

OUR BUSINESS IS TO PROTECT YOURS

Nursery Insurance Policy Wording

Version: August 2020



Partner
National Day Nurseries Association

Underwritten by



01473 346 118

www.poundgateschildcare.com

Pound Gates, Hyde Park House, Crown Street, Ipswich, Suffolk, IP1 3LG
Pound Gates & Co Ltd, trading as Pound Gates, is authorised and regulated by the
Financial Conduct Authority, and is an ISO and Investor in People accredited company

Your contact numbers

Nursery support team

01473 346 118 / childcare@poundgates.com

For advice and guidance on any issues affecting your business, or to make changes to your policy cover, speak to a member of the Pound Gates Nursery support team.

(Office hours are: Monday to Friday 9:00am to 5:30pm)

Making a claim

01473 346 046 / claims@poundgates.com

In the unfortunate event that you should need to make a claim or report an incident the Pound Gates Claims Team are here to help.

(Office hours are: Monday to Friday 9:00am to 5:30pm)

Or for claims other than Commercial legal protection claims call **Ecclesiastical on 0345 603 8381**

For new claims this service is available 24 hours a day, 7 days a week. For enquiries about existing claims, this service is available from Monday to Friday, 8am to 6pm.

Commercial legal protection claims

Where urgent legal representation is needed call the Legal and Tax advice helpline on the number opposite. Where urgent legal representation is not required ARAG require claims to be put in writing.

To obtain a claim form call **0117 917 1698** or download one at www.arag.co.uk/newclaims.

For all claims – the action to be taken by the policyholder in the event of any incident which may give rise to a claim is shown in the Claims Conditions.

Risk advice line

(provided by Ecclesiastical professionals or external specialists)

0345 600 7531 / Risk.advice@ecclesiastical.com

Risk specialists are on hand to advise you on a range of topics, including:

- Property protection, security, business continuity planning
- Health and safety, food safety, environmental management
- Construction safety, fire safety, occupational health, water safety or asbestos

This helpline is available Monday to Friday 9am to 5pm.

Emergency glass replacement

0345 600 0148

If you suffer glass breakage you can call upon the services of our selected specialist provider who will effect a rapid repair.

If you are covered for glass breakage under this policy they will issue two separate invoices, an invoice for you to cover the amount of any policy excess and recoverable VAT and an invoice which is sent directly to us for the remaining costs.

If the glass is not insured you will be solely responsible for the entire cost of repairs.

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ref: Pound Gates Nursery Insurance Policy Wording February 2019
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The following helplines are provided by ARAG plc in connection with the Commercial Legal Protection section of this policy.

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if our advisors consider that your helpline usage is becoming excessive they will tell you. If following that warning, usage is not reduced to a more reasonable level, we can refuse to accept further calls.

Legal and tax advice

0333 000 7920

If you have a legal or tax problem relating to your business, we recommend you call the confidential legal and tax advice helpline. Legal advice is available 24/7, and tax advice is available between 9am and 5pm on weekdays (except bank holidays). The advice covers business-related legal matters within EU law and tax matters within the UK. Your query will be dealt with by a qualified specialist experienced in handling legal and tax-related matters. Use of this service does not constitute reporting of a claim.

Legal representation

0333 000 7920

If you have been asked to attend a police interview under caution in relation to an offence or an alleged offence relating to a child who is or has been under your care please call the above number.

Counselling assistance

0333 000 2082

Our qualified counsellors will provide free confidential support and advice by phone to your employees or their family members who are suffering from emotional upset or feeling worried and anxious about a personal or work-related problem.

Redundancy approval

0117 917 1698

We can arrange specialist advice if you are planning redundancies. This will assist you to implement a fair selection process and ensure that the redundancy notices are correctly served. This unfunded service is available 9am and 5pm on weekdays (except bank holidays).

Crisis communication

0344 571 7964

Following an event that has attracted negative publicity which could affect your business, you can access professional public relations support from our Crisis communication experts at any time.

In advance of any actual adverse publicity, where possible, initial advice for you to act upon will be provided over the phone. If your circumstances require professional work to be carried out at that time, we can help on a consultancy basis and subject to you paying a fee.

Where an event has led to actual publicity online, in print or broadcast, that could damage your business, you are insured against the costs of crisis communication services under Insured event 12 when you use this helpline.

Executive suite - identity theft resolution

0333 000 2083

This service is available to the principal, executive officers, directors and partners of the business between 9am and 5pm on weekdays (except bank holidays). We provide telephone advice to help executives keep their personal identity secure. Where identity theft is suspected, our specialist caseworkers can help the victim to restore their credit rating and correspond with their card issuer, bank or other parties. Identity theft expenses are insured under Insured event 10 c) when your executives use this helpline.

For our joint protection calls may be recorded and/or monitored (other than the Counselling assistance helpline)

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(See the schedule to see which are in force)

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The insurance by the Commercial legal protection section should be considered separate to the remaining sections of the policy.

Terms, definitions and limitations contained therein are individual to that section of cover and are unaffected by policy conditions stated elsewhere, unless specifically noted otherwise.

Introduction

This policy has been arranged by Pound Gates & Company Ltd and all sections other than the Commercial legal protection section are underwritten by Ecclesiastical Insurance Office plc.

The Commercial legal protection section is arranged by ARAG plc and underwritten by Brit Syndicate 2987 at Lloyd's.

Policy information

The policy is divided into a number of sections. Your schedule will show which sections are in force and for how much you are insured.

Please read the policy and schedule carefully. If you have any queries or wish to change your cover, contact us immediately.

We will send you an updated schedule whenever the cover is changed and at each annual renewal date. The most recent schedule will provide the details of your current cover. Please retain this with your policy booklet, together with any special notices we send you about the policy.

Please also retain all other schedules so you may check what cover applied on any specific date should you need to do so.

If your needs change, please tell us.

How we use your data

Your privacy is important to us. We will process your personal data in accordance with data protection laws.

Ecclesiastical Insurance Office plc ("**we**", "**us**", "**our**") is the data controller in respect of any personal data which you provide to us or which we hold about you and any personal data which is processed in connection with the services we provide to you.

Where you provide us with personal data about a person other than yourself (such as a dependant or named person under a policy), you must inform them that you are providing their personal data to us and refer them to this notice.

To provide our insurance related services, we will collect and process your personal data such as your name, contact details, financial information and any information which is relevant to the insurance policy we are providing. In order to provide your insurance policy or when making a claim, we may also need to collect or process 'special categories of personal data' such as information relating to your health or criminal convictions or information which is likely to reveal your religious beliefs.

We process your personal data for the purposes of offering and carrying out insurance related services to you or to an organisation or other persons which you represent. Your personal data is also used for business purposes such as fraud prevention, business management, systems development and carrying out statistical and strategic analysis.

Providing our services will involve sharing your personal data with, and obtaining information about you from, our group companies and third parties such as brokers, loss adjusters, credit reference agencies, fraud prevention agencies, our service providers and professional advisors, or business partners and our regulators.

In some circumstances we may transfer your personal data to countries outside of the European Economic Area. We will put appropriate safeguards in place to ensure that your personal data is protected.

Where we have your consent, we may market our services to you or provide your personal data to our related companies or business partners for marketing purposes. You can opt out of marketing communications at any time by clicking on the link at the bottom of any email or by contacting us.

Fraud Prevention

We need to carry out fraud and anti-money laundering checks, and this will involve sharing your personal data (such as your name, contact details and financial information) with credit reference and fraud prevention organisations such as the Claims and Underwriting Exchange, run by MIB. If you make a claim, we will share your personal data (to the extent necessary) with other companies including other insurers and anti-fraud organisations to prevent fraud. For the purposes of deciding whether to accept and pay a claim or any part of it, we may appoint loss adjusters or external investigation services to act on our behalf.

If false or inaccurate information is provided and fraud is identified, your personal data will be passed to fraud prevention agencies including the Insurance Fraud Register, run by the Insurance Fraud Bureau. Law enforcement agencies may access and use this information.

Please note that when carrying out any fraud prevention activities, we may need to process your special categories of data such as criminal offence information and share it with fraud prevention agencies.

Further Information

For further information on how your personal data is used and your rights in relation to your personal data please refer to our Privacy Policy at www.ecclesiastical.com/privacypolicy or contact our Data Protection Officer at Beaufort House, Brunswick Road, Gloucester GL1 1JZ or on **0345 6073274** or email compliance@ecclesiastical.com.

