlock position, or
    - 3. a mortice deadlock and two key operated security bolts engaging with the door frame and with internal operation only
  - (v) if double leaf doors:
    - 1. the standing leaf secured with internal surface mounted key operated security bolts or concealed flush bolts sited top and bottom engaging with the door frame and the floor, and
    - 2. the final closing leaf secured with either a lock fitted as above dependent on door type or both leaves fitted with a coach-bolted locking bar secured with a close shackle padlock (or, if the locking bar is sited internally, either a close or open shackle padlock) having at least five levers
  - (vi) if single or double leaf and also outward opening: hinge bolts fitted top and bottom
  - (vii) if a designated fire door: either
    - 1. an emergency release lock complying with BS8621:2004, or
    - 2. a proprietary emergency release system.
- (b) all external ground floor and accessible windows and/or skylights
  - (i) are secured with key operated window locks with the keys removed when in operation or
  - (ii) screwed shut with heads countersunk and plugged, or
  - (iii) secured with metal bars or grilles, external or internal metal shutters or internal collapsible metal security grilles
- (c) roller shutter doors to be secured with a cylinder profile lock welded to the shutter

channel on each side one metre from ground level.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (8), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

#### (9) Survey

If this policy has been issued or renewed subject to the satisfactory completion of a survey or the provision of additional information:

- (a) you must:
  - (i) allow us and our representatives access to the premises in order to conduct the survey or provide the additional information; and
  - (ii) comply with any risk requirements imposed following the survey within the timescales specified by us and throughout the period of insurance.
- (b) we shall be entitled to impose additional terms, increase the premium or end cover if
  - (i) any survey or additional information reveals factors that adversely influence our assessment of the risk;
  - (ii) you fail to implement the risk requirements imposed following the survey within the timescales specified by us.

#### (10) Unoccupied Buildings

You must

- (a) notify us, without delay, and in writing, when you become aware that a building (or any part of a building)
  - (i) becomes unoccupied or is going to become unoccupied;
  - (ii) becomes occupied, giving us full details of the purpose for which it is to be usedand comply with any additional terms and/or pay any additional premium we may require.
- (b) take the following precautions if a building becomes unoccupied:
  - (i) lock all outside doors, seal all letterboxes and other openings, and close and secure all windows (and in the case of buildings or structures not in normal occupation for a period of more than six (6) months, brick up or board up all ground floor windows and, save for one access door, all outside doors);
  - (ii) remove all waste, combustible materials and gas bottles; and
  - (iii) carry out an internal visit to the building or structure at least every seven (7) days, fix any defects found and keep a record of all such visits and remedial work.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (10), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

#### (11) Other Insurance

Any indemnity or coverage under this policy is specifically excess of and will not contribute with any other valid and available insurance, unless such other insurance is specifically written as excess insurance over the limit of liability of this policy.

#### (12) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any company that is a subsidiary or parent company of the insured's. ('Subsidiary' or 'parent' company being defined by current legislation).

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

### (13) Battery Charging

When charging batteries, you must ensure that

- (a) the batteries are charged in accordance with the manufacturer's recommendations and, if the batteries are vented
- (b) the batteries are charged in a dedicated, well-ventilated area that is free of all combustible material and sources of ignition.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (10), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

### (14) Waste

Where you manufacture, process, repair, undertake renovation work, or operate any workshop (including those used for training and/or rehabilitation purposes) you must ensure that

- (a) all rags, cloths or similar material used to remove or clean up oil, grease or flammable liquids are deposited in metal receptacles fitted with lids when not in use, and
- (b) at least once a day all trade and workshop waste and refuse is swept up and deposited in non-combustible containers away from the buildings and removed from the premises at least once weekly.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (10), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

## What is not covered (exclusions)

The following exclusions apply to the Property Damage Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We will not pay you for:

### (1) Boilers and Pressure Vessels

damage connected with or comprising:

- (a) joint leakage, failure of welds, cracking, fracturing, nipple leakage, implosion, collapse or overheating of:
  - (i) boilers, economisers or superheaters;
  - (ii) pressure vessels, tubes or pipes,

or any range of steam and feed piping in connection therewith.

- (b) the bursting of a boiler, economiser, vessel, machine or apparatus, not being used for domestic purposes, where the internal pressure is due to steam only and belongs to you or is under your

control.

Other than subsequent damage caused by a cause not otherwise excluded.

(2) Change in Temperature, Texture and Colour

damage connected with or comprising change in

- (a) temperature or humidity;
- (b) colour or flavour;
- (c) texture or finish

other than subsequent damage caused by a cause not otherwise excluded.

(3) Collapse

damage to any buildings or structure connected with or comprising cracking or collapse.

(4) Communicable Disease

loss, clean-up costs, costs of detoxification, removal, monitoring, testing or damage in any way caused by or resulting from

- (a) an infectious or contagious disease
- (b) any fear or threat of an infectious or contagious disease regardless of whether this is actual or perceived
- (c) any action taken to minimise or prevent an infectious or contagious disease

(5) Component Self-Ignition

damage to any component of any dynamo, electric motor or other electrical plant installation, apparatus or conductor caused by its own self-heating or self-ignition.

(6) Confiscation

damage connected with or comprising confiscation, requisition, nationalization, seizure, detention or destruction by any government, public, local or customs authority.

(7) Consequential Loss

any consequential loss or damage.

(8) Cyber Loss

Damage Connected With or comprising:

- (a) any cyber loss, unless subject to the provisions of paragraph (b);
- (b) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data, including any amount pertaining to the value of such data, unless subject to the provisions of Basis of Settlement clause (2) regarding computer and telecommunication equipment only;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

We will however cover damage to property insured under this Section caused by any ensuing fire or explosion which directly results from a cyber incident, unless that cyber incident is caused by or connected with a cyber act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain

in full force and effect.

This clause supersedes and, if in conflict with any other wording in the policy having a bearing on cyber loss, data or computer systems, replaces that wording.

(9) Fences, Gates and Moveable Property

damage to fences, gates and moveable property in the open connected with wind, rain, hail, sleet, snow, flood or dust.

(10) Roads, Paths and Pavements

damage to any yard, car park, road, pavement or path connected with weight, vibration or vehicles.

(11) False Pretence

damage connected with you voluntarily parting with the title or possession of any property insured if induced by any false or fraudulent scheme, trick, device or pretence.

(12) Fines and Penalties

any:

- (a) fine or penalty;
- (b) non-compensatory damages;
- (c) aggravated damages;
- (d) liquidated damages; and/or
- (e) damages resulting from the multiplication of compensatory damages.

(13) Fixed Glass and Sanitary Ware

damage to fixed glass and sanitary ware

- (a) which was broken or damaged before the beginning of the period of insurance;
- (b) at unoccupied premises.

(14) Flat Roof

- (a) damage to flat roof sections of the buildings;
- (b) damage in any way resulting from flat roof sections of the buildings

where such flat roof:

- (i) has not been adequately maintained; or
- (ii) is greater than ten (10) years old and has not been adequately maintained or inspected annually.

(15) Fraud or Dishonesty of Employees

damage connected with or comprising fraud or dishonesty of employees.

(16) Intentional Acts

damage connected with or comprising intentional or reckless acts committed by you or at your direction, unless specified otherwise under any individual cover or extension.

(17) Known Circumstances

circumstances existing prior to or at inception of this policy and which you knew or ought reasonably

to have known might give rise to a claim.

(18) Land, Roads and Pavements

damage to land, roads, pavements, piers, jetties, bridges, culverts or excavations.

(19) Livestock, Crops or Plants

damage to:

- (a) livestock, growing crops, lawns;
- (b) trees, shrubs and plants.

However, this exclusion shall not apply to trees, shrubs and plants that are used for ornamental purposes if the damage is caused by a specified peril and they:

- (a) are contained within the buildings at the premises; and
- (b) do not form part of your contents.

(20) Mechanical or Electrical Breakdown

damage connected with or comprising mechanical or electrical breakdown or derangement, or from adjustment, maintenance or repair; other than subsequent damage caused by a cause not otherwise excluded.

(21) Pollution

damage connected with or comprising pollution other than damage caused by:

- (a) pollution which is itself caused by a specified peril;
- (b) a specified peril which is itself caused by pollution.

(22) Property more specifically insured

damage to property insured that you have more specifically insured or that has been more specifically insured on your behalf.

(23) Radioactive Contamination and Sonic Bangs

damage connected with or comprising

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component; and/or
- (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

(24) Settlement and Bedding Down

damage connected with or comprising:

- (a) the normal settlement or bedding down of new structures;
- (b) the settlement or movement of made-up ground;
- (c) coastal or river erosion.

(25) Strike

damage connected with or comprising of vandals or other persons acting maliciously or by way of

protest or strikes, labour unrest, riots or civil commotion.

(26) Subsidence

damage connected with subsidence to yards, car parks, roads, pavements, walls, gates or fences at the premises unless the buildings at the premises are damaged at the same time by the same cause.

Which results from

- (a) demolition, construction, structural alteration or repair of any property
- (b) groundworks or excavations at the premises
- (c) within the Isle of Wight.

(27) Territorial limits

damage connected with or comprising of the conduct of your business outside of the United Kingdom.

(28) Terrorism

a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

- (a) war and/or terrorism
- (b) any action taken in controlling, preventing or suppressing war and/or terrorism
- (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

(29) Theft

We will not pay you for any damage caused by theft or attempted theft from any outbuilding unless the theft or attempted theft involved entry to or exit from the buildings by forcible and violent means, and in respect of movable property, unless in a metal fenced enclosure

- (a) no less than 2.4 meters high, and
- (b) incorporating a metal gate, with anti-removal and anti-lifting measures, locked with a closed shackle padlock certified to BSEN12320 grade 5 or above together with a locking bar of commensurate quality welded to the fencing frame

We will not pay you for any damage caused by theft or attempted theft

- (a) while the building is unoccupied
- (b) by, helped, or in any way brought about by you, any member of your family, or any director, partner or employee of yours

However, this exclusion shall not apply if the theft or attempted theft involves assault or violence or the threat of assault or violence to any member of your family, or any director, partner or employee of yours

(30) Unexplained shortages

damage connected with or consisting of disappearance or inventory shortage, misfiling or misplacing of information.

(31) Unoccupied Premises

damage connected with or comprising:

- (a) freezing;
- (b) the escape of water from any tank, apparatus or pipe;
- (c) the escape of oil from any heating installation; or
- (d) malicious persons (who are not acting on behalf of or in connection with any political organisation) unless this results in fire or explosion  
whilst the premises are unoccupied.

(32) Valuable and Fragile Property

damage to:

- (a) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art, rare books;
- (b) property in transit and/or as insured under any marine policy;
- (c) money, cheques, stamps, bonds or credit cards unless the damage is caused by a specified peril;
- (d) securities of any description; or
- (e) glass (other than fixed glass), china, earthenware (other than fixed sanitary ware), marble or other fragile or brittle objects unless the damage is caused by a specified peril or theft or attempted theft.

(33) Vehicles

damage to vehicles and their accessories and equipment, caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft.

(34) Wear and Tear

damage connected with or comprising:

- (a) wear and tear;
- (b) depreciation;
- (c) the action of light or atmosphere;
- (d) moths, vermin or insects;
- (e) any process of cleaning, dyeing, restoring, adjusting, repairing or renovation;
- (f) corrosion, dampness, mould, fungus, dryness, condensation, rust, wet or dry rot;
- (g) marring, scratching, bruising, deterioration or any gradually operating cause;
- (h) faulty or defective workmanship, operational error or omission by you or any employee

other than subsequent damage caused by a cause not otherwise excluded.

(35) Mould

mould or a mould event.

## Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Property Damage Section only of this policy and are

in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

#### buildings

The term "buildings" means buildings including landlords' fixtures and fittings, outbuildings, extensions, annexes, boundary walls, gates and fences, at the premises, except where such property is more specifically insured.

#### business

The term "business" means your activities, profession or occupation as shown in the schedule.

#### caused by

The term "caused by" means:

Factually and legally resulting from the specified event, incident or state of affairs in that:

- (a) the resulting event, incident, state of affairs, injury, damage or loss would not have occurred but for the specified event, incident or state of affairs; and/or
- (b) the specified event, incident or state of affairs was a real, efficient and direct cause of the resulting event, incident, state of affairs, injury, damage or loss.

#### computer system

The term "computer system" means any computer and telecommunication equipment, hardware, software, application, process, code, programme, information technology and communications system or electronic device owned or operated by you or any other party, including any similar system or any configuration or networking of the previously mentioned. This includes any associated input, output or data storage device, networking equipment or back up facility.

#### computer and telecommunication equipment

The term "computer and telecommunication equipment" means any computers, mobile/cellular telephones, laptops, notebooks, tablets, pagers and other similar handheld communication devices at the premises, but does not include any item of research and development property.

#### connected with

The term "connected with" means relating to the specified event, incident or state of affairs, in that:

- (a) the specified event, incident or state of affairs was a direct or indirect cause of the related event, incident, state of affairs, injury, damage or loss;
- (b) the specified event, incident or state of affairs wholly or partly contributed to the related event incident, state of affairs, injury, damage or loss; and/or
- (c) the specified event, incident or state of affairs increased the risk of the related event, incident, state of affairs, injury, damage or loss occurring.

#### contents

The term "contents" means:

- (a) stationery, office furniture, machinery, plant and all other contents;
- (b) tenants' improvements, alterations and decorations;
- (c) patterns, models, moulds, plans and designs, but only for the value of the materials together with the cost of clerical labour in replacing them and not for the value to you of the information contained therein;
- (d) personal effects for the amount stated in the schedule; and/or
- (e) wines, spirits, cigarettes and tobacco goods kept for entertainment purposes only (and not for sale) for the amount stated in the schedule

belonging to you, held in trust or for which you are legally responsible, at the premises (or away from the premises only under extension (20) Property Awaiting Installation);

but shall exclude:

- (i) landlord's fixtures and fittings;
- (ii) stock;
- (iii) documents, manuscripts and business books;
- (iv) fixed glass;
- (v) research and development property;
- (vi) computer and telecommunication equipment;
- (vii) vehicles licensed for road use including their accessories and equipment; and
- (viii) property that is more specifically insured.

contracts insured

The term "contracts insured" means any contract not exceeding the original estimated contract value shown in the schedule undertaken by or on your behalf involving construction, installation, extension or repair at the premises.

contract works

The term "contract works" means the permanent and temporary works executed in performance of the contracts insured and materials for use in connection therewith.

cyber act

The term "cyber act" means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any computer system.

cyber incident

The term "cyber incident" means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.

cyber loss

The term "cyber loss" means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any cyber act or cyber incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act or cyber incident.

damage / damaged

The term "damage/damaged" means physical loss, destruction, damage or theft.

data

The term "data" means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

document

The term "document" means all tangible documents, other than stamps, currency, coins, bank notes, bullion, traveller's cheques, cheques, postal orders, money orders, securities, negotiable instruments and documents of the same kind, and/or research and development property which:

- (a) belong to you; or
- (b) you are legally responsible for

and which are in your custody, or in the custody of any other person you have given them to in the course of your business.

documents shall not include any data or computer and telecommunication equipment.

#### employee

The term "employee" means anyone (other than a director of yours) who is:

- (a) under a contract of service or apprenticeship with you;
- (b) under a work experience or similar scheme with you;
- (c) supplied to you;
- (d) hired in or borrowed by you;
- (e) labour only sub-contractors and any person supplied by them; or
- (f) any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with you

and works for you under your direct control in connection with your business

#### event

The term "event" means an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this Section.

#### excess

The term "excess" means the amount shown in the schedule which is payable by you before we become liable.