General information

Complaints procedure

If you are unhappy with our products or service, please contact us as soon as possible.

You can complain in writing or verbally at any time to:

Pound Gates & Co Ltd,
Hyde Park House,
Crown Street,
Ipswich,
IP1 3LG

Tel: 01473 346046

Email: info@poundgates.com

Web: www.poundgates.com

or

For all complaints other than relating to the Commercial legal protection section

Ecclesiastical Insurance Office plc,
Beaufort House,
Brunswick Road,
Gloucester,
GL1 1JZ

Tel: **0345 777 3322**

Email: complaints@ecclesiastical.com

For Commercial legal protection complaints please refer to the Commercial legal protection section of the policy.

Ecclesiastical's promise to you

We will aim to resolve your complaint within one business day.

To resolve your complaint we will:

- Investigate your complaint diligently and impartially.
- Keep you informed of the progress of the investigation.
- For more complex issues, we may need a little longer to investigate and we may ask you for further information to help us reach a decision.
- Respond in writing to your complaint as soon as possible.

If you are not satisfied with our response, or if we have not completed our investigation within eight weeks, we will inform you of your right to take the complaint to:

The Financial Ombudsman Service,
Exchange Tower,
London, E14 9SR

Tel: **0800 0 234 567**

Email: complaint.info@financial-ombudsman.org.uk

Web: www.financial-ombudsman.org.uk

If you have bought your insurance online, you can also register your complaint on the Online Dispute Resolution website <http://ec.europa.eu/consumers/odr/>, which has been set up by the European Commission.

This complaints handling procedure does not affect your right to take legal proceedings.

The Financial Services Compensation Scheme

The Financial Services Compensation Scheme (FSCS) is the independent body, set up by Government, which gives you your money back if your authorised* financial services provider is unable to meet its obligations.

The FSCS protects a range of products for both individuals and small businesses. Limits apply depending on the product you have bought. The FSCS does not charge individual consumers for using its service. The FSCS cannot help you if the firm you have done business with is still trading.

For further information on the scheme you can visit the website at:

www.fscs.org.uk

or write to:

Financial Services Compensation Scheme,
10th Floor, Beaufort House,
15 St Botolph Street,
London EC3A 7QU.

Tel: **0207 741 4100** or **0800 678 1100**

Fax: **0207 741 4101**

Email: enquiries@fscs.org.uk

* The FSCS can only pay compensation for customers of financial services firms authorised by the PRA or the FCA.

General definitions

Each time the following appear in bold italic type (or in capital letters in the schedule) they will take the meaning shown below unless specifically defined in a policy section

If they are not highlighted the everyday meaning will apply

Aircraft

means aircraft and other aerial devices dropped from them

Asbestos

means asbestos asbestos fibres or any derivatives of asbestos including any product containing any asbestos asbestos fibres or any derivatives of asbestos

Authorised volunteers

means voluntary workers normally resident in the ***geographical limits*** acting under ***your*** authority whilst engaged in ***your business***

Business

means the business of the ***Insured*** as stated in the schedule

Company/we/our/us

means Ecclesiastical Insurance Office plc

Condition precedent to liability

means a condition of this policy where non-compliance (provided that such non-compliance is material to the loss) shall mean the claim will not be paid and any payment on account of the claim already made by ***us*** shall be repaid to ***us***

Damage

means physical loss destruction or damage

Earthquake

means earthquake including fire as a result of earthquake

Escape of oil

means accidental escape of oil from any fixed oil fired heating installation or storage tank caused by a sudden identifiable unintended and unexpected incident which has taken place in its entirety at a specific time and place during the period of insurance

Escape of water

means escape of water from any tank apparatus or pipe including ***damage*** to any water tank apparatus or pipe itself caused by freezing of water but excludes water discharged or leaking from an installation of automatic sprinklers

Excess

means the first amount of each and every loss (after applying any adjustment for underinsurance) up to the amount set out in the schedule to this policy relevant to that loss

Fire

means fire by any cause other than ***earthquake*** and includes any losses arising from lightning or explosion

Flood

means the escape of water from the normal confines of any natural or artificial water course or lake reservoir canal or dam or inundation from the sea

Geographical limits

means England Scotland Wales Northern Ireland the Channel Islands and the Isle of Man

Governor(s)

means members of the governing body or subcommittee and/or any charitable trustees

Heave

means upward movement of the ground beneath the site on which the **premises** stand as a result of the soil expanding

Impact

means impact by any road or rail vehicle or animal

Insured/you/your

means the Insured shown in the schedule

Landslip

means downward movement of sloping ground at the site on which the **premises** stand

Malicious persons

means intentional and wilful **damage** not caused by thieves

Nursery children/child

means children enrolled at **your** nursery

Premises

means that part of the buildings and grounds at the addresses shown in the schedule owned or occupied by **you** in connection with the **business**

Restricted peril(s)

means **fire earthquake aircraft riot malicious persons storm flood impact escape of water**

Riot

means riot civil commotion strikers locked out workers or persons taking part in labour disturbances

Settlement

means downward movement as a result of the
(a) normal settlement or bedding-down of structures
(b) settlement or movement of made-up ground

Sprinkler leakage

means accidental escape of water from any automatic sprinkler installation in the **premises** not caused by explosion **earthquake** or heat caused by **fire**

Storm

means a period of violent wind rain snow or hail but excluding **damage** caused by **flood**

Subsidence

means downward movement of the ground beneath the site on which the **premises** stand and includes any losses arising from **heave** or **landslip**

Theft

means theft or attempted theft

Unoccupied

means vacant untenanted unfurnished empty or no longer in active use for a period exceeding 30 consecutive days (other than in connection with the usual education holiday calendar)

Vermin

means any wild animals birds and insects (whether they have protected status or not) that are known to cause **damage** or carry disease

Insuring clause

(not applicable to the Commercial legal protection section)

This policy document and the schedule including all clauses applied to the policy shall together form the policy and be considered as one document

In consideration of payment of the premium **we** will provide insurance against loss destruction damage injury or liability (as described in and subject to the terms conditions limits and exclusions of this policy or any section of this policy) occurring or arising in connection with **your business** during the period of insurance or any subsequent period for which **we** agree to accept a renewal premium

General exclusions

(not applicable to the Commercial legal protection section unless stated otherwise)

This policy does not cover the following

1 Excess

Any **excess**

2 Other insurances

Property more specifically insured under another policy

3 Radioactive contamination

Loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- (a) ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- (b) the radioactive toxic explosive or other hazardous or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- (d) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter
Part (d) does not extend to radioactive isotopes other than nuclear fuel or nuclear waste when such isotopes are on the property insured and are being prepared stored or used in the normal course of operations by you for the commercial agricultural medical scientific or other similar peaceful purposes for which they were intended
- (e) any chemical biological bio-chemical or electromagnetic weapon

However this exclusion does not apply to losses arising from naturally occurring radioactive gases released from the earth such as Radon

This exclusion applies to the Commercial legal protection section

This exclusion does not apply to

- (i) Cover 1 of the Liabilities section except in respect of liability of any principal and liability assumed by agreement
- (ii) the Personal accident section

4 War risks

Loss or damage directly or indirectly occasioned by happening through or in consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

This exclusion applies to the Commercial legal protection section

This exclusion does not apply to Cover 1 of the Liabilities section

5 Terrorism

Definitions specific to this exclusion

Act of terrorism

In respect of

- (a) **England Wales and Scotland (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987)**

means acts of persons acting on behalf of or in connection with any organisation which carries out activities

directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto

(b) all other instances

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) 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

Any loss damage cost or expense directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss

This insurance also excludes loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any **act of terrorism**

If **we** allege that by reason of this exclusion any loss damage cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**

This exclusion applies to the Commercial legal protection section

This exclusion does not apply to the following sections: Personal accident Liabilities Professional indemnity Directors' and officers' liability and Terrorism

6 Date recognition

Definitions specific to this exclusion

Computer

means computer or other equipment media or system (or any part of them) for processing storing or retrieving data to include without limitation any microchip integrated circuit or similar device or any computer software

Any claim directly or indirectly arising from the failure or possible failure of any **computer**

- (a) to correctly recognise any date as its true calendar date
- (b) to save and/or correctly interpret or process any data or command as a result of treating any date other than its true calendar date
- (c) to save or correctly process any data on or after any date

but this shall not exclude subsequent **damage** or consequential loss not otherwise excluded which itself results from a **restricted peril** or **theft**

This exclusion does not apply to the following sections: The assault extension of the Money section Personal accident Liabilities Professional indemnity Directors' and officers' liability and Terrorism

7 Electronic risks

Damage caused by electronic risks as set out below

Definitions specific to this exclusion

Data

means information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Failure of a system

means the complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a **system** whether or not owned by **you** to operate at any time as desired as specified or as required in the circumstances of **your** business activities

Microchip(s)

means a unit of packaged computer circuitry manufactured in small scale and made for program logic and/or computer memory purposes and expressly includes integrated circuits and microcontroller

System(s)

shall include computers other computing and electronic equipment linked to a computer hardware electronic data processing equipment **microchips** and anything which relies on a **microchip** for any part of its operation and includes for the avoidance of doubt any computer installation

Virus

means programming code designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a **system** transmitted between **systems** by transfer between computer systems via networks extranets and internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMS or otherwise and whether involving self-replication or not

Cover excludes **damage** to

- (a) **data** (other than as provided for under any reinstatement of data extension within the Business interruption section or Equipment breakdown section) which shall include but shall not be limited to
 - (i) **damage** to or corruption of **data** whether in whole or in part
 - (ii) unauthorised appropriation of use of access to or modification of **data**
 - (iii) unauthorised transmission of **data** to any third parties
 - (iv) **damage** arising out of any misinterpretation use or misuse of **data**
 - (v) **damage** arising out of any operator error in respect of **data**
- (b) any items insured arising directly or indirectly from
 - (i) the transmission or impact of any **virus**
 - (ii) unauthorised access to a **system**
 - (iii) interruption of or interference with electronic means of communication used in the conduct of **your business** including but not limited to any diminution in the performance of any website or electronic means of communication
 - (iv) **failure of a system**
 - (v) anything described in (a) above

but in respect of (b) (i) (b) (ii) (b) (iii) and (b) (iv) this shall not exclude subsequent **damage** or loss resulting from subsequent **damage** which itself results from a cause not otherwise excluded provided that such **damage** does not arise by reason of any malicious act or omission

This exclusion does not apply to the following sections: Money with assault extension section Personal accident Liabilities Professional indemnity Directors' and officers' liability Fidelity and Terrorism

8 Pollution or contamination

Damage caused by pollution or contamination but this shall not exclude **damage**

- (a) to the property insured caused by pollution or contamination which itself results from a **restricted peril** or **theft**
- (b) to the property insured caused by a **restricted peril** or **theft** which itself results from pollution or contamination
- (c) as insured under the Loss of oil gas or water extension of the Property damage section

This exclusion does not apply to the following sections: Equipment breakdown Money with assault extension section Personal accident Liabilities Professional indemnity Directors' and officers' liability Fidelity and Terrorism

General conditions

(not applicable to the Commercial legal protection section)

1 Policy voidable

You must ensure that a fair presentation of the risks to be insured is made to **us**

In the event of misrepresentation misdescription or non-disclosure of any material fact or circumstance **we** may void the policy and retain any premium paid where such misrepresentation misdescription or non-disclosure is deliberate or reckless

Where such misrepresentation misdescription or non-disclosure is not deliberate or reckless **we** may at our option

- (a) void the policy and refund to **you** any premium paid if **we** would have not entered into this policy on any terms had clear representation description and disclosure been made
- (b) proportionately reduce the amount to be paid on any claim if **we** would have entered into this policy on the same terms but for a higher premium

The reduction in claim payment will represent the percentage difference between the premium **you** have paid and the premium **we** would have charged **you** had clear representation description and disclosure been made

- (c) impose additional terms on this policy if **we** would have entered into this policy on such additional terms but at the same premium had clear representation description and disclosure been made

We may apply these additional terms to **your** policy with effect from inception

2 Reasonable care

It is a **condition precedent to liability** that **you** shall

- (a) take all reasonable precautions to prevent **damage** accident illness and disease
- (b) exercise reasonable care in seeing that all statutory and other obligations and regulations are observed and complied with
- (c) maintain the **premises** works machinery and plant in sound condition

3 Alteration of risk

If after the commencement of this insurance

- (a) there is any alteration of risk which increases the risk of **damage** accident or liability
- (b) the **premises** are undergoing alterations or repairs where the contract value exceeds £100,000
- (c) **your** interest ceases except by will or operation of law
- (d) an administrator or a liquidator or receiver is appointed or where **you** enter into a voluntary arrangement
- (e) there is any other material change in use of the **premises**

you must give notice to **us** as soon as is reasonably possible

Upon any alteration described above **we** shall be entitled to cancel the policy from the date of the alteration or impose special terms or charge an additional premium

This condition does not apply where buildings become **unoccupied** as this is dealt with under the 'Unoccupied buildings' general condition

4 Multiple insurances

(a) All sections except those detailed separately below

If at the time any claim arises under this policy there is any other insurance in force whether effected by **you** or not covering the same **damage** loss expense or liability **we** shall not be liable for more than **our** rateable proportion

If such other insurance is subject to any condition of underinsurance this policy if not already subject to any condition of underinsurance shall be subject to that condition of underinsurance in like manner

(b) Equipment breakdown Money (excluding the assault extension) Liabilities Professional indemnity and Directors' and officers' liability sections

If at the time of any claim arising under this policy **you** are or would but for the existence of this policy be entitled to indemnity under any other policy or policies **we** shall not be liable except in respect of any additional amount beyond the amount which would have been payable under such other policy or policies had this insurance not been effected

5 Fraudulent claims

If a claim made by **you** or anyone acting on **your** behalf or any other person claiming to obtain benefit under this policy is fraudulent or exaggerated whether ultimately material or not or if any **damage** is caused by **your** wilful act or with **your** connivance **we** may at **our** option

- (a) repudiate the claim
- (b) recover any payments already made by **us** in respect of the claim
- (c) cancel the policy from the date of the fraudulent act and retain the premium due for the unexpired period of insurance from the date of cancellation up to the renewal date

If **we** cancel the policy **we** will notify **you** in writing by special delivery to **your** last known address

6 Unoccupied buildings

It is a **condition precedent to liability** that

- (a) when a building or part of a building insured by this policy becomes **unoccupied** or when an **unoccupied** building or part of a building is again occupied **you** must tell **us** as soon as is reasonably possible

Upon any alteration as described above **we** may at **our** option

- (i) amend the terms and conditions that apply to such buildings and charge an additional premium
 - (ii) cancel the cover for any affected buildings
 - (iii) cancel the policy in accordance with the Cancellation condition
- (b) in respect of any building or part of a building which becomes **unoccupied**
 - (1) **you** must turn off electricity gas and water supplies at the mains and drain down all water systems other than those required to maintain intruder alarm fire alarm and sprinkler installations or other fire suppression security or other risk protection systems or devices
 - (2) **you** must remove all waste and unfixed combustible materials both internally and externally from such buildings
 - (3) **you** must maintain in full and efficient working order and keep operational all alarms sprinkler installations fire suppression systems locks and all other protective and security devices including perimeter security protection at the **premises**
 - (4) where there is a sprinkler installation **you** must maintain the central heating system to prevent freezing and
 - (i) the system should be inspected to ensure it is operating correctly whenever such buildings are inspected
 - (ii) the temperature throughout the building must be maintained at not less than 7 degrees Centigrade (45 degrees Fahrenheit)
 - (iii) the system must be serviced and maintained at least annually by an appropriately qualified engineer
 - (5) **you** must undertake an internal and external inspection of such buildings at least every 7 days and rectify as soon as is reasonably possible any defects in the fabric of the building or the security or fire protection installations

A record of inspections including remedy of any defects must be maintained

- (6) **you** must permanently seal shut the letterbox

Where the letterbox cannot be sealed shut **you** must fit a metal box or cage to the inside of the letterbox aperture and remove the post from it whenever such buildings are inspected

- (7) **you** must tell **us** as soon as is reasonably possible if such buildings are to be occupied by contractors for any alterations renovations conversions or repairs
- (8) in addition to the Claims condition that requires **you** to tell **us** as soon as **you** become aware of an incident that may result in a claim you must also tell **us** as soon as **you** become aware of any illegal entry to the **premises** whether or not any **damage** has occurred
- (9) **you** must review and update **your** risk assessment (including the fire risk assessment) of such buildings to reflect the change in risk