The excess shall apply to each and every event and shall be inclusive of costs and expenses (unless specifically stated to the contrary in the schedule or elsewhere in the policy).

The excess shall not form part of any sum insured or limit.

Where a claim may be indemnified under one or more covers or Sections, only the highest excess shall apply.

#### fixed glass

The term "fixed glass" means fixed glass, including frames and surrounds, in windows, doors, fanlights, glass showcases, tops and mirrors.

#### insured / you / your / yours

The term "insured / you / your / yours" means:

- (a) the person or persons;
- (b) the firm and all partners and former partners in the firm;
- (c) the limited liability partnership;
- (d) the trust; and/or
- (e) the company and all directors and former directors of the company

named as 'insured' in the schedule, and/or

the estates, heirs or legal representatives of any natural person above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the "insured."

In addition, we will pay, at your request, the following persons in the same way that they would pay you:

- (i) any employee; and
- (ii) any officer or member of your canteen, social, sports or welfare organisations, fire, ambulance, firstaid, medical or security services (but only whilst they are acting in their capacity as an officer or member of the above organisations or services).

Provided that the above persons observe, fulfil and are subject to the terms, conditions and exclusions of this

policy.

personal effects

The term "personal effects" means employees', directors', partners', customers' and visitors' cycles, tools and other personal effects.

premises

The term "premises" means the premises specified in the schedule.

property insured

The term "property insured" means any of the following:

- (a) buildings;
- (b) contents;
- (c) stock;
- (d) research and development property; and
- (e) computer and telecommunication equipment.

if shown in the schedule with a sum insured and which are owned by you or for which you are legally responsible.

reinstatement

The term "reinstatement" means:

- (a) where the property insured is lost or destroyed its replacement by similar property in a condition equal to but not better or more extensive than its condition when new; or
- (b) where the property insured is damaged, the repair or restoration of the property to a condition substantially the same as but not better or more extensive than its condition when new.

research and development operations

The term "research and development operations" means your business activities at the premises which directly relate to or support the development of new products or enhancements of existing products.

research and development property

The term "research and development property" means:

- (a) written, printed or inscribed documents, plans, records or formulas
- (b) processes or cultures, resulting products, samples or other materials produced by such processes or cultures; and
- (c) a first or original model of a new type of design, if produced and directly associated with your research and development operations.

research and development property does not mean:

- (a) animals;
- (b) money or negotiable and non-negotiable instruments or contracts representing either money or other property including commodities, futures and options, property held for sale or held for delivery after sale;
- (c) finalised goods which you have manufactured and which are ready for sale; and/or
- (d) mobile communication property.

specified peril

The term "specified peril" means:

- (a) fire;
- (b) lightning;

- (c) explosion;
- (d) aircraft or other aerial devices (or articles dropped from them);
- (e) earthquake;
- (f) subterranean fire;
- (g) riot;
- (h) civil commotion;
- (i) strikers;
- (j) locked-out workers;
- (k) persons taking part in labour disturbances;
- (l) malicious persons (other than thieves);
- (m) storm;
- (n) flood;
- (o) escape of water from any tank, apparatus or pipe;
- (p) impact by road vehicle or animal.

#### stock

The term "stock" means stock and materials in trade (excluding heating oil) including work in progress and finished goods, belonging to you, held in trust or for which you are responsible, whilst at the premises.

stock does not mean research and development property.

#### subsidence

The term "subsidence" means subsidence, ground heave or landslip.

#### sum(s) insured

The term "sum(s) insured" means the maximum amount we will pay as shown in the schedule for each and every event, unless otherwise stated.

#### total sum(s) insured

The term "total sum(s) insured" means the total amount of sums insured as shown in the schedule.

#### unoccupied

The term "unoccupied" means not visited by you for the purpose of the business for a period of thirty (30) consecutive days (other than to comply with a requirement of inspection under this Section).

# Business Interruption

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sums insured, total sum insured, limit of liability, sub limits of liability, excesses and time retentions shown in the schedule, to pay for loss caused by interruption to your business within the United Kingdom caused by an insured event during the period of insurance.

### What we will pay

The most we will pay under this Section in the aggregate is:

- (1) the sum insured as shown in the schedule for:
  - (i) gross revenue (and not on a "Declaration Linked Basis");
  - (ii) gross profit (and not on a "Declaration Linked Basis");
  - (iii) Stand Alone increased cost of working;
  - (iv) gross rent receivable (and not on a "Declaration Linked Basis");
  - (v) additional increased cost of working;
  - (vi) research and development expenditure;
  - (vii) research and development income; and/ or
  - (viii) Flexible First Loss.
- (2) any lesser limit specified, which will form part of the sum insured or limit (as applicable) as shown in the schedule.

## What you are also covered for (extensions)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sums insured, limit, sub limits of liability, excesses and time retentions shown in the schedule, to also provide the following cover.

- (1) Extension Events (Damage)

The occurrence of damage to the property listed below by a cause not otherwise excluded under the Property Damage Section will constitute an extension event.

  - (a) Contract Sites  
Property of yours whilst at any contract site, within the United Kingdom.

This extension does not apply to any property more specifically covered elsewhere in this Section.

### What we will pay

The most we will pay in the aggregate is £25,000.

- (b) Denial of Access  
Property within a one (1) mile radius of the premises which physically prevents or hinders you from using, entering or exiting the premises for the purpose of your business.

Provided that the denial of access lasts for in excess of eight (8) consecutive hours.  
We will not pay for any loss incurred during this first eight (8) hour period.

## What we will pay

The most we will pay in the aggregate is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

### (c) Failure of Utilities

Property at the premises of your electricity, gas, water, telecommunications, refrigerant or other fuel or power supplier within the United Kingdom and from which the supply is made to your premises.

Provided that the failure of supply:

- (i) lasts for in excess of twenty-four (24) consecutive hours. If it lasts in excess of twenty-four (24) hours then the twenty-four (24) hours will not be deducted from the loss;
- (ii) is not connected with strikes, labour or trade disputes;
- (iii) is not connected with drought;
- (iv) is not connected with damage to:
  - (A) lines, pipes, and cables between the termination point of your premises and the premises of the supplier; or
  - (B) transmission, relay or routing equipment of the like, whether on land, in the sea, in air, or in space
- (v) is not connected with the deliberate act of a supplier (including the exercise of a power to withdraw or restrict the supply of utilities) in withholding the supply, except where it is:
  - (A) for the sole purpose of safeguarding life; or
  - (B) for protecting any part of the supplier's system; or
  - (C) the result of a scheme of rationing due to damage to the supplier's premises.

You must notify the supplier as soon as possible in the event of a failure or partial failure of the supply, and at all times during the period of insurance comply with the terms of any service contract with the supplier.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition, unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

## What we will pay

The most we will pay under this extension in the aggregate is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

### (d) Loss of attraction

Property within a one (1) mile radius of the premises which causes your loss of custom directly due to loss of amenities.

We will not pay for any loss incurred during the first seven (7) consecutive days or for any loss covered under extension (1)(b) Denial of Access.

## What we will pay

The most we will pay in the aggregate is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

### (e) Outsourced Activities

Property at any locations owned or occupied by the suppliers of outsourced services, within the United Kingdom.

This extension does not cover any:

- (i) contractual fix, future discounts or savings allowed in the costs for the outsourced services;
- (ii) costs associated with the change in the nature or extent of the outsourced services; or
- (iii) additional costs in transferring outsourced services to another supplier if the contract is scheduled to expire within the indemnity period.

This extension does not apply to any property more specifically covered elsewhere in this Section.

### What we will pay

The most we will pay in the aggregate is £25,000.

- (f) Specified Customers  
Property at your customers' premises as shown in the schedule, that are within the United Kingdom.

Provided that the denial of access lasts for in excess of twenty-four (24) consecutive hours. We will not pay for any loss incurred during this first twenty-four (24) hour period.

Where your customers' premises are outside of the United Kingdom, this extension only covers losses occasioned by or happening through fire, lightning, explosion, aircraft, aerial devices or articles dropped from such aircraft or aerial devices.

### What we will pay

The most we will pay in the aggregate is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

- (g) Specified Suppliers  
Property at your suppliers' premises as shown in the schedule, that are within the United Kingdom.

Provided that the denial of access lasts for in excess of twenty-four (24) consecutive hours. We will not pay for any loss incurred during this first twenty-four (24) hour period.

Where your suppliers' premises are outside of the United Kingdom, this extension will only covers losses occasioned by or happening through fire, lightning, explosion, aircraft, aerial devices or articles dropped from such aircraft or aerial devices.

### What we will pay

The most we will pay in the aggregate is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

- (h) Unspecified Customers  
Property at your customers' premises that are within the United Kingdom.

Provided that the denial of access lasts for in excess of twenty-four (24) consecutive hours. We will not pay for any loss incurred during this first twenty-four (24) hour period.

### What we will pay

The most we will pay in the aggregate is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

- (i) Unspecified Locations  
Property of yours whilst stored at any premises not in your occupation, within the United Kingdom.

This extension does not apply to the premises of Specified or Unspecified Customers or Suppliers of yours (stated as covered elsewhere in this Section).

#### What we will pay

The most we will pay in the aggregate is £25,000.

- (j) Unspecified Suppliers  
Property at your suppliers' premises that are within the United Kingdom.

Provided that the denial of access lasts for in excess of twenty-four (24) consecutive hours. We will not pay for any loss incurred during this first twenty-four (24) hour period.

#### What we will pay

The most we will pay in the aggregate is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

- (2) Extension Events (Non-Damage)

The occurrence of the below will constitute an extension event.

- (a) Closure or restrictions at the premises by the Local Authority, Government or Police  
Closure or restriction in the use of the premises due to the order of the competent local authority, government or police as a result of the following occurrences at the premises:

- (i) Legionella;
- (ii) food poisoning;
- (iii) defective drains or other sanitary arrangements;
- (iv) vermin or pests;
- (v) bomb scare;
- (vi) murder or suicide.

We will not pay you for:

- (i) any loss arising from any cause within your control; or
- (ii) any costs incurred in the cleaning, repair, replacement, recall or inspection of the premises.

#### What we will pay

The most we will pay under this extension during the period of insurance is £25,000.

The maximum Indemnity Period shall be three (3) consecutive months.

- (b) Non-Damage Denial of Access  
Action taken by the police or other emergency service within a one (1) mile radius which prevents you using, entering or exiting your premises for the purpose of your business.

This extension does not cover loss:

- (i) resulting from damage to property;
- (ii) arising from any cause within your control;

- (iii) which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear;
- (iv) unless and until the denial of access lasts for in excess of twenty-four (24) consecutive hours. We will not pay for any loss incurred during this first twenty-four (24) hour period.

### What we will pay

The most we will pay under this extension during the period of insurance is £25,000.

The maximum indemnity period shall be three (3) consecutive months.

## Basis of settlement that apply to this section of cover

We shall calculate the amount payable under this Section according to the provisions below.

- (1) **Coverage Specification**  
We shall only pay you for loss in accordance with any of the following items if a sum insured is shown in the schedule against the relevant item.
- (2) **Book Debts**  
If "Book Debts" is shown in the schedule, we shall pay the difference between the outstanding debit balances and the total amounts which you are able to trace and collect.

In calculating the amount payable, we shall consider:

- (a) cash collection before the incident;
- (b) debit and credit amounts owed and not passed through the books during the period between the last record and the start of the indemnity period; and
- (c) your last record of amounts owed by customers.

We shall not pay you for loss connected with any of the following:

- (a) erasure or distortion of information on computer systems or other records;
- (b) deliberate falsification of business records;
- (c) mislaying or misfiling of tapes and records;
- (d) the deliberate act of the public supply undertaking in restricting or withholding electricity supply; or
- (e) dishonest or fraudulent acts by your employees.

- (3) **Computer and Telecommunication Equipment**  
With respect to loss resulting from damage to computer and telecommunication equipment by the perils insured against under this Section, the length of time for which we shall be liable under this Section shall not exceed:-

- (a) thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
- (b) the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged, but not exceeding eighteen (18) calendar months,

whichever is the greater length of time.

- (4) **Gross Revenue**  
The amount we shall pay you for reduction in gross revenue is the amount the gross revenue falls

short, during the indemnity period, of the standard revenue as a result of the insured event.

We shall also pay increased cost of working.

(5) Gross Profit

The amount we will pay you shall be calculated by applying the Rate of gross profit to the amount by which the turnover falls short, during the indemnity period, of the standard turnover as a result of the insured event.

We shall also pay increased cost of working.

(6) Stand Alone Increased Cost of Working

We shall pay for the increased cost of working.

(7) Gross Rent Receivable

The amount we shall pay you for the reduction in rent is the amount by which the gross rent receivable during the indemnity period falls short of the standard rent receivable as a result of damage to the premises rented out by you in the course of your business.

We shall also pay:

- (a) increased cost of working; and
- (b) the costs necessarily incurred during the indemnity period in re-letting the premises, including legal fees in connection with the re-letting, but excluding any legal fees or other charges associated with re-letting which are payable by the tenant under the new lease agreement, solely in consequence of the damage.

We shall not pay more than the sum insured shown in the schedule.

(8) Additional Increased Cost of Working

We shall pay additional increased cost of working.

(9) Research and Development Expenditure

The amount we shall pay you shall be calculated as the difference between research and development expenditure and the estimated research and development expenditure, as a result of the insured event.

We shall also pay research and development increased cost of working.

We shall not pay more than the sum insured shown in the schedule.

Our maximum liability for any thirty (30) day period during which research and development operations are:

- (a) totally interrupted, will be the monthly limit; or
- (b) partially interrupted, will be an equitable proportion of the monthly limit

based upon the time rendered ineffective by reason of the insured event.

If the monthly limit is not fully utilised in any thirty (30) day period, the unused portion may be applied to any subsequent thirty (30) day period.

(10) Research and Development Income

The amount we shall pay you shall be calculated as the amount of any research and development income due to you after the insured event, which has stopped or reduced during the indemnity period as a direct result of the insured event.

We shall also pay research and development increased cost of working

We shall not pay more than the sum insured shown in the schedule.

If the sum insured is less than the actual research and development income that would have been earned by you during the indemnity period, the amount payable above shall be proportionally reduced.

Payment will only be made for:

- (a) research and development income that has been declared to us;
- (b) newly acquired research and development income; and
- (c) research and development operations that are not discontinued, unless payment is used to conduct alternative such research and development operations.

(11) Flexible First Loss

We shall pay up to the Limit shown in respect of the items for Gross profit, gross revenue, increased cost of working, research and development expenditure, research and development increased cost of working, gross rent receivable, research and development income and additional increased cost of working (where applicable) combined during the indemnity period.

We shall not pay more than the Limit shown in the schedule.

## Settlement conditions that apply to this section of cover

We shall also apply the following settlement provisions when calculating the amount payable under this Section.

(1) Savings

If any of the charges or expenses of your business stop or reduce as a result of the insured event the amount of the savings during the indemnity period will be deducted from the amount we pay you under any of the items.

This will not apply to any payment for additional increased cost of working.

(2) Average

If, at the beginning of the insured event, the sum insured shown in the schedule for gross revenue, gross profit and/or gross rent receivable is less than the sum produced by applying the

- (a) rate of gross profit to the standard turnover;
- (b) gross revenue to the standard revenue; and/or
- (c) gross rent receivable to the standard rent receivable

(or, if the "Maximum Indemnity Period" shown in the schedule exceeds twelve (12) months, a proportionally increased amount), the amount we pay you will be reduced in the same proportion.

This will not apply to any payment for additional increased cost of working or Declaration inked cover.