Unless otherwise agreed by **us** in writing

7 Security

It is a **condition precedent to liability** for **damage** at or to the **premises** caused by theft or attempted theft that all locks bolts and other protective devices fitted to the **premises** be put into full use whenever the **premises** are closed for business and are not attended by **you** or an authorised person for the purpose of the **business**

Where the **premises** are occupied by **you** for **business** and residential purposes

- (a) The **business** portion must be secured as outlined above outside of working hours of the **business**
- (b) The residential portion must be secured as outlined above when this portion is unattended by **you** or **your** family or other authorised persons

Any additional security conditions that apply will be detailed on **your** policy schedule if applicable

8 Fire extinguishing appliances

Where **you** are required to provide fire extinguishing appliances to comply with the Regulatory Reform (Fire Safety) Order 2005 (applicable in England and Wales) or the Fire Scotland Act (2005) and/or any similar or replacement legislation or **you** have otherwise provided fire extinguishing appliances upon which others may rely **you** must have all such appliances inspected and maintained under an annual service contract with a specialist contractor or otherwise competent person

9 Fire alarm installations

It is a **condition precedent to liability** that where any **premises** is protected by an automatic fire alarm installation that

- (a) the installation (including any automatic alarm signalling) shall be maintained in full and efficient working order at all times and all reasonable steps taken to prevent damage to the installation
- (b) an undertaking shall be in force with engineers who are LPS 1014 or BAFE SP203 approved (or engineers as otherwise accepted by **us**) to maintain the automatic fire alarm installation and written confirmation shall be obtained from them that the installation is in satisfactory working order following each inspection
- (c) the testing servicing and maintenance requirements specified by the manufacturer of the equipment/installing engineers shall be carried out and any defect revealed by the testing promptly rectified
- (d) immediate notice shall be given to **us** if the level of response to the automatic fire alarm has been or will be reduced or delayed
- (e) where there is an external alarm signal **you** shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm receiving centre
- (f) in the event of notification of any activation or alarm fault of the automatic fire alarm a keyholder shall attend the **premises** as soon as is reasonably possible
- (g) immediate notice shall be given to **us** of any disconnection or failure of the automatic fire alarm installation (including any automatic alarm signalling) and any precautions **we** instruct **you** to take shall be acted upon
- (h) advance notice is given to **us** if it is proposed that any part of the
 - (1) installation (including any automatic alarm signalling) is to be extended altered repaired or rendered inoperative

- (2) **premises** is to be extended or altered and obtain **our** prior written agreement
- (i) records of all alarm faults disconnections tests and maintenance visits are kept and made available when required to **our** representatives
- (j) **our** access to the **premises** is permitted at all reasonable times for the purpose of inspecting and witnessing the testing of the installation

Unless otherwise agreed by **us** in writing

10 Intruder alarms

The schedule will show whether or not this General condition is applicable

Definitions specific to this condition

Intruder alarm system

means the component parts of the intruder alarm system including the means of communication used to transmit signals

Keyholder(s)

means **you** or any person or keyholding company authorised by **you** who is available at all times to accept notification of faults or alarm signals relating to the **intruder alarm system** and attend and allow access to the **premises**

It is a **condition precedent to liability** that where any **premises** is protected by an **intruder alarm system** that

- (i) the **intruder alarm system** shall be installed in accordance with the specification agreed in writing by **us** and no alteration or variation of the system or any structural alteration to the **premises** which would affect the system shall be made without **our** written consent
- (ii) the **intruder alarm system** shall be maintained in full and efficient working order at all times and be serviced under a maintenance contract approved by **us** and immediate notice of any apparent defect in the **intruder alarm system** or its signalling shall be given to the maintenance contractor
- (iii) the **intruder alarm system** shall be tested and set whenever the alarmed portion of the **premises** is closed for business and is not attended by **you** or any person authorised by **you** to be responsible for the security of the **premises** provided that any detection devices and their circuits connected for continuous protection shall be fully operative at all times
- (iv) all keys including duplicate keys and notes of combination locks/electronic pass codes letters and numbers relative to the **intruder alarm system** shall be removed from the buildings of the **premises** whenever they are closed for business and are left unattended provided that at such times if part of the **premises** is occupied residentially by **you** or an authorised employee the said keys shall be removed from the business portion of the **premises** to the part occupied residentially
- (v) immediate advice shall be given to **us** of any notice from the police or a security organisation that **intruder alarm system** signals may be or will be disregarded
- (vi) **you** shall appoint at least two **keyholders** and lodge written details (which must be kept up to date) with the alarm company and police authorities
- (vii) in the event of notification of any activation of the **intruder alarm system** or interruption of the means of communication during any period that the **intruder alarm system** is set a **keyholder** shall attend the **premises** as soon as is reasonably possible

Unless otherwise agreed by **us** in writing

11 Arbitration

Provided **we** have admitted liability for a claim any dispute as to the amount to be paid shall be resolved by arbitration in accordance with the statutory provisions in force at the time by

- (a) an agreed arbitrator or if an arbitrator cannot be agreed
- (b) an arbitrator appointed by the Chartered Institute of Arbitrators following a request from either party provided they have given seven days' written notice to the other party

You must not take legal action against **us** over the dispute before the arbitrator has reached a decision

12 Cancellation

In circumstances other than those in the Policy voidable Alteration of risk and Fraudulent claims conditions **we** may cancel the policy or any section of it by sending seven days' notice commencing from the date of posting by special delivery to **you** at **your** last known address and shall refund to **you** the proportionate premium for the unexpired period of cover

13 Sanctions

We shall not provide any cover under this policy or be liable to pay any claim or provide any benefit 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 or United States of America

If any such sanction prohibition or restriction takes effect during the period of insurance **you** or **we** may cancel that part of this policy which is affected with immediate effect by giving such notice in writing

In such circumstances **we** shall return a proportionate premium for the unexpired period of cover provided no claims have been paid or are outstanding

14 Assignment

You shall not assign any of the rights or benefits under this policy or any section of this policy without **our** prior written consent

We will not be bound to accept or be affected by any notice of trust charge lien or purported assignment or other dealing with or relating to this policy or any section of this policy

15 Law applicable

This policy shall be governed by and construed in accordance with the law of England and Wales unless the **Insured's** habitual residence (in the case of an individual) or central administration and/or place of establishment is located in Scotland in which case the law of Scotland shall apply

16 Rights of third parties

A person or company who is not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act

Claims conditions

(not applicable to the Commercial legal protection section)

Your duties

When an incident occurs that may result in a claim it is a **condition precedent to liability** that **you** shall

- (a) take all practicable steps to recover property lost and otherwise minimise the claim
- (b) tell the police as soon as is reasonably possible
 - (i) if the **damage** is caused by thieves malicious persons vandals or as a result of riot civil commotion strikes or labour disturbances
 - (ii) for incidents under the Fidelity section
- (c) tell **us** as soon as **you** become aware
- (d) within 30 days (7 days for **damage** by riot civil commotion strikes or labour disturbances) give **us** at **your** expense any information **we** require and continue to provide **us** with any information and assistance **we** require before or after **we** pay **your** claim under the policy
- (e) not make or allow to be made on **your** behalf any admission offer promise payment or indemnity without **our** written consent
- (f) forward to **us** every letter claim writ summons and process immediately upon receipt without acknowledgement and advise **us** in writing as soon as **you** have any knowledge of any impending prosecution inquest or inquiry in connection with that event

Additional conditions apply to the Professional indemnity Directors' and officers' liability and Loss of registration sections which are detailed in the sections

Our rights

We may

- (a) start take over defend and conduct any legal action in **your** name
- (b) prosecute in **your** name for **our** benefit any claim for indemnity or damages

We will have full discretion in the conduct and settlement of any such action

- (c) enter any building where **damage** has occurred and take and keep possession of any property insured by this policy

We will not accept property abandoned to **us**

This policy shall be proof that **you** have authorised **our** rights under this condition

- (d) at any time pay to **you** the relevant limit of indemnity
 - (i) in the case of claims for Employers' liability or Prosecution defence costs or Directors' and officers' liability less any amount already paid or incurred
 - (ii) in the case of Public & products liability claims less any amount already paid or incurred as damages
 - (iii) less any amount already paid or agreed to pay for settlement damages interest and claimant's costs or costs for which **you** are liable in the case of claims for Professional indemnity or any lesser amount for which at **our** discretion any claim or claims can be settled

We will then relinquish control of the claim and have no further liability except for any Public & products liability claim (other than any claim originating from within the legal jurisdiction of the United States of America or Canada) **we** will also pay any legal costs incurred prior to the date of such payment