(3) Professional Accountant's Charges

In addition, we shall also pay you for reasonable professional accountant charges for producing any particulars or details from your business books or any other proofs, information or evidence we may require under claims condition (1) Business Interruption.

(4) Alternative Trading

If, during the indemnity period, the services provided by your business are provided from somewhere other than the premises, either by you or on your behalf, the money paid or payable in respect of those services provided will be taken into account in arriving at the reduction in gross revenue, gross profit or gross rent receivable (as applicable) during the indemnity period.

(5) Reinstatement of loss

In the event of a loss covered by this Section of cover, the sum insured will not be reduced by the amount of that loss, provided you pay any appropriate additional premium we may require, and comply with any reasonable requirements we may make to prevent any further loss.

(6) Trends

In calculating the amount to be paid, all variations or special circumstances affecting the business will be taken into account so that the amount paid represents, as closely as possible, the results which would have been expected if the insured event had not occurred.

(7) Estimated Basis

If revenue, gross profit or rent receivable have sums insured shown in the policy schedule and where the maximum cover period shown in the policy schedule exceeds 12 months, you must ensure that, within 3 months of your financial year end, you tell us in writing the revenue, gross profit or rent receivable earned or a proportionately increased multiple, as certified by your professional accountants.

Provided that, if the insured event results in payment to you under this section of cover, then what you tell us will be increased by the amount which the revenue, gross profit or rent receivable was reduced by during your financial year solely as a result of the insured event.

If what you tell us

- (a) is less than the estimated revenue, estimated gross profit or estimated rent receivable for the relative period, we will allow a pro rata return of the premium paid by you on the estimated revenue, estimated gross profit or estimated rent receivable but not exceeding 50% of the premium paid.
- (b) is greater than the estimated revenue, estimated gross profit or estimated rent receivable for the relative period, you will pay us a pro rata addition to the premium paid by you on the estimated revenue, estimated gross profit or estimated rent receivable.

## Claims conditions that apply to this section of cover

The following conditions apply to the Business Interruption Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Business Interruption

You must, at your expense give us:

- (a) in writing the details of your request for payment within one month (or within any other further time that we agree to) of the expiry of the indemnity period; and
- (b) your books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation, and other evidence that we request together with (if we ask) a statutory declaration of the truth of the claim and anything connected with it.

In the event that you do not comply with this condition (1), it may impact your ability to make a claim and/or the amount that you will be paid.

(2) Notification of Claims

You must notify us in writing at the email address shown in the schedule:

- (a) within seven (7) days in respect of riot damage;
- (b) as soon as reasonably practicable after the occurrence of all other insured events under this policy including the receipt of any communication of an intention to make a claim against you;
- (c) as soon as reasonably practicable of any circumstance of which you shall become aware which might reasonably be expected to give rise to:

- (i) a claim against you; or
- (ii) you seeking payment under this policy.

You must give us full details of particulars, dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made or insured event occurring that arises out of the same originating cause or source, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

### (3) General Claims Handling

You must comply with the following:

- (a) you must give us the information and co-operation that we may reasonably request;
- (b) you must not do anything which might prejudice us;
- (c) you must take all reasonable steps to prevent or minimize any further claim, loss or request for payment under this policy;
- (d) you must not admit liability or settle any claim or incur any costs and expenses or make any payment for which cover may be sought without our prior written consent;
- (e) you must tell the police as soon as possible of any damage or loss involving personal assault, theft or attempted theft, malicious damage or vandalism or any other crime involving the loss of money.

In the event that you do not comply with this claims (3) (a) to (e), it may impact your ability to make a claim and/or the amount that you will be paid.

We are entitled to take over the defence or settlement of any claim in your name.

You are entitled at your own risk to contest any claim or legal proceedings which in our opinion should be compromised or settled but, if you choose to do this, we will not be liable for any loss incurred as a result of your refusal to compromise or settle the claim or legal proceedings.

We are entitled at any time to pay you:

- (i) the limit or limit of liability as applicable, and as shown in the schedule (or as much of it as remains available), or
- (ii) any lesser sum for which any claim can be settled.

If we do this, we will not be under any further liability to you in respect of such claim.

## Conditions that apply to this section of cover

The following conditions apply to the Business Interruption Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is **your** responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

### (1) Calibration Procedures and Maintenance

You must ensure that all equipment utilised for the purpose of your business is calibrated and/or maintained in accordance with the manufacturer's recommendations.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (1), unless you can demonstrate that such

non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

- (2) **Maintenance of Rights and Remedies**  
You must maintain all your rights and remedies against all service providers, designers, consultants or contractors that they engage.
- (3) **Value Added Tax Clause**  
To the extent that you are accountable to the tax authorities for Value Added Tax, all terms in this Section shall be exclusive of that tax.
- (4) **Current Cost Accounting**  
Any adjustment implemented in current cost accounting shall be disregarded.
- (5) **Property Cover**  
If the insured event causing interruption to your business is caused by damage to property used by you, we will not pay unless:
  - (a) there is in force at the time of the damage, an insurance policy covering your interest in the property for the damage; and
  - (b) either:
    - (i) payment has been made or liability admitted for such damage; or
    - (ii) payment would have been made or liability would have been admitted for such damage but for the exclusion of losses below a stated amount in such insurance policy.
- (6) **Other Insurance**  
Any indemnity or coverage under this policy is specifically excess of and will not contribute with any other valid and available insurance, unless such other insurance is specifically written as excess insurance over the limit of liability of this policy.
- (7) **Subrogation**  
We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any company that is a subsidiary or parent company of the insured's. ('Subsidiary' or 'parent' company being defined by current legislation).

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## What is not covered (exclusions)

The following exclusions apply to the Business Interruption Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not pay for loss connected with or comprising any of the following:

- (1) **Strike, Riots and Civil Commotion**  
vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
- (2) **Communicable Disease**  
loss, clean-up costs, costs of detoxification, removal, monitoring, testing or damage in any way caused by or resulting from
  - (a) an infectious or contagious disease
  - (b) any fear or threat of an infectious or contagious disease regardless of whether this is actual or perceived
  - (c) any action taken to minimise or prevent an infectious or contagious disease

- (3) Condemnation of Buildings  
increase in loss as a result of any competent government or local authority ordinance or law regulating construction or repair or demolition or condemnation of buildings.
- (4) Confiscation  
confiscation, requisition, nationalization, seizure, detention or destruction by any government, public, local or customs authority.
- (5) Cyber Loss
  - (a) any cyber loss, unless subject to the provisions of paragraph (b) below;
  - (b) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data, including any amount pertaining to the value of such data, unless subject to the provisions of basis of settlement condition (3) computer and telecommunication equipment;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

We will however provide cover as insured under this Section, following damage to property insured under this Section caused by any ensuing fire or explosion which directly results from a cyber incident, unless that cyber incident is caused by or connected with a cyber act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This clause supersedes and, if in conflict with any other wording in the policy having a bearing on cyber loss, data or computer systems, replaces that wording.

- (6) Delay in Transit  
for delay in transit.
- (7) Fines and Penalties  
any:
  - (a) fine or penalty;
  - (b) non-compensatory damages;
  - (c) aggravated damages;
  - (d) liquidated damages; and/or
  - (e) damages resulting from the multiplication of compensatory damages.
- (8) Intentional Acts  
intentional or reckless acts committed by you or at your direction, unless specified otherwise under any individual cover or extension.
- (9) Known Circumstances  
circumstances existing prior to or at inception of this policy and which you knew or ought reasonably to have known might give rise to a claim.
- (10) Mould  
mould or a mould event.
- (11) Radioactive Contamination and Sonic Bangs
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component; and/or
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

- (7) Territorial limits  
the conduct of your business outside of the United Kingdom.
- (8) Terrorism  
for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
- (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association
- regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Business Interruption Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

### additional increased cost of working

The term "additional increased cost of working" means the additional expenditure (in excess of the increased cost of working and/or research and development increased cost of working) necessarily and reasonably incurred in order to minimise the interruption to the insured's business caused by an insured event during the indemnity period.

additional increased cost of working shall not include research and development expenditure, research and development income or research and development increased cost of working.

### business

The term "business" means your activities, profession or occupation as shown in the schedule.

### caused by

The term "caused by" means:

Factually and legally resulting from the specified event, incident or state of affairs in that:

- (a) the resulting event, incident, state of affairs, injury, damage or loss would not have occurred but for the specified event, incident or state of affairs; and/or
- (b) the specified event, incident or state of affairs was a real, efficient and direct cause of the resulting event, incident, state of affairs, injury, damage or loss.

### computer and telecommunication equipment

The term "computer and telecommunication equipment" means any computers, mobile/cellular telephones, laptops, notebooks, tablets, pagers and other similar handheld communication devices at the premises, but does not include any item of research and development property.

### computer system

The term "computer system" means any computer and telecommunication equipment, hardware, software, application, process, code, programme, information technology and communications system or electronic device owned or operated by you or any other party, including any similar system or any

configuration or networking of the previously mentioned. This includes any associated input, output or data storage device, networking equipment or back up facility.

connected with

The term "connected with" means relating to the specified event, incident or state of affairs, in that:

- (a) the specified event, incident or state of affairs was a direct or indirect cause of the related event, incident, state of affairs, injury, damage or loss;
- (b) the specified event, incident or state of affairs wholly or partly contributed to the related event incident, state of affairs, injury, damage or loss; and/or
- (c) the specified event, incident or state of affairs increased the risk of the related event, incident, state of affairs, injury, damage or loss occurring.

contract site

The term "contract site" means the site other than the premises at which property is being used for the purposes of your business.

contractual commitments

The term "contractual commitments" means the unrecoverable payments which you are contractually bound to pay, for research services that have been cancelled or cannot be utilised, as a result of the damage.

cyber act

The term "cyber act" means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any computer system.

cyber incident

The term "cyber incident" means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.

cyber loss

The term "cyber loss" means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any cyber act or cyber incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act or cyber incident.

damage / damaged

The term "damage/damaged" means physical loss, destruction or damage.

data

The term "data" means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

employee

The term "employee" means anyone (other than a director of yours) who is:

- (a) under a contract of service or apprenticeship with you;
- (b) under a work experience or similar scheme with you;
- (c) supplied to you;
- (d) hired in or borrowed by you;
- (e) labour only sub-contractors and any person supplied by them; or
- (f) any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with you

and works for you under your direct control in connection with your business.

#### excess

The term "excess" means the amount shown in the schedule which is payable by you before we become liable.

The excess shall apply to each and every event and shall be inclusive of costs and expenses (unless specifically stated to the contrary in the schedule or elsewhere in the policy).

The excess shall not form part of any limit.

Where a claim may be indemnified under one or more covers or Sections, only the highest excess shall apply.

#### estimated gross profit

The term "estimated gross profit" means the amount representing not less than the gross profit which is anticipated by your business during the financial year most nearly concurrent with the period of insurance or a proportionately increased multiple thereof where the "Maximum Indemnity Period" shown in the schedule exceeds twelve (12) months.

#### estimated gross rent receivable

The term "estimated gross rent receivable" means the amount representing not less than the gross rent receivable which is anticipated will be earned by your business during the financial year most nearly concurrent with the period of insurance or a proportionately increased multiple thereof where the "Maximum Indemnity Period" shown in the schedule exceeds twelve (12) months.

#### estimated gross revenue

The term "estimated gross revenue" means the amount representing not less than the gross revenue which is anticipated will be earned by your business during the financial year most nearly concurrent with the period of insurance or a proportionately increased multiple thereof where the "Maximum Indemnity Period" shown in the schedule exceeds twelve (12) months.

#### estimated research and development expenditure

The term "estimated research and development expenditure" means the amount declared by you to us as representing the research and development expenditure that it is anticipated will be paid by you for your research and development operations during the financial year most nearly concurrent with the period of insurance (or a proportionately increased multiple thereof where the indemnity period exceeds twelve (12) months).

#### event

The term "event" means an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this Section.

#### extension event

The term "extension event" means any event specified under Extension Events (Damage) and Extension Events (Non-Damage) of this Section.

#### gross profit

The term "gross profit" means the sum stated in the schedule or, if no sum is stated, the amount of turnover less:

- (a) material purchases (less discounts received and adjusted for the movement in stock);
- (b) carriage, packing and freight;
- (c) discounts allowed; and
- (d) bad debts.

#### gross rent receivable

The term "gross rent receivable" means the amount paid or payable to the insured as rent and related service charges in the course of your business at the premises.

#### gross revenue

The term "gross revenue" means the money paid or payable to you for work or services provided in the course of your business at the premises.

increased cost of working

The term "increased cost of working" means the additional expenditure necessarily and reasonably incurred by you solely to:

- (a) avoid or diminish a reduction in gross revenue (if "Gross Revenue" cover is shown in the schedule), gross profit (if "Gross Profit" cover is shown in the schedule) or rent receivable (if "Rent Receivable" cover is shown in the schedule); and/or
- (b) avoid or minimize the interruption to the business (if 'Stand Alone Increased Cost of Working' cover is shown in the schedule)

which would have occurred during the indemnity period as a result of the insured event had that expenditure not been incurred. However, we will not pay you more than the amount of reduction so avoided.

increased cost of working shall not include research and development expenditure, research and development income or research and development Increased Cost of Working.

indemnity period

The term "indemnity period" means the period beginning from the start of the insured event that causes interruption to the business and ending no later than the earlier of:

- (a) the results of the business ceasing to be affected by the insured event; or
- (b) the expiry of the number of months shown in the schedule (or otherwise specified in this policy) as the "Maximum Indemnity Period."

insured / you / your / yours

The term "insured / you / your / yours" means:

- (a) the person or persons;
- (b) the firm and all partners and former partners in the firm;
- (c) the limited liability partnership;
- (d) the trust; and/or
- (e) the company and all directors and former directors of the company named as 'insured' in the schedule, and/or
- (f) the estates, heirs or legal representatives of any natural person above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the "insured."

In addition, we will pay, at your request, the following persons in the same way that we would pay you:

- (i) any employee; and
- (ii) any officer or member of your canteen, social, sports or welfare organisations, fire, ambulance, firstaid, medical or security services (but only whilst they are acting in their capacity as an officer or member of the above organisations or services).

Provided that the above persons observe, fulfil and are subject to the terms, conditions and exclusions of this policy.

insured event

The term "insured event" means:

- (a) damage to property used by you at the premises or within the United Kingdom, by a cause not otherwise excluded by the Property Damage Section; or
- (b) an extension event.

monthly limit

The term "monthly limit" means the lesser of:

- (a) one-twelfth (1/12<sup>th</sup>) part of the estimated research and development expenditure; or
- (b) that part of the estimated research and development expenditure declared by you to us as the maximum estimated research and development expenditure during any thirty (30) day period.

outstanding debit balances

The term "outstanding debit balances" means the amount owed to you by your customers which you are unable to collect because of damage to your accounts, business books or records stored within the United Kingdom.

outsourced services

The term "outsourced services" means those business functions which you have contracted others to perform on your behalf at a reduced cost.

premises

The term "premises" means the premises specified in the schedule.

rate of gross profit

The term "rate of gross profit" means the rate of gross profit earned on the turnover during the financial year immediately before the start of the insured event.

research and development expenditure

The term "research and development expenditure" means the amount of expenditure (other than raw materials or contractual commitments) that you incur on your research and development operations at the premises during the indemnity period.

research and development expenditure shall not include research and development income.

research and development income

The term "research and development income" means grants, milestone payments and other financial contributions payable to the insured within twelve (12) months of the date of the insured event under contractual agreements which have been executed before any insured event. Such contractual agreements must have been declared to us and be in connection with your research and development operations which must be due to continue after the insured event.

research and development income shall not include research and development expenditure.

research and development increased cost of working

The term "research and development increased cost of working" means the additional expenditure necessarily and reasonably incurred by you solely as a result of the insured event in order to avoid or minimize:

- (a) interruption to any research and development operations; and
- (b) reduction of any research and development income

during the indemnity period.