- (e) in the case of Personal accident or Assault extension claims involving the death of an insured person have a post mortem carried out at **our** expense

Additional conditions apply to the Professional indemnity and Directors' and officers' liability sections which are detailed in the section

1 Property damage

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type or capital letters in the schedule they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Buildings

means the buildings at the **premises** including

- (a) landlord's fixtures and fittings
- (b) outbuildings storage tanks walls gates and fences
- (c) piping ducting cables wires and associated control gear and accessories on the **premises** and extending to the public mains but only to the extent of **your** responsibility
- (d) satellite dishes fixed to the buildings
- (e) the following items fixed to the buildings
 - (i) wind turbines less than 10kw
 - (ii) solar panels less than 50kw
 - (iii) photovoltaic panels less than 50kw
 subject to the limits shown under the Limit of liability paragraph to this section
- (f) yards car parks roads and pavements
- (g) artificial playing surfaces tennis courts swimming pools and associated apparatus
- (h) fixed glass and sanitary fixtures

Excluding

- (i) bridges land piers jetties excavations and marquees
- (ii) natural or artificial
 - (a) water courses
 - (b) confines of any body of standing water including but not limited to
 - (1) dams reservoirs culverts canals moats rivers and lakes
 - (2) any man-made elements attaching to or forming part of such structures
- (iii) property or structures in the course of construction or erection and all materials or supplies in connection with such property or structure except as specifically provided for by the Minor contract works extension unless more specifically mentioned in this policy or its schedule

Unless stated otherwise buildings are brick stone or concrete built and roofed with slates tiles concrete metal asphalt or sheets or slabs composed of incombustible mineral ingredients

Contents

means nursery and business equipment computers plant machinery furniture fixtures and fittings tenants improvements stock not for sale and all other contents belonging to **you** or for which **you** are legally responsible or which are entrusted to **you** whilst at the **premises** and elsewhere as stated in this policy and the schedule

Contents includes the following property subject to the limits shown under the Limit of liability paragraph to this section

- (1) the cost of materials labour and computer time in reproducing
 - (a) documents manuscripts and business books
 - (b) patterns models moulds plans and designs
 - (c) computer systems records
 but not any cost in connection with producing information to be recorded or the value of the information to **you**
- (2) prints paintings drawings rare books pieces of tapestry sculptures or other works of art
- (3) jewellery precious stones or precious metals bullion furs or curiosities
- (4) the **personal belongings** of the following whilst at the **premises**
 - (a) directors trustees officials partners **governors** employees
 - (b) visitors
 - (c) **nursery children**
 - (d) other persons as shown in the schedule
- (5) personal money of those specified in (4)

Excluding

- (i) landlord's fixtures and fittings
- (ii) cash or money instruments of any description whether negotiable or non-negotiable (other than personal money noted in (5) above)
- (iii) vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock powered watercraft (unless specifically noted as insured) or aircraft
- (iv) any living creatures
- (v) trees shrubs plants or other vegetation (except where more specifically noted by this policy)
- (vi) explosives
- (vii) any other property more specifically insured

Groundsperson's equipment

means groundsperson's machines and equipment in the grounds and playing fields of the **premises**

Item(s) insured

means the items insured as set out in the Property damage section of the schedule to this policy

Personal belongings

means clothing and personal articles worn used or carried about the person including **valuables** instruments sports and other equipment and tools for use in connection with **your business** but excluding bankers' cards credit and debit cards and property more specifically insured

Valuables

means personal jewellery watches articles of precious metal furs and pedal cycles

Cover

We will indemnify **you** in respect of **damage** to the **items insured** at the **premises** or elsewhere as stated in this section or the schedule by any cause not specifically excluded happening during the period of insurance

Exclusions

The cover provided by this section excludes

- (1) **damage** caused by or consisting of
 - (i) inherent vice latent defect depreciation gradually operating causes wear and tear frost its own faulty or defective design or materials faulty or defective workmanship by **you** or any of **your** employees or operational error or omission by **you** or any of **your** employees
But this shall not exclude subsequent **damage** which itself results from a cause not otherwise excluded
 - (ii) corrosion dust rust wet or dry rot contamination mildew shrinkage evaporation loss of weight dampness dryness marring scratching **vermin** change in temperature colour flavour texture or finish
 - (iii) erasure loss distortion or corruption of information on computer systems or other records programs or software
- (2) **damage** to property resulting from its undergoing any process of cleaning dyeing restoration production packing treatment testing commissioning servicing or repair
- (3) **damage** caused by the property undergoing any heating process or any process involving the application of heat
- (4) **damage** caused by or consisting of
 - (i) acts of fraud or dishonesty
 - (ii) disappearance unexplained or inventory shortage misfiling or misplacing of information
- (5) **damage** caused by joint leakage failure of welds or cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam feed piping in connection therewith
- (6) **damage** consisting of mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- (7) (i) **damage** in respect of and originating in any vessel machinery or apparatus or its contents belonging to **you** or under **your** control which is required to be examined to comply with any statutory regulations unless such vessel machinery or apparatus is the subject of a contract providing the required inspection service
 - (ii) **damage** caused by the bursting of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to **you** or under **your** control
- (8) **damage** resulting from atmospheric and climatic conditions (other than **storm** or **flood**)
- (9) **damage** attributable solely to change in the water table level
- (10) **damage** occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds
- (11) **damage**
 - (i) resulting from cessation of work
 - (ii) occasioned by confiscation or destruction or requisition by order of the government or any public authority
- (12) **damage** to any electrical plant or apparatus caused by self-ignition but this exclusion shall apply only to that part of the electrical plant or apparatus in which self-ignition occurs
- (13) property more specifically insured
- (14) consequential loss of any kind
- (15) **damage** to any **building** or structure caused by its own collapse or cracking unless it results from a **restricted peril**
- (16) **damage** to wind turbines solar panels and photovoltaic panels unless resulting from a **restricted peril** or **theft**

- (17) **damage** to any **building** which is **unoccupied**
This exclusion shall not apply to **damage** caused by **fire aircraft earthquake** or **impact**
- (18) **damage** caused directly by or consisting of
- (i) **subsidence** unless provided for under the Subsidence extension or caused by fire subterranean fire explosion **earthquake** or **escape of water**
 - (ii) **settlement**
 - (iii) coastal or river erosion
- (19) **damage** caused by **storm** to inflatable structures except where damaged by falling trees
- (20) **damage** caused by **flood** wind rain hail sleet or snow to
- (i) any moveable property in the open
 - (ii) fences and gates
- (21) **damage** caused by or arising from **malicious persons**
- (i) to a private dwelling house caused by the occupant or a member of their family
 - (ii) to moveable property in the open except for
 - (a) **groundsperson's equipment** in the grounds of the **premises** provided that any mechanically or electrically driven equipment is immobilised when not in use
 - (b) to fixed or unfixed equipment play equipment garden decorations and ornaments monuments memorials statues bridges and garden furniture in the grounds of the **premises**
 - (c) **your** signs and nameplates fixed to the **buildings** or positioned outside but in the immediate vicinity of the **premises**
- (22) **damage** by **theft** to **valuables** unless such **damage** involves entry to or exit from any building by forcible and violent means or following actual or threatened assault or violence
- (23) **damage** caused by or arising from **theft**
- (i) to the **buildings** other than provided for under the Theft damage to buildings extension
 - (ii) of moveable property in the open except for
 - (a) **groundsperson's equipment** in the grounds of the **premises** provided that any mechanically or electrically driven equipment is immobilised when not in use
 - (b) fixed or unfixed equipment play equipment garden decorations and ornaments monuments memorials statues bridges and garden furniture in the grounds of the **premises**
 - (c) **your** signs and nameplates fixed to the **buildings** or positioned outside but in the immediate vicinity of the **premises**
 - (iii) where **you** or any member of **your** household or any of **your** partners **governors** or employees are concerned as principal or accessory
- (24) **damage** to
- (i) glass caused by scratching or chipping or whilst not fixed
 - (ii) glass caused by or traceable to alterations to the **premises** or in the glass whereby the risk of **damage** is increased
 - (iii) bulbs or tubes unless the signs in which they are contained are damaged at the same time
 - (iv) glass sanitary fixtures or signs already cracked chipped or scratched at the commencement of the insurance