We will not pay more than the additional amount that would have been payable under research and development expenditure and/or loss of research and development income (as applicable), if no such increase in costs of working had been incurred.

research and development operations

The term "research and development operations" means your activities directly related to the development of new products and/or improvements to existing products, in connection with your business.

research and development property

The term "research and development property" means:

- (a) written, printed or inscribed documents, plans, records or formulas
- (b) processes or cultures, resulting products, samples or other materials produced by such processes or

cultures; and

- (c) a first or original model of a new type of design, if produced and directly associated with the insured's research and development operations.

standard rent receivable

The term "standard rent receivable" means the gross rent receivable during the twelve (12) months immediately before the start of the insured event.

standard revenue

The term "standard revenue" means the Gross Revenue during the twelve (12) months immediately before the start of the insured event.

standard turnover

The term "standard turnover" means the turnover during the twelve (12) months immediately before the start of the insured event

start

The term "start" means, depending on the insured event, the date of the following:

- (a) the damage;
- (b) the failure of the electricity, gas, water or telecommunications supply to the premises;
- (c) the closure of, or application of restrictions to, the premises; or
- (d) the discovery of murder or suicide.

sum(s) insured

The term "sum(s) insured" means the maximum amount we will pay as shown in the schedule for each and every event, unless otherwise stated.

time retention

The term "time retention" means the duration of time shown in the schedule at the beginning of a period of interruption, for which you will bear their own business interruption.

total sum(s) insured

The term "total sum(s) insured" means the total amount of sums insured as shown in the schedule.

turnover

The term "turnover" means the money paid or payable to you for work or services provided in the course of your business at the premises.

# Money and Personal Assault

## Money: What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of liability and excesses shown in the schedule, to pay you for damage to money occurring during the period of insurance whilst the money is:

- (1) in transit;
- (2) at the premises;
- (3) in or at any private residence;
- (4) at contract or exhibition sites whilst employees are working there at the time; or
- (5) in the night safe or at a bank.

We will also pay you for the cost of reinstatement of any safe, strongroom, cash register, cash carrying case or bag, or franking machine, damaged following theft or attempted theft of money during the period of insurance.

We will pay for damage to:

- (a) negotiable money:
  - (i) not kept in a locked safe or strongroom at the premises during working hours;
  - (ii) not kept in a locked safe or strongroom at the premises outside of working hours;
  - (iii) kept in a locked safe or strongroom at the premises;
  - (iv) not kept in a locked safe or strongroom at a private residence;
  - (v) whilst in transit by registered post.

### What we will pay

The maximum amount we will pay for each and every event, unless otherwise stated in the schedule, is the amount shown in the schedule.

- (b) non-negotiable money; or
- (c) money that results in any way from the fraudulent use of any company credit or debit cards issued in connection with your business

### What we will pay

The maximum amount we will pay for each and every event, unless otherwise stated in the schedule, is the amount shown in the schedule.

#### business visits abroad

We will pay you for damage to money arising out of visits by you or any director, partner or employee of yours outside of the United Kingdom in connection with your business during the period of insurance.

### What we will pay

The maximum amount we will pay for each and every event, unless otherwise stated in the schedule, is the amount shown in the schedule.

# Personal Assault: What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit of liability, sub limits of liability and excesses shown in the schedule, that if an insured person suffers injury, or damage to clothing or personal effects during the period of insurance as a direct result of robbery or attempted robbery in the course of business, we will pay you the benefit set out below.

The amount payable for each insured person will be:

in respect of death	the amount shown in the schedule for the relevant contingency
in respect of loss of limbs	
in respect of loss of sight or speech or hearing	
in respect of permanent total disablement	
in respect of temporary total disablement	
in respect of loss of, or damage to, clothing or personal effects belonging to an insured person	the amount of the damage up to the maximum amount shown in the schedule
medical expenses	incurred costs up to the maximum amount shown in the schedule

Provided that:

- (1) if an insured person has the right to more than one of the following benefits:
  - (a) death;
  - (b) loss of limbs;
  - (c) loss of sight or speech or hearing;
  - (d) permanent total disablement;
  - (e) temporary total disablement
- (2) permanent total disablement must start at the date of injury and last for at least one hundred and four (104) weeks.
- (3) the benefit for permanent total disablement will only be payable until one hundred and four (104) weeks after the date of the injury.
- (4) to qualify for the benefit of temporary total disablement the injured person must have received medical attention from and continued under the care of a qualified medical practitioner.
- (5) the benefit for temporary total disablement is payable for a maximum of one hundred and four (104) weeks from the date of the injury.
- (6) the benefit for temporary total disablement is no longer payable once the benefit for death, loss of limbs or loss of sight or speech or hearing becomes claimable.

## What we will pay

The maximum amount we will pay for each and every event, unless otherwise stated in the schedule, is the amount shown in the schedule.

## Money and Personal Assault: claims conditions that apply to this section of cover

The following claims conditions apply to the Money and Personal Assault Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment, or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Medical Examinations

You must ensure that:

- (a) the insured person agrees to any medical examination which we may require at our expense;
- (b) in the event of death we are allowed, at our expense, to arrange a post-mortem examination.

In the event that you do not comply with this condition (1), it may impact your ability to make a claim and/or the amount that you will be paid.

(2) Notification of claims

You must notify us in writing at the email address shown in the schedule:

- (a) within seven (7) days in respect of riot damage;
- (b) as soon as reasonably practicable after the occurrence of all other insured events under this policy including the receipt of any communication of an intention to make a claim against you;
- (c) as soon as reasonably practicable of any circumstance of which you shall become aware which might reasonably be expected to give rise to:
  - (i) a claim against you; or
  - (ii) you seeking payment under this policy.

You must give us full details of particulars, dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made or insured event occurring that arises out of the same originating cause or source, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

(3) General Claims Handling

You must comply with the following:

- (a) you must give us the information and co-operation that we may reasonably request;
- (b) you must not do anything which might prejudice us;
- (c) you must take all reasonable steps to prevent or minimize any further claim, loss or request for payment under this policy;
- (d) you must not admit liability or settle any claim or incur any costs and expenses or make any payment for which cover may be sought without our prior written consent;
- (e) you must tell the police as soon as possible of any damage or loss involving personal assault, theft or attempted theft, malicious damage or vandalism or any other crime involving the loss of money.

In the event that you do not comply with this claims condition (3) (a) to (e), it may impact your ability to make a claim and/or the amount that you will be paid.

We are entitled to take over the defence or settlement of any claim in your name.

You are entitled at your own risk to contest any claim or legal proceedings which in our opinion should be compromised or settled but, if you choose to do this, we will not be liable for any loss incurred as a result of your refusal to compromise or settle the claim or legal proceedings.

We are entitled at any time to pay you:

- (i) the limit or limit of liability as applicable, and as shown in the schedule (or as much of it as remains available), or
- (ii) any lesser sum for which any claim can be settled.

If we do this, we will not be under any further liability to you in respect of such claim.

## Money and Personal Assault: Conditions that apply to this section of cover

The following conditions apply to the Money and Personal Assault Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment, or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Calibration Procedures and Maintenance

You must ensure that all equipment utilised for the purpose of your business is calibrated and/or maintained in accordance with the manufacturer's recommendations.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (1), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

(2) Maintenance of Rights and Remedies

You must maintain all their rights and remedies against all service providers, designers, consultants or contractors that they engage.

(3) Record of Money

You must ensure that a complete record is kept of:

- (a) money in transit; and
- (b) money in or at any premises at which money is covered under this Section; and

that such record is deposited in some place other than in any safe or strongroom containing money.

(4) Keys and Combination Codes

You must ensure that any keys and/or combination codes are removed from the premises outside of working hours and / or where the premises are left unattended.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (4), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

(5) Escorted Money

You shall ensure that:

- (a) the times of transits, routes and conveyances for each single transit of negotiable money are varied as far as possible;
- (b) all persons engaged in the transit of negotiable money are at least eighteen (18) years of age;
- (c) all paper negotiable money is carried on the person or in approved security case(s);
- (d) in respect of any one transit the minimum number of adults who carry the negotiable money is as

follows:

- (i) up to GBP 5,000 One (1) person;
- (ii) GBP 5,001 to GBP 10,000 Two (2) people;
- (iii) for more than GBP 10,000 a specialist security carrier must be used.

We will not make any payment under this policy in respect of any loss, damage, claim or liability occurring whilst you are not in compliance with this condition (5), unless you can demonstrate that such non-compliance could not have increased the risk, severity or amount of the loss, damage, claim or liability occurring in the circumstances in which it occurred.

(6) Other Insurance

Any indemnity or coverage under this policy is specifically excess of and will not contribute with any other valid and available insurance, unless such other insurance is specifically written as excess insurance over the limit of liability of this policy.

(7) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any company that is a subsidiary or parent company of the insured's. ('Subsidiary' or 'parent' company being defined by current legislation).

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## Money and Personal Assault: What is not covered (exclusions)

The following exclusions apply to the Money and Assault Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not pay you for damage to money connected with or comprising any of the following:

- (1) Strike, Riots and Civil Commotion  
vandalism or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.
- (2) Communicable Disease  
damage in any way caused by or resulting from
  - (a) an infectious or contagious disease
  - (b) any fear or threat of an infectious or contagious disease regardless of whether this is actual or perceived
  - (c) any action taken to minimise or prevent an infectious or contagious disease
- (3) Confiscation  
confiscation, requisition, nationalization, seizure, detention or destruction by any government, public, local or customs authority.
- (4) Cyber Loss
  - (a) cyber loss;
  - (b) any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any data, including any amount pertaining to the value of such data;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

This clause supersedes and, if in conflict with any other wording in the policy having a bearing on cyber loss or data, replaces that wording.

- (5) Fines and Penalties  
any:
  - (a) fine or penalty;
  - (b) non-compensatory damages;
  - (c) aggravated damages;
  - (d) liquidated damages; and/or
  - (e) damages resulting from the multiplication of compensatory damages.
- (6) Gaming Machines  
money in gaming, amusement, change giving or vending machines.
- (7) Fraud or Dishonesty  
fraud or dishonesty of employees unless the loss is discovered within thirty (30) days of it occurring.
- (8) Intentional Acts  
intentional or reckless acts committed by you or at your direction, unless specified otherwise under any individual cover or extension.
- (9) Known Circumstances  
circumstances existing prior to or at inception of this policy and which you knew or ought reasonably to have known might give rise to a claim.
- (10) Mould  
mould or a mould event.
- (11) Shortages  
shortages due to mysterious disappearance, unexplained shortages, accounting or clerical error or omissions.
- (12) Unattended Motor Vehicle  
unattended motor vehicles.
- (13) Depreciation/Counterfeit Money  
depreciation in value or the use of counterfeit currency.
- (14) Falsification of Accounts  
falsification of accounts.
- (15) Fidelity Guarantee  
money where you are entitled to payment under a Fidelity Guarantee, crime or similar insurance policy or certificate.
- (16) Unregistered Post  
money in transit sent by unregistered post.
- (17) Credit Cards  
use of any company credit or debit card if the provisions, conditions and other terms under which the cards have been issued have not been fully complied with.
- (18) Radioactive Contamination and Sonic Bangs
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or

nuclear component; and/or

- (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

(19) Territorial limits  
the conduct of your business outside of the United Kingdom.

(20) Terrorism  
a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

- (a) war and/or terrorism
- (b) any action taken in controlling, preventing or suppressing war and/or terrorism
- (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## Money and Assault: Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Money and Assault Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

### business

The term "business" means your activities, profession or occupation as shown in the schedule.

### computer system

The term "computer system" means:

any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the previously mentioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by you or any other party.

### connected with

The term "connected with" means relating to the specified event, incident or state of affairs, in that:

- (a) the specified event, incident or state of affairs was a direct or indirect cause of the related event, incident, state of affairs, injury, damage or loss;
- (b) the specified event, incident or state of affairs wholly or partly contributed to the related event incident, state of affairs, injury, damage or loss; and/or
- (c) the specified event, incident or state of affairs increased the risk of the related event, incident, state of affairs, injury, damage or loss occurring.

### cyber act

The term "cyber act" means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to,

processing of, use of or operation of any computer system.

#### cyber incident

The term "cyber incident" means:

- (a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any computer system; or
- (b) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.

#### cyber loss

The term "cyber loss" means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any cyber act or cyber incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act or cyber incident.

#### damage / damaged

The term "damage/damaged" means physical loss, destruction, or damage.

damage/damaged shall also mean the theft of/stolen money, or the deliberate physical loss of or damage to clothing or personal effects.

#### data

The term "data" means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

#### death

The term "death" means death resulting solely and directly from, and within 104 weeks of sustaining, the injury.

#### employee

The term "employee" means anyone (other than a director of yours) who is:

- (a) under a contract of service or apprenticeship with you;
- (b) under a work experience or similar scheme with you;
- (c) supplied to you;
- (d) hired in or borrowed by you;
- (e) labour only sub-contractors and any person supplied by them; or
- (f) any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with you

and works for you under their direct control in connection with your business.

#### event

The term "event" means an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this Section.

#### excess

The term "excess" means the amount shown in the schedule which is payable by you before we become liable.

The excess shall apply to each and every event and shall be inclusive of costs and expenses (unless specifically stated to the contrary in the schedule or elsewhere in the policy).

The excess shall not form part of any limit.

Where a claim may be indemnified under one or more covers or Sections, only the highest excess shall apply.

#### injury

The term "injury" means bodily injury caused solely and directly by violent, external and visible means.

insured / you / your / yours

The term "insured / you / your / yours" means:

- (a) the person or persons;
- (b) the firm and all partners and former partners in the firm;
- (c) the limited liability partnership;
- (d) the trust; and/or
- (e) the company and all directors and former directors of the company

named as 'Insured' in the Schedule, and/or

- (f) the estates, heirs or legal representatives of any natural person above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the "Insured."

In addition, we will pay, at your request, the following persons in the same way that we would pay you:

- (i) any employee; and
- (ii) any officer or member of your canteen, social, sports or welfare organisations, fire, ambulance, firstaid, medical or security services (but only whilst they are acting in their capacity as an officer or member of the above organisations or services).

Provided that the above persons observe, fulfil and are subject to the terms, conditions and exclusions of this policy.

insured person

The term "insured person" means any principal, partner, director, officer or employee of yours or any member of their family.

loss of limbs

The term "loss of limbs" means total loss of use of one or more hands or feet resulting solely and directly from, and within one hundred and four (104) weeks of suffering, the injury.

loss of sight or speech or hearing

The term "loss of sight or speech or hearing" means total and irrecoverable loss of:

- (a) all sight in one or both eyes;
- (b) the power of speech; or
- (c) the sense of hearing in one or both ears

resulting solely and directly from, and within one hundred and four (104) weeks of suffering the injury.

medical expenses

The term "medical expenses" means the cost of surgical or other remedial attention, treatment or appliances given or prescribed by a qualified member of the medical profession together with hospital, nursing home and ambulance charges following the injury for which a benefit is payable under this Section.

money

The term "money" means negotiable money and non-negotiable money which you are responsible for and used for the purpose of your business.

negotiable money

The term "negotiable money" means current coin, bank and currency notes, uncrossed cheques, uncrossed postal and money orders, unused postage stamps, National Savings Stamps and Certificates, unexpired units in franking machines, luncheon and customer redemption vouchers, trading stamps, holiday with pay stamps, telephonecards and travel tickets (solely for your personal use, or use by any director, partner or any employee of yours).

non-negotiable money

The term "non-negotiable money" means crossed cheques (including crossed giro cheques and drafts but excluding pre-signed blank cheques), crossed bankers' drafts, crossed postal and money orders, crossed warrants, VAT purchase invoices, company credit and/or debit cards, credit and debit card sales vouchers and Premium Bonds.