Basis of settlement

We will pay up to the value of the **item(s) insured** at the time of the **damage** or at **our** option repair reinstate or replace the **item(s) insured** in accordance with the following

1 Reinstatement

Subject to the following special conditions the basis upon which the amount payable in respect of property insured under this section (but excluding bed linen stock and **personal belongings**) is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose "reinstatement" means

- (a) the rebuilding or replacement of property lost or destroyed which provided **our** liability is not increased may be carried out
 - (i) in any manner suitable to **your** requirements
 - (ii) upon another site
- (b) the repair or restoration of property damaged

In the case of (a) or (b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special conditions applicable to this basis of settlement

- 1 If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this basis of settlement exceeds its sum insured at the time of commencement of any **damage our** liability shall not exceed that proportion of the amount of the **damage** which the said sum insured adjusted for index-linking shall bear to the sum representing the total cost of reinstating the whole of such property at that time
- 2 **Our** liability for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
- 3 No payment beyond the amount which would have been payable in the absence of this basis of settlement shall be made
 - (a) unless reinstatement commences and proceeds without unreasonable delay
 - (b) until the cost of reinstatement shall have been actually incurred
 - (c) if the property insured at the time of its **damage** shall be insured by any other insurance effected by **you** or on **your** behalf which is not upon the same basis of reinstatement
- 4 **We** shall not be bound to reinstate exactly or completely any property that is the subject of a claim but only as circumstances permit and in reasonably sufficient manner
We shall not pay out in respect of any one of the **items insured** more than its sum insured
- 5 All the terms and conditions of the policy shall apply
 - (a) in respect of any claim payable under this basis of settlement except insofar as they are varied hereby
 - (b) where claims are payable as if this basis of settlement had not been incorporated

2 Day One Basis – non-adjustable

This applies if a Day One figure is shown against an item in the schedule

- 1 **You** have agreed the declared value incorporated in each item to which this extension applies and the premium has been calculated accordingly
"Declared value" means **your** assessment of the cost of reinstatement of the property insured (as defined in Basis of settlement - Reinstatement) at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

- (a) the additional cost of reinstatement to comply with the stipulations defined in the European Union and Public Authorities (including undamaged portions) extension
 - (b) professional fees
 - (c) debris removal costs
- 2 At the inception of each period of insurance **you** shall notify **us** of the declared value of the property insured by each of the said item(s)
 In the absence of such declaration the last amount declared by **you** (adjusted to reflect index-linking) shall be taken as the declared value for the ensuing period of insurance
- 3 In respect of each item to which this extension applies the following replaces Special conditions 1 and 5 of Basis of settlement - Reinstatement
- 1 Each item insured under this basis of settlement is declared to be separately subject to the following condition of underinsurance namely
 If at the time of **damage** the declared value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph 1 of the Day One memorandum) at the inception of the period of insurance then **our** liability shall be limited to that proportion thereof which the declared value bears to such cost of reinstatement
 - 5 Where by reason of any of the above Special conditions no payment is to be made beyond the amount which would have been payable under the policy if this basis of settlement had not been incorporated the rights and liabilities of the **Company** and the **Insured** in respect of the **damage** shall be subject to the terms of the policy including any condition of underinsurance as if this basis of settlement had not been incorporated except that the sums insured shall be increased in proportion with the additional amount charged in respect of this memorandum

Limit of liability

Our liability in any one period of insurance shall not exceed

	Limit
(1) for the following items <ul style="list-style-type: none"> (i) Fixtures including fixed floodlighting and external lighting security equipment fixed to the exterior of the buildings or in the grounds of the premises (ii) Fixed or unfixed equipment play equipment garden decorations and ornaments monuments memorials statues bridges and garden furniture in the grounds of the premises (other than provided by (i) above) (iii) Signs and nameplates fixed to the buildings or positioned outside but in the immediate vicinity of the premises 	£20,000 in the aggregate in any one period of insurance
(2) Groundsperson's equipment in the grounds of the premises	£5,000 any one period of insurance

	Limit
(3) for the following items	
(i) computer systems records	5% of the contents item sum insured
(ii) prints paintings drawings rare books pieces of tapestry sculptures or other works of art	£5,000 any one item
(iii) jewellery precious stones or precious metals bullion furs or curiosities	£1,000 any one item
(iv) the personal belongings of the following whilst at the premises	
(a) directors trustees officials partners governors employees	£2,500 per person
(b) visitors	£500 per person
(c) nursery children	£100 per child
(d) other persons as shown in the schedule	the limit shown for any one person
(v) personal money of those specified in (iv) above	£100 per person
(4) for the following items	£20,000 in the aggregate in any one period of insurance
(i) for wind turbines less than 10kw	
(ii) solar panels less than 50kw	
(iii) photovoltaic panels less than 50kw	

unless more specifically mentioned in the schedule to this policy

- (5) the sum insured for each **item insured** or any other limit of liability in this section and in total shall not exceed the total sum insured for all items

Irrespective of the number of insured parties **our** total liability to all the insured parties collectively in respect of the cover insured by this section shall not exceed the total sum insured for all items or in respect of any item its sum insured or any other stated limit of liability

Any payment or payments by **us** to any one or more insured party shall reduce the extent of **our** liability to all parties by the amount of such payment in respect of any one event giving rise to a claim under this section

Automatic reinstatement of sum insured

The sums insured stated in the schedule will be automatically reinstated by the amount of any claim **we** pay provided that

- (a) **we** have not given **you** notice within 30 days of **you** reporting the **damage** that **we** will not reinstate the sum insured
- (b) **you** pay any such additional premium as may be required
- (c) **you** complete any improvements to security or other measures **we** may require at the **premises**
- (d) in respect of **damage** by theft or attempted theft reinstatement of the sum insured will apply only once during each period of insurance

Memoranda

1 Index-linking

Unless the Day One Basis – non-adjustable memorandum applies the sum insured by each **item insured** (but not extension limits) under this section will be adjusted in accordance with suitable indices selected by **us**

The annual renewal premium will be amended accordingly

In the event of **damage** index-linking will continue from the date of **damage** until the resulting claim is settled but **we** will not pay for increased costs which arise due to unnecessary delay on **your** part

2 Underinsurance

Unless otherwise shown in the schedule or elsewhere in this policy the sum insured by each **item insured** is subject to the following condition of underinsurance

If the property insured by any item of this section shall at the commencement of any **damage** to such property be collectively of greater value than such sum insured as adjusted for index-linking **you** will be considered as being **your** own insurer for the difference and shall bear a rateable proportion of the loss accordingly

3 Adjustment of premium

If any part of the premium has been calculated on estimates **you** shall within 30 days from the expiry of each period of insurance supply to **us** such information as **we** may require

The premium for such period will be adjusted and the difference paid by or allowed to **you** subject to any minimum premium

4 Designation

For the purpose of determining where necessary the heading under which any property is insured **we** agree to accept the designation under which such property has been entered in **your** books

Extensions

The insurance cover provided by this section is extended to include the following

Unless specifically stated otherwise these extensions do not increase **our** liability as stated in the Limit of liability paragraph to this section

All claims are subject to the appropriate **excess**

1 Non-invalidation

The cover by this section shall not be invalidated by any act omission or alteration whereby the risk of **damage** is increased unknown to **you** or beyond **your** control provided that on becoming aware of this **you** give notice to **us** as soon as is reasonably possible and pay an additional premium if required

2 Other interests

The interest in the **buildings** insured by this section of any mortgagees lessors and freeholders of the property is noted

3 Fees

If the **buildings** are insured architects' surveyors' consulting engineers' and legal fees necessarily and reasonably incurred in the reinstatement of the property insured consequent upon its **damage** by any cause insured under this section but not for preparing any claim it being understood that the amount payable for such **damage** and fees shall not exceed in the aggregate the sum insured by each item

4 Removal of debris

Costs and expenses necessarily incurred by **you** with **our** consent in

- (a) removing debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

of the portion or portions of the property insured by the said items destroyed or damaged by any cause insured under this section it being understood that the amount payable for such **damage** and costs incurred under (a) (b) and (c) shall not exceed in the aggregate the sum insured by each item

We will also pay the costs and expenses necessarily incurred by **you** with **our** consent in removing fallen trees within the grounds of the **premises**

Provided that

- (1) the trees have fallen as a result of a cause not excluded under this policy and
- (2) the buildings of the **premises** are damaged by the same cause occurring at the same time and a claim for this **damage** has been admitted by **us**

We will not pay for any costs or expenses

- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (ii) arising from pollution or contamination of property not insured by this section