#### permanent total disablement

The term "permanent total disablement" means permanent total disablement (other than loss of limb or loss of sight or speech or hearing) resulting solely and directly from injury which necessarily and continuously prevents the insured person from attending to business or occupation of any description and, having lasted for one hundred and four (104) weeks from the date of suffering the injury, is beyond hope of improvement.

#### personal effects

The term "personal effects" means employees', directors', partners', customers' and visitors' cycles, tools and other personal effects.

#### premises

The term "premises" means the premises specified in the schedule.

#### private residence

The term "private residence" means the private residence, away from the premises, where you or any director, partner, employee or authorised representative (who is entrusted with money) of yours permanently reside.

#### reinstatement

The term "reinstatement" means:

- (a) where the property insured is lost or destroyed its replacement by similar property in a condition equal to but not better or more extensive than its condition when new; or
- (b) where the property insured is damaged, the repair or restoration of the property to a condition substantially the same as but not better or more extensive than its condition when new.

#### temporary total disablement

The term "temporary total disablement" means temporary total disablement resulting solely and directly from injury which necessarily prevents the injured person from attending to his/her usual business or occupation or, if the injured person has no occupation, necessarily confines the person to a private dwelling or other location where he/she is under treatment.

#### working hours

The term "working hours" means your normal working hours including overtime, during which you or any employees who are entrusted with money are

- (a) in that portion of the premises used solely for the purposes of your business; or
- (b) at a contract or exhibition site.

# Damage to Portable Property

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sums insured, total sum insured, limit, sub limits of liability, excesses and time retentions shown in the schedule, to pay if the property, or any part of the property is damaged during the period of insurance shown in the policy schedule, we will, at our option, either

- (a) pay you the value of the property at the time of the damage, or
- (b) restore, repair, or replace the property or any part of the property that was damaged.

## What we will pay

The most we will pay in the period of insurance shown in the policy schedule will not exceed the sum insured shown in the policy schedule for this section of cover.

We will not pay the excess. This must be paid by you. The excess applies to each incident or event of damage.

## Settlement conditions that apply to this section of cover

We shall also apply the following settlement provisions when calculating the amount payable under this Section.

- (1) **Reinstatement Basis of Settlement**  
In the event of damage to property, we will calculate the amount we will pay you on a reinstatement basis.
- (2) **Reinstatement of Sums Insured**  
Following damage which is insured under this section of cover the sums insured will be automatically restored to their original amount from the date of the damage, provided that you
  - (a) pay any additional premium we may require
  - (b) comply with any reasonable recommendations we may make to prevent further damage.

## What is not covered (exclusions)

The following exclusions apply to the Damage to Portable Property Section only of this policy and are in addition to the exclusions contained within the general exclusions.

- (1) **Fines and Penalties**  
We will not pay you for any
  - (a) fine or penalty
  - (b) non-compensatory damages.
- (2) **Radioactive Contamination and Sonic Bangs**  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

- (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
- (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds and in Northern Ireland and the Republic of Ireland only
- (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.

(3) War Risks and Terrorism

We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

- (a) war and/or terrorism
- (b) any action taken in controlling, preventing or suppressing war and/or terrorism
- (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

(4) Confiscation

We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from confiscation, requisition, nationalisation, seizure, detention or destruction by any government, public, local or customs authority.

(5) Electronic data

We will not pay you for any loss destruction, damage, distortion, erasure, corruption, failure, interruption, seizure, alteration, error or omission in any way involving a cyber incident from any cause (including computer virus or ransomware) or any resulting loss of use, reduction in functionality, cost, or expense, of whatever nature, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, destruction, damage, distortion, erasure, corruption failure, interruption, seizure, alteration, error or omission.

This exclusion does not exclude physical loss, destruction, damage, distortion, erasure, corruption or alteration directly caused by fire or explosion.

(6) Mould

We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from mould or a mould event.

(7) Other Insurance

We will not pay you more than our proportionate share if the damage is covered by any other insurance.

(8) Wear and Tear

We will not pay you for damage caused by or consisting of

- (a) wear and tear,
- (b) depreciation,
- (c) gradual deterioration,
- (d) vermin, moth or insects,
- (e) fungus,
- (f) condensation,

- (g) any gradually operating cause, or
  - (h) any process of cleaning, dyeing, repairing or renovation
- (9) Unexplained Shortages  
We will not pay you for damage caused by or consisting of unexplained disappearance or inventory shortage
- (10) Unattended Property  
We will not pay you for damage to property caused or consisting of
- (a) unexplained shortage or disappearance
  - (b) theft whilst the property is left unattended.
- However, provided that
- (c) the property is concealed in a locked boot area within the vehicle, and
  - (d) all points of access to the vehicle are securely locked and security devices put in full and proper operation, and
  - (e) force is used to gain entry to the vehicle and the entry causes external and visible damage to the vehicle
- then this exclusion shall not apply to
- (f) theft or attempted theft of property from an unattended vehicle or
  - (g) theft of property where the vehicle is stolen at the same time.
- (11) Mechanical or Electrical Breakdown  
We will not pay you for damage caused by or consisting of mechanical or electrical breakdown of the property unless caused by accidental damage to the exterior of the property.
- (12) False Pretence  
We will not pay you for damage caused by the voluntary parting with title or possession of any property insured if induced by any fraudulent scheme, trick, device or false pretence.
- (13) Communicable Disease  
We will not pay you for any loss, clean-up costs, costs of detoxification, removal, monitoring, testing or damage in any way caused by or resulting from
- (a) an infectious or contagious disease
  - (b) any fear or threat of an infectious or contagious disease regardless of whether this is actual or perceived
  - (c) any action taken to minimise or prevent an infectious or contagious disease

## Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Damage to Portable Property Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply.

### damage

The term "damage" means accidental loss, destruction or damage.

### excess

The term "excess" means the first amount of any claim for which you are responsible. The amount in respect of this section of cover is £250.

### insured/you/your/yours

The term "insured/you/your/yours" means the person named as the policyholder in the policy schedule.

#### property

The term "property" means portable equipment owned by you or which you are responsible for used in connection with your business including

- (a) computer equipment
- (b) photographic equipment
- (c) mobile telephone, or other than
- (d) equipment whilst fitted to a vehicle
- (e) works of art, items of gold, silver or other precious metals, or personal effect (including jewellery and watches).

#### reinstatement

The term "Reinstatement" means the carrying out of the following work:

- (a) where the property is lost or destroyed its replacement by similar property in a condition equal to but not better or more extensive than its condition when new
- (b) where property is damaged, the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

# Transit

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sums insured, total sum insured, limit, sub limits of liability, excesses and time retentions shown in the schedule, to pay if the property, or any part of the property is damaged during the period of insurance shown in the policy schedule whilst in transit, we will, at our option, either

- (a) pay you the value of the property at the time of the damage, or
- (b) repair, restore or replace the property or any part of the property that was damaged.

## What we will pay

The most we will pay for damage to any one conveyance of property will not exceed the limit.

We will not pay the excess. This must be paid by you. The excess applies to every separate incident or event of damage.

## What is not covered (exclusions)

The following exclusions apply to the Transit Section only of this policy and are in addition to the exclusions contained within the general exclusions.

- (1) **Radioactive Contamination and Sonic Bangs**  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds  
and in Northern Ireland and the Republic of Ireland only
  - (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.
- (2) **War Risks and Terrorism**  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
  - (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf or in connection with any unlawful association  
regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
  - (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

(3) Confiscation  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

- (a) confiscation
- (b) requisition
- (c) nationalisation
- (d) seizure
- (e) detention, or
- (f) destruction

by any government, public, local or customs authority.

(4) Own Premises  
We will not pay you for damage occurring at any premises owned, leased or rented by you.

However, this exclusion shall not apply to damage occurring during loading or unloading of the property onto or from the means of transit.

(5) Unattended Vehicles  
We will not pay you for damage caused by

- (a) theft or attempted theft, or
- (b) resulting from unexplained shortage or disappearance if your vehicle is left unattended.

However, this exclusion will not apply

- (c) if the property is permanently fixed in position
- (d) if the property is out of sight in a locked compartment or locked boot within the vehicle and the vehicle
  - (i) is securely locked at all points of access and any security devices are out into full and proper operation, and
  - (ii) all keys are removed, and
  - (iii) between the hours of 19:00 and 08:00, the vehicle is
    - 1. garaged in a securely locked building, or
    - 2. contained in a securely locked vehicle park or compound with a security attendant on duty at all times.

(6) Wear and Tear  
We will not pay you for any damage caused by

- (a) wear and tear
- (b) depreciation
- (c) gradual deterioration
- (d) vermin, moths or insects
- (e) fungus
- (f) condensation
- (g) any gradually operating cause
- (h) any process of cleaning, dyeing, repairing or renovation, or
- (i) any other deterioration that is not directly caused by fire or accidental damage.

(7) Mechanical or Electrical Breakdown

We will not pay you for any damage caused by or consisting of mechanical or electrical breakdown of the property.

However, this exclusion will not apply if damage first occurs to the exterior of the property.

(8) Defective Packaging

We will not pay you for any damage caused by

- (a) defective or inadequate packing
- (b) insufficient or incorrect addressing.

(9) Communicable Disease

We will not pay you for any loss, clean-up costs, costs of detoxification, removal, monitoring, testing or damage in any way caused by or resulting from

- (a) an infectious or contagious disease
- (b) any fear or threat of an infectious or contagious disease regardless of whether this is actual or perceived
- (c) any action taken to minimise or prevent an infectious or contagious disease

(10) Electronic Data

We will not pay you for any loss destruction, damage, distortion, erasure, corruption, failure, interruption, seizure, alteration, error or omission in any way involving a cyber incident from any cause (including computer virus or ransomware) or any resulting loss of use, reduction in functionality, cost, or expense, of whatever nature, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, destruction, damage, distortion, erasure, corruption failure, interruption, seizure, alteration, error or omission.

This exclusion does not exclude physical loss, destruction, damage, distortion, erasure, corruption or alteration directly caused by fire or explosion.

## Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Transit Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between the definitions within this Section and the general definitions, the definition in this Section shall apply.

### damage/damaged

The term "damage/damaged" means accidental loss, destruction or damage.

### excess

The term "excess" means the first amount of any claim for which you are responsible. That amount in respect of this section of cover is £500.

### insured/you/your/yours

The term "insured/you/your/yours" means the person named as the policyholder in the policy schedule.

### limit

The term "limit" means the maximum amount we will pay. The amount in respect of this section of cover is shown in the policy schedule.

### property

The term "property" means property owned by you or which you are legally responsible for in connection with your business, other than

- (a) deeds, bonds, bills of exchange, money, securities for money, cheques, promissory notes, stamps and documents of any kind
- (b) bullion, precious stones, jewellery, articles of gold, silver or other precious metal and furs

(c) explosives

transit

The term "transit" means transit by road or rail, loading and unloading and temporary housing in the course of transit, within the United Kingdom.

SPECIMEN

# Fidelity

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of liability, excesses shown in the schedule, to pay your direct financial loss first discovered during the period of insurance which results from:

(1) Employee dishonesty

loss of money or goods, which you first discover during the period of insurance shown in the policy schedule, as a result of any fraudulent or dishonest act committed by an employee (or employees acting in collusion together) with the intent to

- (a) cause you to sustain loss of money or goods
- (b) obtain personal gain for the employee or anyone else intended by the employee to benefit from their fraudulent or dishonest act.

(2) Third party computer and funds transfer fraud

- (a) loss of property through computer fraud
- (b) loss of funds from your transfer account at a financial institution through fraudulent transfer instructions communicated to the financial institution

(including the costs of reinstating electronic data destroyed, erased or stolen as a consequence of the above) by anyone other than you and/or any employee, and which you first discover you have sustained during the period of insurance.

(3) Discovery period

If we refuse to renew this section of cover for reasons other than

- (a) non-payment of premium, or
- (b) failure to comply with or observe the terms, provisions and conditions of this policy

or if you decline to accept our renewal terms, then you shall automatically be entitled to a 30 day discovery period.

The discovery period shall only apply to loss arising from a fraudulent or dishonest act committed during the period of insurance.

You shall not be entitled to any discovery period if other insurance has been bought with the intention of providing equivalent cover for any part of the discovery period.

## What we will pay

The most we will pay in the period of insurance is the limit shown in the policy schedule for this section of cover.

We will also pay up to £25,000 towards the costs of any professional audit incurred with our written consent solely to formulate the amount of your loss. This amount is not in addition to the limit.

We will not pay the excess. This must be paid by you. The excess applies to each claim or series of claims arising from the same original cause.

We will deduct from the amount we pay you

- (a) any amount which would have been due to the employee had they not committed the fraudulent

or dishonest act and which you have not paid them

- (b) any amount which you have recovered from the employee committing the fraudulent or criminal act.

## Claims conditions that apply to this section of cover

The following claims conditions apply to the Fidelity Section only, and are in addition to any conditions contained within the general claims conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these claims conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

### (1) Notification of Claims

You must notify us in writing at the email address shown in the schedule, as soon as reasonably practicable (and within the period of insurance) of:

- (a) any claim;
- (b) the receipt of any notice of an intention to make a claim; and/or
- (c) any circumstances of which you shall become aware which might reasonably be expected to give rise to your seeking payment under this policy or a claim against you

giving detailed reasons for the anticipation of such claim, together with full particulars as to dates and persons involved.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

### (2) General Claims Handling

(a) You, and any person acting on your behalf, must:

- (i) not admit liability in part or in full;
- (ii) not settle or attempt to settle any claim or loss;
- (iii) not incur any costs and expenses or make any other payment for which cover may be sought without our prior written consent (such consent not to be unreasonably withheld);
- (iv) give all such information or assistance possible and forward all documents as we may require, to enable them to investigate, settle or defend any claim or loss or respond to any other insured event.

In the event that you do not comply with this condition (2)(a)(i)-(a)(iv), it may impact your ability to make a claim and/or the amount that you will be paid.

- (b) We will have the right and duty to defend and settle any claim or to prosecute in your name for our own benefit, any claim for payment, indemnity or damages or otherwise against any third party.
- (c) If you refuse to consent to any settlement recommended by us and elect to contest a claim, our liability for such claim (including costs and expenses) will not exceed the sum of the amount for which such claim could have been settled inclusive of costs and expenses incurred up to the date of such refusal;

At any stage of a claim, we can pay you the applicable limit, or whatever remains of such limit following any earlier payment(s).

We will pay costs and expenses already incurred as at the date of our payment.

We will then have no further liability for that claim or costs and expenses.

- (d) You will not, except as may be required by law or during the ordinary course of your business, disclose to anyone the existence of this policy without our prior written consent (not to be unreasonably withheld). For the avoidance of doubt, a requirement to disclose the existence of this policy is not a requirement to disclose its terms and conditions.

However, you may at any time request a proof of cover from its insurance intermediary or broker who has arranged this policy. The disclosure of such proof of cover to any third party will not be considered by us as a breach of this claims condition (2).

In the event that you do not comply with this general claims condition (2), it may impact your ability to make a claim and/or the amount that you will be paid.

(3) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any company that is a subsidiary or parent company of the insured's. ('Subsidiary' or 'parent' company being defined by current legislation).

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## Conditions that apply to this section of cover

The following conditions apply to the Fidelity Section only of this policy and are in addition to the conditions contained within the general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Recovery

We will apply any recovery of loss under this section of cover in the following order

- (a) any loss incurred by you over and above the limit which would otherwise have been insured by this cover section
- (b) the total loss paid by us
- (c) the excess borne by you

The total amount recovered will be applied, as far as it will go and you and we will make whatever settlement is necessary between ourselves to reflect this

## What is not covered (exclusions)

The following exclusions apply to the Fidelity Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We shall not be liable for any loss which arises or allegedly arises from, is based upon, or is attributable to:

(1) Fines and Penalties

We will not pay you for any

- (a) fine or penalty
- (b) non-compensatory damages.

- (2) **Radioactive Contamination and Sonic Bangs**  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
  - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds
- and in Northern Ireland and the Republic of Ireland only
- (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.

- (3) **War Risks and Terrorism**  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from
- (a) war and/or terrorism
  - (b) any action taken in controlling, preventing or suppressing war and/or terrorism
  - (c) any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association
- regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- (d) contamination due to terrorism

If we allege that, because of this exclusion, any loss is not covered by this policy, the burden of proving otherwise will be upon you.

If any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

- (4) **Confiscation**  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from confiscation, requisition, nationalisation, seizure, detention or destruction by any government, public, local or customs authority.

- (5) **Electronic Data**  
We will not pay you against loss, destruction, damage, distortion, erasure, corruption or alteration of electronic data from any cause (including computer virus) or any resulting loss of use, reduction in functionality, cost, or expense, of whatever nature, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, destruction, damage, distortion, erasure, corruption or alteration.

This exclusion does not exclude physical loss, destruction, damage, distortion, erasure, corruption or alteration directly caused by fire or explosion.

- (6) **Mould**  
We will not pay you for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from mould or a mould event.

- (7) **Unexplained Shortages**  
We will not pay you for any loss caused by or consisting of a mysterious disappearance or unexplained shortage or shortages

- (8) **Dishonest and Malicious Acts**  
We will not pay you for loss which results from

- (a) any fraudulent or dishonest act committed by an employee whose shareholding or financial

interest exceeds 5% of your equity

- (b) any fraudulent or dishonest act or omission committed by any person after the discovery of reasonable cause for suspicion of that person.

In addition:

- (c) no one will be entitled to payment in respect of any legal liability and/or costs and expenses resulting from their dishonest, fraudulent, criminal or malicious act or omission or from condoning such an act or omission.
- (d) we will deduct from any amount payable by us:
  - (i) any amounts due from you to the person committing or condoning the dishonest, fraudulent, criminal or malicious act or omission
  - (ii) any amounts held by you and owed to the person committing or condoning the dishonest, fraudulent, criminal or malicious act or omission
  - (iii) any amount recovered following action in accordance with claims condition 3 (subrogation) of this section of cover.

(9) Circumstances Known at Inception

If you know or ought to have known of any circumstances that existed prior to the date that this section of cover started, then we will not pay you for any loss that arises from those circumstances.

(10) Territorial Limits

We will not pay you for loss that arises outside United Kingdom.

(11) Takeover and Merger

We will not pay you for loss resulting from a fraudulent or dishonest act committed after

- (a) the effective date of your takeover or merger by or with any person
- (b) the appointment of a liquidator, trustee, receiver or any other similar officer.

(12) Retroactive Date

We will not pay you for any loss resulting from a fraudulent or dishonest act or computer fraud or fraudulent transfer instructions committed prior to the retroactive date.

(13) Computer Fraud and Funds Transfer Fraud

Under subsection of cover 2 (third party computer and funds transfer fraud) of this section of cover we will not pay you

- (a) for loss of interest or loss of profits or any indirect loss
- (b) for loss of computer time or use
- (c) for loss arising from the voluntary giving or lending of property or its surrender in a franchise or exchange whether legitimate or fraudulent
- (d) for loss arising from the fraudulent or dishonest act of an employee whether acting alone or acting in collusion.

## Words with special meanings (definitions)

The following words or phrases (definitions) apply to the Fidelity Section only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

### acting in collusion

The term "acting in collusion" means all circumstances where two or more employees are involved or implicated together or assist each other materially in committing acts of fraud or dishonesty.

#### computer fraud

The term "computer fraud" means theft effected by means of accessing a computer system or by the introduction, alteration or deletion of any data, program or instruction in relation to a computer system.

#### employee

The term "employee" means any person (not being a director or former partner of yours) who was or is or may be in the future

- (a) a governor, director, council member, officer or trustee of yours, or
- (b) under a contract of service or apprenticeship with you, or
- (c) under a work experience or similar scheme, or
- (d) supplied to or hired in or borrowed by you, or
- (e) volunteers

and who are working for you under your direct control in connection with your business

#### excess

The term "excess" means the first amount of any claim for which you are responsible. The amount in respect of this section of cover is shown in the policy schedule.

#### financial institution

The term "financial institution" means

- (a) a banking or saving institution, or
- (b) a stockbroker or similar investment institution at which you maintain a transfer account.

#### fraudulent transfer instructions

The term "fraudulent transfer instructions" means

- (a) electronic, telegraphic, cable, teletype or telephone instructions to a financial institution to debit a transfer account and to transfer, pay or deliver funds from the account, which instructions purport to have been transmitted by you but which have been fraudulently transmitted by another, or
- (b) written instructions to a financial institution to debit a transfer account and to transfer, pay or deliver funds from the account through an electronic funds transfer system at specified or under specified conditions, which written instructions purport to have been duly issued by you but which have been fraudulently issued, forged or altered by another.

#### insured/you/your/yours

The term "insured/you/yours" means the person named as the policyholder in the schedule of this policy and the subsidiary company.

#### limit

The term "limit" means the amount stated in the policy schedule of this policy in respect of this section of cover.

#### money or goods

The term "money or goods" means stamps, currency, coins, bank notes and bullion, travellers cheques, cheques, postal orders, money orders, securities and the like and tangible property belonging to you or for which you are legally liable.

#### period of insurance

The term "period of insurance" means the period stated in the policy schedule of this policy.

#### retroactive date

The term "retroactive date" means either

- (a) the date when this section of cover was first incepted, or
- (b) where equivalent cover to that provided under this section of cover has been continuously

maintained immediately prior to the inception of this section of cover, then it means the date that applied to that equivalent cover.

#### subsidiary company

The term "subsidiary company" means any company in respect of which you or any other subsidiary company of yours controls, at the date when this section of cover became operative

- (a) owns more than 50% of the share capital
- (b) has a majority of the voting rights
- (c) has the right to appoint or remove a majority of the company's board of directors
- (d) controls a majority of the voting rights of the company under a written agreement with other shareholders or members

and any company which is subsequently acquired or created and included with our written consent

#### theft

The term "theft" means

- (a) the dishonest appropriation of property with the intention of permanently depriving you of it, or
- (b) the taking of property without lawful authority.

#### transfer accounts

The term "transfer accounts" means an account, maintained by you with the financial institution to or from which you or your authorised representative may cause the transfer, payment or delivery of funds by means of

- (a) electronic, telegraphic, cable, teletype or telephone instructions (whether communicated directly or through a cash management service or funds transfer system), or
- (b) written instructions establishing the conditions under which the transfers are to be initiated by the financial institution through an electronic funds transfer system.

# Cyber and Data Risks

## What is covered (cover)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant limit, sub limits of liability, excess and time retentions shown in the schedule, to:

- (1) **Cyber and Privacy Liability**  
pay on your behalf any damages and claims expenses resulting from any claim first made against you during the period of insurance in respect of any actual or alleged security failure that first takes place on or after the retroactive date.
- (2) **Regulatory Investigations & Fines**  
pay on your behalf any damages and claims expenses resulting from any regulatory proceeding first made against you during the period of insurance arising out of any security failure that first takes place on or after the retroactive date.
- (3) **PCI DSS Investigations & Fines**  
pay on your behalf any damages and claims expenses resulting from any pci dss claim first made against you during the period of insurance which arises from a security failure that first takes place on or after the retroactive date.
- (4) **Privacy Breach Notification and Mitigation Costs**  
pay on your behalf any privacy breach notification and mitigation costs as a result of any security failure that is first discovered and reported to us during the period of insurance.
- (5) **System and Data Rectification Costs**  
pay on your behalf any system and data rectification costs as a result of a security failure that is first discovered and reported to us during the period of insurance.
- (6) **Business Interruption**  
reimburse you for business interruption solely as a result of an actual interruption or degradation of your computer system which is caused by a security failure that is first discovered during the period of insurance.
- (7) **Dependent Business Interruption**  
reimburse you for business interruption solely as a result of an actual interruption or degradation of a critical service provider's computer system which is caused by a security failure that is first discovered during the period of insurance.
- (8) **System Failure Business Interruption**  
reimburse you for business interruption solely as a result of an actual interruption or degradation of your computer system which is caused by a system failure that is first discovered during the period of insurance.
- (9) **Dependent System Failure Business Interruption**  
reimburse you for business interruption solely as a result of an actual interruption or degradation of a critical service provider's computer system which is caused by a system failure that is first discovered during the period of insurance.
- (10) **Extortion Costs**  
reimburse you for extortion costs solely as a result of an extortion threat first made against you during the period of insurance.
- (11) **Cyber Theft**  
reimburse you for direct financial loss resulting from a cyber theft that is first discovered by you during the period of insurance.

## What we will pay

The most we will pay for all covers and extensions under this Section combined and in the aggregate, is the limit shown in the schedule.

## What you are also covered for (extensions)

In consideration of the payment of the premium, and if shown as "insured" within the schedule, we agree, subject to the terms, limitations, exclusions and conditions of this policy; and the relevant sub limits of liability, excess and time retentions shown in the schedule, to the following extensions to this Section:

(1) Betterment

Cover is extended to include betterment incurred as a result of security failure for which cover is provided under covers (5) System and Data Rectification Costs and/or (6) Business Interruption.

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(2) Bricking Costs

This extension only applies to covers (5) System and Data Rectification Costs and/or (6) Business Interruption.

Cover is extended to include costs you incur in replacing computer systems (but not including any industrial control system (ICS) or SCADA related hardware) as a result of security failure, where such computer systems have been rendered useless as a result of such security failure.

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(3) Court Attendance Compensation

We agree, that court attendance compensation cover is provided for any director or employee who attends a court, arbitration or adjudication hearing as a witness in connection with a claim notified under and covered by this Section.

For the purposes of this extension, the insured will mean the person or entity shown as such in the schedule and its subsidiaries.

### What we will pay

We will pay you the following rates per day for each day on which attendance is required:

- (a) for any director or partner £500 per day
- (b) for any employee £250 per day

No excess shall apply to this extension.

(4) Crypto-Jacking

Cover is extended to include reimbursement to you for direct financial loss resulting from crypto-jacking that is first discovered during the period of insurance.

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(5) Employee Indemnification

At your request, we will treat any claim made against any employee as if the claim were made

against you.

Provided always that such employee:

- (a) will observe, fulfil and be subject to all the terms, conditions and exclusions of this policy as if they were you;
- (b) does not have any direct or indirect financial interest in the proceeds of the claim; and
- (c) has not made any profit or gain out of the transaction giving rise to the claim.

(6) Indemnity to Other Parties

This extension only applies to cover (1) Cyber and Privacy Liability.

In the event that, before a claim being made, a party other than you contractually stipulates that their interest must be noted under this Section of the policy, we agree to indemnify such party against claims as if they were you.

Provided that:

- (a) we have agreed, before a claim being made, to note the interest of such third party;
- (b) such claim arose solely from your acts or omissions and the other party did not contribute in any way to the acts or omissions which gave rise to the claim;
- (c) in the absence of this extension, and if such claim had been made against you, you would be entitled to coverage provided by this Section of the policy;
- (d) we will be entitled to assume the defence and settlement of said claim.

(7) Joint Ventures/Consortia

Provided that you have declared to us all fees/turnover received from a joint venture or consortium, the cover provided under this Section is extended to include your liability to pay in respect of any claim as a direct result of your participation in such joint venture or consortium.

We will not be liable to:

- (a) provide cover to any participant of such joint venture or consortium other than you;
- (b) pay a contribution to any insurer of any other participant in such joint venture or consortium.

No other participant in such joint venture or consortium, and no other third party, will have any rights under this policy.

(8) Optional Extended Reporting Period

In the event that:

- (a) we refuse to renew this Section; or
- (b) you decline to accept the renewal terms offered by us

you will have the right to a 30 day extended reporting period from the end of the period of insurance.

During the extended reporting period you may notify us of any claim or regulatory proceeding first made during such period solely in respect of a security failure, system failure, acts, errors or omissions actually or allegedly first committed before the expiry date of the period of insurance.

Provided that:

- (a) the limits of liability shown in the schedule will not in any way be increased by such extended reporting period;
- (b) cover has not been cancelled before the expiry date of the period of insurance; and
- (c) you

- (i) provide written notice within ten (10) days of the expiry date of the period of insurance of your requirement for such extended reporting period; and
  - (ii) pay the additional premium to us, by the due date shown in the schedule;
- (d) you shall not have obtained any other insurance against substantially the same risks as those covered under this Section, even if such other insurance includes a retroactive cover limitation; and
- (e) if after purchasing an extended reporting period, you obtain other insurance against substantially the same risks as those covered under this Section, even if such other insurance includes a retroactive cover limitation, such extended reporting period shall automatically end from the date of inception of such other insurance.

(9) Regulatory Shutdown

Cover is extended to include reimbursement to you for business interruption incurred solely as a result of a regulatory shutdown necessitated by a computer system being affected by a security failure that is first discovered during the period of insurance.

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(10) Reward Coverage

Following a claim being made or loss incurred, as covered under this Section, cover is extended to provide financial reward coverage, as follows.

- (a) We will reimburse you for the actual payment of a reward offered for information leading to the arrest and conviction of persons responsible for crimes committed against you, which lead to such claim being made or loss being incurred.
- (b) Such reward payment will be subject to a maximum of fifty percent (50%) of the value of the covered claim or loss, up to a maximum payment of the amount stated in the schedule, per period of insurance, including any extended reporting period, if applicable.
- (c) You will provide us with written proof of payment of a reward as soon as practicable, but no later than sixty (60) days after payment of such reward.

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(11) Telecommunications Fraud

Cover is extended to include reimbursement to you for direct financial loss resulting from:

- (a) the unauthorised use of or access to your telephone systems; or
- (b) your telephone systems operating in an unintended manner

as a result of a security failure that is first discovered during the period of insurance.

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(12) Voluntary Shutdown

Cover is extended to include reimbursement to you for business interruption incurred solely as a result of a voluntary shutdown necessitated by a computer system being affected by a security failure that is first discovered during the period of insurance.

### What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(13) Public Relations Crisis Management

We will pay you for costs resulting from the use, with our prior agreement, of the public relations crisis response service following a crisis.

In addition we will pay any other related costs agreed with us. However, you must:

- (a) immediately notify us of any event or circumstances which might result in you seeking payment under this section of cover and comply with our recommendations or the recommendations of the public relations crisis response service
- (b) take all reasonable and practical measures to avoid or reduce the costs of the crisis

What we will pay

The maximum amount we will pay under this extension is the aggregate amount shown in the schedule.