5 Damage by emergency services

Damage caused by the emergency services at any part of the **premises** or to insured property for which **you** are responsible but excluding **damage** caused by police raids

6 Landscaping costs

The necessary and reasonable costs to restore landscaped gardens or grounds at the **premises** including trees shrubs plants and other vegetation following **damage** caused by the emergency services to its appearance when first planted

Excluding any cost arising from the failure of seed to germinate or trees plants or turf to become established

Limit

£10,000 any one period of insurance

7 European Union and Public Authorities (including undamaged portions)

If the **buildings** are insured such additional cost of reinstatement of the destroyed or damaged property and undamaged portions as may be incurred solely by reason of the necessity to comply with the stipulations of

- (a) European Union legislation or
 - (b) building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority
- (hereinafter referred to as "the Stipulations")

Excluding

- (i) the cost incurred in complying with the Stipulations
 - 1. in respect of **damage** occurring prior to the granting of this extension
 - 2. in respect of **damage** excluded or otherwise not insured by this section
 - 3. under which notice has been served upon **you** prior to the happening of the **damage**
 - 4. for which there is an existing requirement which has to be implemented within a given period
- (ii) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- (iii) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of the property by reason of compliance with the Stipulations

Special conditions applicable to this extension

- 1 The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the **damage** or within such further time as **we** may allow (during the said 12 months) and may be carried out upon another site (if the Stipulations so necessitate) subject to **our** liability under this extension not being increased
- 2 If **our** liability under the policy apart from this extension shall be reduced by the application of any of the terms and conditions of the policy then **our** liability under this extension (in respect of any such item) shall be reduced in like proportion
- 3 The total amount recoverable under any item of the policy under this extension shall not exceed
 - (a) 15% of its sum insured or
 - (b) where the sum insured by the item applies to property at more than one premises 15% of the total amount for which **we** would have been liable had the property insured by the item at the **premises** where **damage** has occurred been wholly destroyed
- 4 The total amount recoverable under any item of the policy shall not exceed its sum insured
- 5 All the terms of this policy except insofar as they may be expressly varied shall apply as if they had been incorporated herein

8 Trace and access

The costs and expenses necessarily and reasonably incurred by **you** with **our** consent in locating the source of **damage** caused by an escape of oil or water from any fixed water or heating system in the **buildings** and in subsequent repair of **damage** caused by locating the source

Limit

£50,000 any one claim

9 Loss of oil gas or water

We will pay for

- (a) loss of metered water from the water or heating system after **damage** to that system by any cause not otherwise excluded by this policy
- (b) loss of oil (other than covered by (d) below) or gas from the water or heating system after **damage** to that system by any cause not otherwise excluded by this policy
- (c) the cost of replacing liquid petroleum gas or oil following accidental discharge from the storage container at the **premises**
- (d) **theft** of oil from any storage tank used for the heating system at **your premises**
- (e) the cost of decontaminating the grounds of **your premises** following accidental discharge of oil (not otherwise excluded by this policy) from any oil fired heating installation or storage tank

The most **we** will pay under (a) is £5,000 any one claim

The most **we** will pay under (b) or (c) is £5,000 any one claim

The most **we** will pay under (d) is £5,000 in any one period of insurance

The most **we** will pay under (e) is £25,000 any one claim

10 Sale of the building

If the **buildings** are insured the interest of the purchaser in the insurance by this section for the period from the written offer and acceptance or exchange of contracts until completion of the sale is noted

Provided that

- (a) the **buildings** are not insured elsewhere for the benefit of the purchaser
- (b) the purchaser complies with and is bound by the terms of the policy

11 Deterioration of refrigerated stock

If **contents** are insured **damage** to the contents of chill or deep freeze food units as a result of failure of the unit failure of the electricity or gas supply or contamination from refrigerant or refrigerant fumes

In addition **we** will pay if incurred the necessary and reasonable cost of hiring temporary alternative freezing space

Excluding

- (a) **damage** caused by **your** failure to pay for the electricity or gas supply or the deliberate withholding or restricting of supplies by any public utility supplier
- (b) **damage** to freezer contents where the freezer or compressor is more than 15 years old unless the refrigeration unit is the subject of a current manufacturer's guarantee or an annual maintenance contract
- (c) the **excess** specified in the schedule

Limit

£5,000 for the contents of any unit and £20,000 in the aggregate in any one period of insurance

12 Damage to the buildings by theft

Where **theft** is included the insurance extends to include

- (a) repairs to the **buildings** following **theft** of the fabric of the **buildings** excluding following the theft of external metal provided that the **buildings** are insured under this section
- (b) repairs to the **buildings** following **theft** of external metal provided that the buildings are insured under this section

- (c) **damage** to the **buildings** caused by **theft** of **contents** provided that the **contents** are insured under this section
- (d) **damage** to **buildings** and **contents** (if insured under this section) directly caused as a result of the entry of rainwater following the **theft** of the fabric of the **buildings** including external metal

Excluding **damage**

- (i) when scaffolding is erected at the **premises** unless **we** have agreed in writing to continue cover
- (ii) to any building which is **unoccupied** or
- (iii) where **you** or any member of **your** household or any of **your** partners or employees are concerned as principal or accessory

Limit

The most **we** will pay under (a) or (b) or (d) is £25,000 in any one period of insurance

13 Lock replacement following loss or theft of keys

If **contents** are insured the reasonable costs incurred in gaining access to the **premises** and/or replacing locks at the **premises** including locks of safes or strongrooms in the **premises** if keys are stolen or lost

Limit

£5,000 in any one period of insurance

14 Clearing of drains

The reasonable costs incurred by **you** for clearing or repairing drains gutters sewers and the like for which **you** are responsible incurred as a direct result of **damage** by any cause not otherwise excluded by this policy

Limit

£50,000 any one claim

15 Extinguisher and alarm resetting expenses

The reasonable costs incurred by **you** in refilling fire extinguishing appliances replacing sprinkler heads and resetting fire or intruder alarm systems solely in consequence of their activation following **damage** to property insured under this section

16 Property away from the premises

- (a) **Contents** whilst temporarily removed for cleaning renovation repair or other similar purposes to any premises and in transit to or from such locations within the **geographical limits**
- (b) **Contents** and **personal belongings** whilst anywhere in the world in connection with **your business** trips
- (c) **Contents** whilst at the home of **your** employee or authorised representative or whilst at any exhibition and in transit between such locations within the **geographical limits**

Limit

The most **we** will pay under (b) or (c) is

£2,500 any one item

£5,000 any one claim

- (d) Items specified in the schedule are covered whilst at the location stated in the schedule up to the sum insured shown for each item

The limits in respect of (d) are in addition to the **contents** sums insured stated in the schedule

Excluding **damage**

- (i) to a trailer or caravan whilst attached to or being towed by a motor vehicle
- (ii) by **theft**
 - from any unattended vehicle unless
 - (1) the vehicle is locked at all points of access
 - (2) there are visible signs of forcible and violent entry to the vehicle
 - (3) the property (unless permanently fixed in position) is out of sight
- (iii) by **theft to valuables** unless such **damage** involves entry to or exit from any building by forcible and violent means or following actual or threatened assault or violence

17 Contractors' interest

Where **you** are required to insure the **buildings** in the joint names of **you** and any contractor or sub - contractor under the terms or conditions of any contract covering works at the **buildings** the interest of the contractor or sub -contractor is noted provided that **you** notify **us** of any single contract valued at £100,000 or more in advance of the start date of the works and pay any additional premium **we** may require

18 Removal of insect nests

We will pay the costs incurred by **you** in removing wasp bee or hornet nests from the **buildings**

Limit

£1,000 any one claim

Extensions 19 to 21 increase the sums insured that apply but only to the extent stated

19 Capital additions

Under the Buildings and Contents items

- (a) alterations and additions to the property insured but not in respect of any appreciation in value
- (b) newly acquired property so far as it is not otherwise insured anywhere in the **geographical limits**

Provided that

- 1 at any one situation this cover shall not exceed 10% of the total sum insured on such property or £500,000 in respect of both **buildings** and **contents** whichever is the less
- 2 **you** undertake to give details of such extension of cover as soon as practicable and to effect specific insurance and pay any additional premium that is required from the date of the alteration addition or acquisition

20 Temporary accommodation for resident staff

If the **premises** are made uninhabitable following **damage** by any cause not otherwise excluded by this policy **we** will pay reasonable costs of temporary accommodation for **you** and **your** staff and members of **your** or their family permanently residing at the damaged property including the cost of temporary storage of household furniture

Limit

£20,000 in any one period of insurance

21 Minor contract works

Explanatory notes (not forming part of the policy)

1. If you have decided not to include the Terrorism section under this policy then the full insurance requirements of the building contract may not be met. We may be able to extend your insurance to include Terrorism or you can ask your architect to reduce the requirements of the building contract with the agreement of all parties.
2. Please remember that if your policy is not renewed with us there will be no cover for the building works if they should continue beyond the period of cover.