(14) Emergency Cyber Response Service

In the event of a

- (a) security failure, or
- (b) suspected security failure

of your computer system and our prior written agreement cannot be reasonably obtained we will agree to pay you the resulting costs of the cyber response service until we are able to provide our written consent

However, you must:

- (a) immediately notify us of any event or circumstances which might result in you seeking payment under this section of cover and comply with our recommendations or the recommendations of the cyber response service
- (b) take all reasonable and practical measures to avoid or reduce the costs of the security failure

What we will pay

We will pay the costs of the cyber response service for a maximum of 48 consecutive hours following the discovery of a security failure or suspected security failure.

## Claims conditions that apply to this section of cover

The following claims conditions apply to the Cyber and Data Risks Section only and are in addition to any conditions contained within the general claims conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these claims conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Notification of Claims

You must give us notice in writing as soon as reasonably practicable of:

- (a) any claim, loss, security failure, system failure, extortion threat or cyber theft;
- (b) the receipt of any notice of an intention to make a claim; or
- (c) any circumstances of which you shall become aware which might reasonably be expected to give rise to a claim, loss or security failure, providing details of dates, persons involved and reasons

for the anticipation of such claim, loss or security failure.

Where such notice has been given in line with (a), (b) or (c) above, any subsequent claim made, loss or security failure or other insured event occurring that arises out of the same originating cause or source, shall be deemed to have been made during the period of insurance.

In the event that you do not comply with this condition, it may impact your ability to make a claim and/or the amount that you will be paid.

If a governmental or law enforcement agency prohibits you from providing notice of a claim, loss or security failure (or circumstances which might be reasonably be expected to give rise to a claim, loss or security failure) then coverage under this policy will not be prejudiced.

Provided that you provide notice to the us immediately after such prohibition is no longer in place.

## (2) General Claims Handling

- (a) You, and any person acting on your behalf, must:
- (i) not admit liability in part or in full;
  - (ii) not settle or attempt to settle any claim or loss;
  - (iii) not incur any claims expenses or extortion costs or make any other payment for which cover may be sought without our prior written consent (such consent not to be unreasonably withheld);
  - (iv) give all such information or assistance possible and forward all documents as we may require, to enable them to investigate, settle or defend any claim or loss or respond to any other insured event.

In the event that you do not comply with this condition (2)(a)(i)-(a)(iv), it may impact your ability to make a claim and/or the amount that you will be paid.

- (b) We will have the right and duty to defend and settle any claim or to prosecute in your name for our own benefit, any claim for payment, indemnity or damages or otherwise against any third party.
- (c) If you refuse to consent to any settlement recommended by us and elect to contest a claim, our liability for such claim (including claims expenses) will not exceed the sum of the amount for which such claim could have been settled inclusive of claims expenses incurred up to the date of such refusal;

At any stage of a claim, we can pay you the applicable limit, or whatever remains of such limit following any earlier payment(s).

We will pay claims expenses already incurred as at the date of our payment.

We will then have no further liability for that claim or claims expenses.

- (d) You will not, except as may be required by law or during the ordinary course of your business, disclose to anyone the existence of this policy without our prior written consent (not to be unreasonably withheld). For the avoidance of doubt, a requirement to disclose the existence of this policy is not a requirement to disclose its terms and conditions.

However, you may at any time request a proof of cover from its insurance intermediary or broker who has arranged this policy. The disclosure of such proof of cover to any third party will not be considered by us as a breach of this claims condition (2).

In the event that you do not comply with this claims condition (2), it may impact your ability to make a claim and/or the amount that you will be paid.

## Conditions that apply to this section of cover

The following conditions apply to the Cyber and Data Risks Section only of this policy and are in addition to the conditions contained within the general claims conditions and general conditions.

It is your responsibility to adhere to the terms and conditions of this policy, as failure to do so may impact your ability to make a claim. If these conditions are not met, we may need to reject a claim payment or a claim payment could be reduced. In some circumstances the policy may not be valid.

(1) Change of Control

If:

- (a) you merge with or are acquired by another organisation which
  - (i) controls fifty percent (50%) or more of the composition of your board of directors; or
  - (ii) controls fifty percent (50%) or more of your voting power at a general meeting of shareholders; or
  - (iii) holds fifty percent (50%) or more of your issued share capital, regardless of class of share; or
- (b) a receiver, conservator, liquidator, administrator or rehabilitator is appointed to take control of, supervise, manage or liquidate you

coverage under this Section will continue until the end of the period of insurance, but only with respect to claims first made or loss first incurred prior to the effective date of such merger, acquisition or appointment. The premium for this policy will be deemed fully earned as of the effective date of such merger, acquisition or appointment.

(2) Excess

- (a) We will only be liable after application of the excess and time retention (if applicable) shown in the schedule, which will apply to each and every claim or loss and will be inclusive of claims expenses (unless specifically stated to the contrary in the schedule).
- (b) Where a claim or loss may be indemnified under one or more covers or parts of a cover, only one excess will apply, which will be the highest of the applicable excess. This clause will not apply to the time retention applicable to covers (6) Business Interruption, (7) Dependent Business Interruption, (8) System Failure Business Interruption, (9) Dependent System failure Business Interruption and extensions (12) Voluntary Shutdown and (9) Regulatory Shutdown.

(3) Combined Limit of Liability for the Professional Liability Section and Cyber and Data Risks Section

In the event that any claim or loss is covered, in whole or in part, by both the Professional Liability Section and the Cyber and Data Risks Section (where both are "insured"), our maximum limit for such claim or loss shall be either:

- (a) the highest applicable per claim or loss limit or aggregate limit under both the Professional Liability Section and the Cyber and Data Risks Section; or
- (b) the total remaining sum of the applicable Professional Liability Section and Cyber and Data Risks Section aggregate limit as reduced by payments of other unrelated claims or losses

whichever is the lesser.

(4) Other Insurance

Any indemnity or coverage under this policy is specifically excess of and will not contribute with any other valid and available insurance, unless such other insurance is specifically written as excess insurance over the limit of liability of this policy.

(5) Subrogation

We will be subrogated to all your rights of recovery against any person, to the extent of any payment made under this policy.

We agree not to exercise rights of subrogation against any director, member or employee of yours unless the claim or loss is brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of such director, member or employee. employee shall not include any

service provider or critical service provider.

You must take all steps necessary to preserve our rights of subrogation and give all assistance in the exercise of rights of recovery as we may require.

## What is not covered (exclusions)

The following exclusions apply to the Cyber and Data Risks Section only of this policy and are in addition to the exclusions contained within the general exclusions.

We will not be liable under this Section for any claim or loss:

- (1) Advertising arising out of or attributable to:
  - (a) false advertising or misrepresentation in any publication, including but not limited to:
    - (i) inaccurate, misleading or inadequate description of the price of products (tangible or intangible) or services; or
    - (ii) products (tangible or intangible) or services which fail to conform with quality or performance as represented in any publication; or
  - (b) infringement of trademark or trade dress by any products (tangible or intangible) or services displayed or contained within any publication.

- (2) Betterment arising out of or attributable to computer systems or your financial position being in a better or improved position compared to their positions in the absence of a claim or loss.

However, this exclusion will not prevent you from replacing computer systems with upgraded or improved equivalents, if there are no other options to source direct or comparable replacements, but only with prior written consent from us.

This exclusion will not apply to extension (1) Betterment.

- (3) Bodily Injury / Property Damage arising out of or attributable to, directly or indirectly, actual or alleged:
  - (a) injury sustained by any person (other than emotional distress arising from libel, slander, or a security failure); or
  - (b) property damage, any loss or loss of use of property (other than in respect of extension (2) Bricking Costs).

- (4) Collection of Data (USA) arising out of or attributable to, directly or indirectly, any actual or alleged unlawful or wrongful: collection, processing, use, transmission, sharing, disposal or retention of, data.

This exclusion will only apply to claims made against or loss incurred by you in the United States of America or its territories and possessions.

- (5) Contractual Liability arising out of or attributable to any liability assumed by you under contract.

However, this exclusion will not apply to liability that would have attached to you regardless of the existence of such contract or pci dss fines.

- (6) Contractual Service Credits or Penalty Clauses arising out of or attributable to service credits, penalty clauses or contractual clauses which have the effect of imposing service credits, contractual penalties or liquidated damages on you.

This exclusion will not apply to pci dss fines.

- (7) Directors' and Officers' Liability  
arising out of or attributable to any liability incurred by a director or officer of yours when acting in that capacity or when managing your business.
- (8) Dishonest, Malicious and Reckless Acts  
arising out of or attributable to, directly or indirectly, any actual or alleged dishonest, fraudulent, criminal, reckless, or malicious act or omission, other than as provided for within the Definition of security failure, of:
- (a) you; and/or
  - (b) any employee, but only when such act or omission is with the knowledge of a member of the control group.

No person committing or condoning a dishonest, fraudulent, criminal or malicious act or omission will be entitled to any recovery under this policy.

- (9) Economic Value of Data  
arising out of or attributable to the monetary value of any data or intellectual property rights.  
This exclusion will only apply to cover (5) System and Data Rectification Costs.
- (10) Electromagnetic  
arising out of or attributable to, directly or indirectly, electromagnetic fields, electromagnetic radiation, electromagnetic pulses, electromagnetism, solar flares and storms, or any other type of radiation.
- (11) Employers Liability  
arising out of or attributable to any actual or alleged breach of any obligation owed by you as an employer or potential employer to any actual or prospective employee or director (other than as a result of a security failure).
- (12) ERISA, RICO and Securities  
arising out of or attributable to:
- (a) the Employment Retirement Income Security Act 1974 and any amendment thereto, or any rules or regulations promulgated thereunder;
  - (b) the Racketeer Influenced and Corrupt Organization Act 18 USC Sections 1961 or any similar legislation plus any changes thereto, or any rules and regulations promulgated thereunder;
  - (c) any actual or alleged violation of a securities law or regulation; or
  - (d) the ownership, sale or purchase of, or offer to sell or purchase stock or other securities.
- (13) Financial Interest  
arising out of or attributable to a claim made against you by:
- (a) any other person or entity falling within the definition of you;
  - (b) any parent or subsidiary of yours;
  - (c) any person or entity having a financial, executive or controlling interest in you; or
  - (d) any company or entity in which you or any director of yours has a financial, executive or controlling interest

unless such claim is for indemnity or contribution in respect of a claim made by an independent third party against such company, person or entity.

This exclusion will only apply to cover (1) Cyber and Privacy Liability.

- (14) Fines/Penalties  
arising out of or attributable to or comprising any pci dss fines, civil fine or penalty, punitive, exemplary, multiple, restitutionary or non-compensatory damages (other than exemplary damages in respect of libel or slander);

unless:

- (a) the pci dss fines, civil fine, penalty or damages are legally insurable in any applicable jurisdiction that most favours coverage; and
- (b) the pci dss fines, fine or penalty are covered by covers (2) Regulatory Investigations & Fines or (3) PCI DSS Investigations & Fines.

(15) Infrastructure Failures

arising out of or attributable to, directly or indirectly, any actual or alleged failure, malfunction or interruption of:

- (a) financial markets infrastructure, security exchanges, clearing houses;
- (b) power, water, oil, gas, electrical, sewage, or other utilities; or
- (c) telecommunication, satellites, internet service providers, or any core element of the internet (including a failure of the core DNS root servers or the IP addressing system).

This exclusion will not apply to any of the above which is under your direct operational control.

(16) Intellectual Property Rights

arising out of or attributable to intellectual property rights.

(17) Intentional Acts

arising out of or attributable to intentional or reckless acts committed by you or at your direction, unless specified otherwise under any individual cover or extension.

(18) Jurisdictional Limits

arising out of or attributable to any claims, action or proceeding brought in a court or before an arbitration tribunal or made under the laws of any territory outside of the jurisdictional limits.

(19) Known Circumstances

arising out of or attributable to, directly or indirectly, any claim, loss, security failure, extortion threat, system failure or circumstances existing before or at the inception of this policy and which you knew or ought reasonably to have known might give rise to a claim or loss.

(20) Money

arising out of or attributable to, loss, damage, destruction or theft of any bearer bonds, coupons, share certificates, stamps, money, or other negotiable paper or other instrument.  
This exclusion will not apply to cover (11) Cyber Theft.

(21) Natural perils

arising out of or attributable to, directly or indirectly, any physical cause or natural peril, such as fire, wind, water, flood, lightning, explosion, collision, subsidence, earthquake, or act of God, howsoever caused.

(22) Nuclear

arising out of or attributable to, directly or indirectly, any:

- (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.

(23) Patents

arising out of or attributable to any actual or alleged infringement of any patent.

(24) Pollution

arising out of or attributable to, directly or indirectly any:

- (a) actual, alleged or threatened pollution; or
- (b) direction, order, or request to test for, monitor, remediate, clean up, remove, contain, treat, detoxify, or neutralize following pollution, or to pay for or contribute to the costs of undertaking

such actions.

- (25) Recalls  
arising out of or attributable to or comprising any costs to recall, withdraw, repair, alter, recreate, recondition or remove products from service or active use.
- (26) Regulatory Matters  
arising out of or attributable to any investigations, actions, proceedings, requests for information, or inquiries by any:
- (a) governmental authority, including the Federal Trade Commission, State Attorney General; or
  - (b) federal, state, local or foreign governmental entity.

This exclusion will not apply to cover (2) Regulatory Investigations & Fines and extension (9) Regulatory Shutdown.

- (27) Retroactive Date  
arising out of or attributable to any act, event, error or omission occurring or alleged to have occurred prior to the retroactive date (if any) shown in the schedule.
- (28) Taxation, Competition, Restraint of Trade and Anti-Trust  
arising out of or attributable to, directly or indirectly, any actual or alleged breach of any regulation or law governing taxation, unfair competition, deceptive trade practices, misleading advertising, restraint of trade, anti-trust provisions, or consumer protection laws (except consumer privacy laws for Claims under cover (1) Cyber and Privacy Liability arising from Security Failures).
- (29) Terrorism  
arising out of or attributable to, directly or indirectly, terrorism; or any action taken in controlling, preventing, suppressing or in any way related to it; regardless of any other cause or event contributing concurrently or in any other sequence to the claim or loss.

If we allege by reason of this exclusion that any claim or loss is not covered by this policy then you will have the burden of proving that this exclusion should not apply.

In the event that any part of this exclusion is found to be invalid or unenforceable, the remainder will still be of full force and effect.

- (30) Unlawful Surveillance  
arising out of or attributable to any actual or alleged unauthorised audio or video recording performed by you or by a third party on your behalf or with your consent.
- (31) Unsolicited Communications  
arising out of or attributable to any regulation, law or statute relating to unsolicited communications, including but not limited to the CAN-SPAM Act of 2003, the Telephone Consumer Protection Act of 1991 and any subsequent changes to those regulations, laws or statutes.
- (32) Virtual Currencies  
arising out of or attributable to any virtual currency, including but not limited to crypto currency, including fluctuations in value.

This exclusion will not apply to extortion costs involving ransom payments in the form of bitcoin or other virtual currency.

- (33) War  
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 destruction of or damage to property by or under the order of any government or public or local authority.
- (34) Mould  
mould or a mould event.

# Words with special meanings (definitions)

The following words or phrases (definitions) apply to Section 4. Cyber and Data Risks only of this policy and are in addition to the words or phrases (definitions) contained within the general definitions. If there is any inconsistency between definitions within this Section and the general definitions, the definition in this Section shall apply. No definition in this cover Section set out below shall apply in any other cover Section.

## additional costs of working

The term "additional costs of working" means reasonable and necessary additional costs incurred by you in order to minimise, reduce or avoid loss of revenue in excess of the costs you would have incurred had there been no interruption.

"additional costs of working" does not include any amount paid to a third party in respect of any actual or alleged liability to them and/or any legal costs or expenses.

## betterment

The term "betterment" means the following incurred with our prior written consent:

- (a) the reasonable and necessary costs incurred in repairing, replacing or upgrading computer systems (but not including any SCADA related hardware) with upgraded and/or improved computer systems where there is no other reasonable option but to repair, replace or upgrade computer systems; or
- (b) the reasonable and necessary costs incurred in repairing, replacing or upgrading computer systems (but not including any SCADA related hardware) with upgraded and/or improved computer systems where this is reasonably expected to reduce the amount of covered business interruption by an amount at least equivalent to the cost of repairing, replacing or upgrading computer systems with upgraded and/or improved computer systems.

## business

The term "business" means your activities, profession or occupation as shown in the schedule.

## business interruption

The term "business interruption" means your:

- (a) loss of revenue; and/or
- (b) reasonable additional costs of working

incurred during the period of interruption but after any time retention as a result of the interruption, less all costs saved by you as a result of the interruption.

The indemnity provided will be reduced by us to reflect any work deferred by you due to a period of interruption, but subsequently conducted or completed within a sixty (60) day period following the period of interruption.

## claim

The term "claim" means:

- (a) a demand by a third party for compensation or damages or non-monetary or injunctive relief or the assertion of liability against you;
- (b) a civil proceeding against you seeking damages or non-monetary or injunctive relief, started by the service of a complaint or similar pleading upon you;
- (c) arbitration, mediation, or other alternative dispute resolution proceeding against you seeking damages or non-monetary or injunctive relief;
- (d) a written request directed at you to toll or waive a statute of limitations applicable to a claim referenced in paragraphs (a) to (c) above;
- (e) with respect to cover (2) Regulatory Investigations & Fines, a regulatory proceeding.
- (f) with respect to cover (3) PCI DSS Investigations & Fines, a pci dss claim.

All claims consequent upon or attributable to one originating source or cause (including but not limited to the

dishonest, fraudulent, criminal or malicious acts of any one person or of persons acting in collusion) or a series of related or continuing originating sources or causes shall be deemed to be one claim.

#### claims expenses

The term "claims expenses" means necessary and reasonable legal expenses incurred with our prior written consent in the investigation, defence or settlement of any claim.

claims expenses do not include:

- (a) remuneration of whatsoever nature due to you, any director or employee of yours; or
- (b) any internal costs or expenses of yours.

#### computer system

The term "computer system" means any information and/or communication technology system, device or equipment including any hardware, software or firmware and data stored thereon, but not including telephone systems (whether digital, analogue, IP (internet protocol) enabled or any other type of telephone system), which are either owned by or leased on normal commercial terms to, and under the direct operational control of:

- (a) you (also referred to in this Section as "your computer system"); and/or
- (b) a critical service provider (also referred to in this Section as "critical service provider's computer system")

The term "computer system" will only include critical service provider's computer system for the purposes of cover (1) Cyber and Privacy Liability, (2) Regulatory Investigations & Fines, (3) PCI DSS Investigations & Fines, (4) Privacy Breach Notification and Mitigation Costs, (7) Dependent Business Interruption, (9) Dependent System Failure Business Interruption and (10) Extortion Costs only.

For the purposes of all other covers and extensions, the term "computer system" will only mean your computer system.

#### computer virus

The term "computer virus" means any malicious software introduced by a third party or employee, or involving collusion between those parties; which damages, destroys, alters, encrypts, overloads or interferes with computer systems or data, irrespective of where such computer systems or data are stored.

computer system virus also includes:

- (a) the inadvertent transfer of such malicious software to a third party by you or an employee; or
- (b) the deliberate transfer of such malicious software to a third party by an employee

when operating from your computer systems.

#### control group

The term "control group" means your Chief Financial Officer, Chief Executive Officer, General Counsel, Risk Manager, Chief Information Officer, Chief Information Security Officer, Chief Technology Officer, Data Protection Officer, or the organisational equivalent of any of these positions.

#### critical service provider

The term "critical service provider" means a business you do not own, operate, or control, but that you hire for a fee under a contract solely for the provision of IT services on your behalf in the course of your business, including but not limited to the processing, hosting and storage of data.

#### crypto-jacking

The term "crypto-jacking" means unauthorised access to or use of a computer system in order to mine or otherwise generate any cryptocurrency or electronic token.

#### crisis

The term "crisis" means an event which would result in a payment under this section and where in our opinion there is a risk to your business as a consequence of adverse press, publicity or media attention.

#### cyber response service

The term "Cyber response service" means the IT security specialist services provided by us or on our behalf.

#### cyber theft

The term "cyber theft" means the theft of your funds or money from you as a result of security failure.

"cyber theft" does not include theft of funds or money from you:

- (a) as a result of a phishing, vishing or other social engineering attack or invoice fraud; and/or
- (b) where such funds or money belong to a customer or third party and do not belong to you.

#### damages

The term "damages" means:

- (a) with respect to any claim, compensatory damages, punitive or exemplary damages (where insurable by the law applicable to the policy), interest on damages, Plaintiff's fees/costs and settlements (where they are entered into with our prior written consent);
- (b) with respect to any regulatory proceeding, any monetary civil penalties, fines or awards (where insurable by the law applicable to the policy).

damages does not include any sum payable under contract, liquidated damages or service credits.

#### data

The term "data" means any first party or third-party information including commercial information and personally identifiable information, which is or was once held by you in an electronic format or a non-electronic format such as paper lists, printouts or other documents.

#### data breach

The term "data breach" means the loss of, theft of, unlawful or unauthorised alteration, inappropriate publication of, destruction of, or disclosure in a manner unauthorised by you of data, including due to employee dishonesty, irrespective of whether such Data are subject to provisions of a non-disclosure or confidentiality agreement or not.

#### denial of service attack

The term "denial of service attack" means any unlawful or unauthorized attempt by a third party to temporarily or indefinitely overload, hinder, interrupt or suspend service to a computer system, via the internet.

#### direct financial loss

The term "direct financial loss" means the amount of funds or money stolen as a result of cyber theft and/or any unintended or unauthorized charges for which you are liable for as a result of any unauthorised use or access to your telecommunications systems or crypto-jacking.

#### director

The term "director" means any director, including but not limited to C-Suite members such as Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Executive Officer (CEO), Chief Risk Officer (CRO), General Counsel (GC), any attorneys reporting to the General Counsel and Chief Information Officer (CIO).

#### discovered / discovery

The term "discovered / discovery" means when any member of the control group first becomes aware of the relevant event, act, error or omission.

#### employee

The term "employee" means any person, other than a:

- (a) director;
- (b) principal if the entity shown as the insured in the schedule is a sole proprietorship; or
- (c) partner if the entity shown as the insured in the schedule is a partnership

who is an employee (including a part time, temporary or seasonal employee) of yours, but only for work done in the scope of his or her employment and in connection with your business.

#### extortion costs

The term "extortion costs" means those costs required to deal with, contain, mitigate and/or pay a ransom demand in connection with an extortion threat, including the amount of any payment made to end an extortion threat but only where such payment is made with our prior written consent (not to be unreasonably withheld or delayed).

#### extortion threat

The term "extortion threat" means credible threat by a third party who threatens to (or has):

- (a) initiate(d) or continue(d) a security failure;
- (b) initiate(d) or continue(d) a data breach

if a ransom demand is not met.

#### injury

The term "injury" means bodily injury including mental injury, mental anguish, mental tension, emotional distress, pain and suffering, shock, illness, sickness, disease or death of any person.

"injury" does not include emotional distress arising from libel, slander, or a security failure.

#### intellectual property rights

The term "intellectual property rights" means copyrights, trademarks, designs, titles, slogans, trade names, trade dress, service marks, service names, domain names, metatags or moral rights, but does not include patents.

#### interruption

The term "interruption" means the actual interruption or degradation of:

- (a) your computer system for the purposes of covers (6) Business Interruption and (8) System Failure Business Interruption and extensions (12) Voluntary Shutdown and (9) Regulatory Shutdown; or
- (b) a critical service provider's computer system for the purposes of covers (7) Dependent Business Interruption and (9) Dependent System Failure Business Interruption.

#### insured / you / your / yours

The term "insured/you/your" means:

- (a) the person or entity shown as such in the schedule and its subsidiaries;
- (b) the directors of the entity shown in the schedule;
- (c) a principal if the entity shown in the schedule is a sole proprietorship;
- (d) a partner if the entity shown in the schedule is a partnership;
- (e) in the event of the death, incompetence or bankruptcy of any natural person in (a) or (d) above, their estates, heirs, legal representatives or assigns for legal liabilities incurred by those within (a) or (d) above.

#### jurisdictional limits

The term "jurisdictional limits" means those territories stated as such in the schedule.

#### loss

The term "loss" means:

- (a) claims expenses;
- (b) damages;
- (c) privacy breach notification and mitigation costs;
- (d) system and data rectification costs;

- (e) business interruption;
- (f) extortion costs;
- (g) direct financial loss; and/or
- (h) any item insured under any extension.

All losses consequent upon or attributable to one originating source or cause (including but not limited to the dishonest, fraudulent, criminal or malicious acts of any one person or of persons acting in collusion) or a series of related or continuing originating sources or causes shall be deemed to be one loss.

#### pci dss claim

The term "pci dss claim" means an investigation or proceeding brought by a third party against you for any actual or alleged breach of the Payment Card Industry Data Security Standard.

#### pci dss fines

The term "pci dss fines" means those fines and assessments levied against you due to a breach of the Payment Card Industry Data Security Standard, but only as a result of a security failure.

#### period of interruption

The term "period of interruption" means the number of days shown in the schedule, immediately following discovery that the computer systems are being affected or interrupted by a

- (a) security failure;
- (b) voluntary shutdown; or
- (c) regulatory shutdown
- (d) system failure

We will not be liable to pay any business interruption loss sustained as a result of a voluntary shutdown or regulatory shutdown that exceeds a period of twenty-four (24) hours unless, before the end of the first twenty-four (24) hour shutdown period, we consent in writing to the continuation of such voluntary shutdown or regulatory shutdown.

In the event that the computer systems are intermittently affected by more than one related security failure, the period of interruption will start from the date of discovery of the earliest such security failure.

#### privacy breach notification and mitigation costs

The term "privacy breach notification and mitigation costs" means those reasonable and necessary costs incurred with our prior written consent, (such consent not to be unreasonably withheld), following discovery of a security failure to:

- (a) conduct an independent forensic security audit of your computer systems to ascertain the source, scope and extent of any security failure;
- (b) obtain advice on your notification obligations and relevant legal requirements in the jurisdiction(s) applicable to the security failure;
- (c) notify third parties and/or employees of an actual or suspected security failure
  - (i) as required to comply with a legal requirement; or
  - (ii) where no legal requirement exists, but where such a measure will mitigate damage to your brand or reputation;
- (d) provide credit monitoring, identity theft and/or similar mitigation services to those third parties and/or employees impacted by an actual or suspected security failure, for twelve (12) months (or longer if required by law or a regulator) following credit monitoring activation;
- (e) establish and operate a call centre to provide information to third parties and/or employees that have been notified of an actual or suspected security failure; and
- (f) hire an external public relations and/or crisis management firm to avert or mitigate any material damage to your brand and/or business.

#### products

The term "products" means any tangible product which you or a critical service provider has manufactured, sold, supplied, distributed, hired out, serviced, altered, repaired, installed, erected, treated, stored, packaged or transported.

#### property damage

The term "property damage" means destruction of or damage to tangible property.

#### publication

The term "publication" means any work issued or made available to the public in physical or electronic form.

#### public relations crisis response service

The term "public relations crisis response service" means the public relations specialist services provided by us or on our behalf.

#### regulator

The term "regulator" means a dedicated federal, state or government data protection authority with responsibility to enforce data protection and/or privacy legislation or, where there is no such dedicated data protection authority in a country or state, the regulatory authority that has responsibility to enforce data protection and/or privacy legislation

#### regulatory proceeding

The term "regulatory proceeding" means a request for information, civil investigative demand, or civil proceeding brought by or on behalf of a regulator acting solely in such defined capacity to enforce data protection and/or privacy legislation.

#### regulatory shutdown

The term "regulatory shutdown" means the reasonable and necessary intentional shut down of your computer systems where such actions have been requested or ordered by or on behalf of any regulator as a result of the adverse effects of yours or a critical service provider's computer system being affected by a security failure.

"regulatory shutdown" does not include the intentional shut down of a critical service provider's computer system.

#### retroactive date

The term "retroactive date" means either

- (a) the date when this section of cover was first inceptioned, or
- (b) where equivalent cover to that provided under this section of cover has been continuously maintained immediately before the inception of this section of cover, then it means the date that applied to that equivalent cover.

#### security failure

The term "security failure" means:

- (a) any actual or reasonably suspected unauthorised access to computer systems by a third party or an employee, or involving collusion between those parties;
- (b) a computer virus;
- (c) a denial of service attack;
- (d) for the purposes of cover (1) Cyber and Privacy Liability and (2) Regulatory Investigations and Fines only:
  - (i) a breach of any legal obligation owed to a third party as a result of the failure by you to prevent (a), (b) or (c) above;
  - (ii) an inability of a third party to access computer systems due to (a), (b) or (c) above;
  - (iii) a data breach.

#### subsidiary

The term "subsidiary" means any company in respect of which the person or entity shown as the insured in the schedule at or before the inception date of this policy:

- (a) controls fifty percent (50%) or more of the composition of the board of directors;
- (b) controls fifty percent (50%) or more of the voting power at a general meeting of shareholders; or
- (c) holds fifty percent (50%) or more of the issued share capital, regardless of class of share.

In the event that a subsidiary stops being a subsidiary, no cover will be provided by this policy for such entity beyond the date it stopped being a subsidiary.

Where you acquire or form a company following inception of the period of insurance, this policy will include as a subsidiary, any such acquired or formed company automatically from the date of such acquisition or formation and without additional premium.

Provided that:

- (a) the revenue relating to such acquired or formed company does not exceed fifteen percent (15%) of the revenue turnover of all of the companies covered under this Section as at inception of the period of insurance;
- (b) the retroactive date applicable to the new entity is deemed to be the date of acquisition (if acquired by you) or formation (if formed by you); and
- (c) you
  - (i) control the composition of the board of directors; or
  - (ii) control fifty percent (50%) or more of the voting power at a general meeting of shareholders; or
  - (iii) hold more than half of the issued share capital, regardless of class of share.

If all of the above criteria cannot be satisfied, we will require a detailed underwriting submission to consider inclusion of the acquired or formed company as a subsidiary.

system and data rectification costs

The term "system and data rectification costs" means:

- (a) those costs reasonably required to restore, replace, rebuild, replicate or reinstate your computer systems (but not including any hardware, industrial control system (ICS) or SCADA related hardware) as a result of a security failure.
- (b) up to the amount stated in the schedule (which is part of and not in addition to the sub limit stated in the schedule for system and data rectification costs), for an independent security audit to be conducted in order to demonstrate your ability to prevent a future security failure as required by a Merchant Services Agreement, due to a breach of the PCI Data Security Standard.

system failure

The term "system failure" means any unintentional or unplanned outage.

time retention

The term "time retention" means the first consecutive 12 hours at the beginning of a period of interruption, for which you will bear your own business interruption.

voluntary shutdown

The term "voluntary shutdown" means the reasonable and necessary intentional shut down of your computer systems carried out, approved or directed by a member of the control group where such action will mitigate, reduce or avoid larger claims under this Section as a result of the anticipated adverse effects of yours or a critical service provider's computer system being affected by a security failure and provided that we and/or the crisis management specialist service retrospectively approve the shutdown (with such approval not to be unreasonably withheld).

"voluntary shutdown" does not include the intentional shut down of a critical service provider's computer system.