Definitions specific to this extension

All risks

means all risks of **damage** other than as specifically excluded by this section of the policy

Contractor(s)

shall have the meaning attached to them in the **insured contract**

Contract works

means the permanent works and the temporary works executed in performance of the **insured contract** including all unfixed materials and goods delivered to placed on or adjacent to the permanent or temporary works and intended for incorporation in them in performance of the contract at the premises

Excluding tools contractors plant and equipment site huts and other temporary accommodation and their contents

Insured contract

means any JCT minor standard or intermediate building contract in which **you** are the employer and are required to take out a joint names policy or any similar contract with **our** written agreement

Provided that

- (i) the value of the contract does not exceed £100,000
- (ii) where one project at the **premises** comprises a series of separate contracts a limit of £100,000 applies in the aggregate to all the contracts involved

Site materials

means all unfixed materials and goods delivered to placed on or adjacent to the **contract works** and intended for incorporation within the **contract works**

Specified perils

means fire lightning explosion storm tempest flood escape of water from any water tanks apparatus or pipes aircraft and other aerial devices or articles dropped from them riot civil commotion and earthquake

Cover

We will include any **contract works** in respect of repairs alterations and extensions to existing building structures for **specified perils** or **all risks** as required by the **insured contract**

Provided that

- (a) the **buildings** are insured under this section against all of the **specified perils**
- (b) **our** liability inclusive of all professional fees and VAT where applicable shall not exceed £100,000 in respect of the **contract works**

For the purposes of this extension the insurance is considered to be in the joint names of **you** and the **contractor** but only in so far as this is required under the terms of the **insured contract** for

- (a) the existing structures and any **contents** for which **you** are responsible
- (b) the **contract works**

Off-site storage

Cover extends to include materials or goods designated to be included in the **contract works** whilst temporarily held in store away from the contract site but not while they are being worked upon

Limit

£7,500 any one storage site

Excluding

- (a) **damage** to
 - (i) deeds bonds bills of exchange promissory notes cash bank notes cheques securities for money or stamps
 - (ii) any craft designed to travel in on or through water air or space
 - (iii) any mechanical plant and equipment
 - (iv) any property (including that being altered or repaired) which already existed at the time of the commencement of the **insured contract** other than **site materials**
 - (v) the permanent works or any part thereof in respect of which a certificate of completion has been issued by or to the **Insured** or which has been completed and handed over to or taken into use with the permission of the **Insured** for a purpose other than for the performance of the **insured contract**
- (b) penalties under the **insured contract** for delay or non-completion or consequential loss of any nature except as specifically provided for under this extension

22 Subsidence

Notwithstanding exclusions 15 and 18 of this section the insurance in respect of **buildings** is extended to include **subsidence** excluding **damage**

- (a) to bridges boundary walls gates fences piping ducting cables wires and associated control gear and accessories yards car parks roads and pavements storage tanks artificial playing surfaces and swimming pools unless also resulting in **damage** to a building insured under this policy
- (b) caused by or consisting of
 - (i) **settlement**
 - (ii) coastal or river erosion
- (c) caused by defective design or workmanship or the use of defective materials
- (d) caused by **fire earthquake** or **escape of water** from any tank apparatus or pipe
- (e) which originated prior to the inception of cover
- (f) resulting from
 - (i) demolition construction structural alteration or repair of any property
 - (ii) groundworks or excavation
 at the same **premises**

Special condition applicable to this extension

You shall notify **us** immediately **you** become aware of any demolition groundworks excavation or construction being carried out on any adjoining site

We shall then have the right to vary these terms or cancel this cover

2 Equipment breakdown

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Accident(s)

means

- (a) electrical or mechanical **breakdown** including rupture or bursting caused by centrifugal force
- (b) artificially generated electrical current including electric arcing that disturbs electrical devices appliances or wires
- (c) **explosion** or **collapse** of **covered equipment** operating under steam or other fluid pressure
- (d) **damage** to hot water boilers other water heating equipment oil or water storage tanks or other **covered equipment** operating under steam or fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment
- (e) **damage** caused by operator error that results in the overloading of **covered equipment**

Biomass and biogas installations

means any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant including anaerobic digesters storage tanks augers screeners scrubbers boilers gas engines generators heat exchangers pumps and motors

Breakdown

means

- (a) the actual breaking failure distortion or burning out of any part of the **covered equipment** whilst in ordinary use arising from defects in the **covered equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- (b) fracturing of any part of the **covered equipment** by frost when such fracture renders the **covered equipment** inoperative
- (c) the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary

Collapse

means the sudden and dangerous distortion (whether or not attended by rupture) of any part of the **covered equipment** caused by crushing stress by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

Computer equipment

means

- (a) electronic computer or other data processing and/or storage equipment
- (b) projectors printers scanners and other peripheral devices used in conjunction with (a)
- (c) software and programs licensed to **you** and installed on (a)
- (d) **portable computer equipment** owned by **you** or for which **you** are responsible

Covered equipment

means equipment at the **premises** owned by **you** or for which **you** are responsible

- i) which is built to operate under vacuum or pressure (other than the weight of its contents) or
- ii) that generates transmits stores or converts energy or
- iii) comprising **computer equipment**

Excluding

- (a) any supporting structure foundation masonry brickwork cabinet
- (b) any insulating or refractory material
- (c) any vehicle aircraft floating vessels or any equipment mounted thereon (other than vehicle recovery cranes or equipment which are included but not the actual vehicle)
- (d) self-propelled plant and equipment (other than fork lift trucks and pallet trucks used by **you** at **your premises**) dragline excavation or construction equipment
- (e) equipment manufactured by **you** for sale
- (f) safety or protective devices due to their functioning
- (g) tools dies cutting edges crushing surfaces trailing cables non-metallic linings driving belts or bands or any part requiring periodic renewal
- (h) any electronic equipment (other than **computer equipment**) used for research diagnostic treatment experimental or other medical or scientific purposes with a new replacement value in excess of £30,000
- (i) any **manufacturing production or process equipment** including linked **computer equipment**
- (j) any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw
- (k) any **biomass and biogas installation**
- (l) any **hydroelectric installation**

Derangement

means electrical or mechanical malfunction arising from a cause internal to **computer equipment** unaccompanied by visible damage to or breaking of any parts of the equipment

Explosion

means the sudden and violent rending of the **covered equipment** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **covered equipment** together with forcible ejection of the contents

Hazardous substance

means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency

Hydroelectric Installations

means any equipment machinery dam and weir used in connection with running a hydroelectric power station including turbines sluice gates screens screeners pumps motors generators gearboxes engines alternators and associated equipment

Plus any substation and distribution transformer switchgear meter cabling telecommunication and monitoring device building and converter housing (including fixtures and fittings) security equipment access roads hardstandings and spares used only for insured property

Manufacturing production or process equipment

means any machine or apparatus (other than boilers lifts fork lift trucks dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by **you** and any equipment which exclusively serves such machinery or apparatus

Media

means all forms of electronic magnetic and optical tapes and discs for use in any **computer equipment**

Portable computer equipment

means

- a) laptops palmtops and notebooks
- b) personal digital assistants (PDA's)
- c) projectors printers scanners and other peripheral devices which are designed to be carried and used in conjunction with other **portable computer equipment**
- d) removable satellite navigation systems
- e) digital cameras
- f) smartphones

owned by **you** or for which **you** are responsible

Verified

means checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration

Cover

We will indemnify **you** in respect of **damage** to **covered equipment** arising from an **accident** happening during the period of insurance

Exclusions

- (1) **damage** caused by or resulting from
 - (a) a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
 - (b) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions
But if **damage** from an **accident** results **we** shall be liable for that resulting **damage**
 - (c) installation erection dismantling re-siting transportation or removal of **covered equipment** other than re-siting transportation or removal under its own power whilst at its operating site
- (2) **damage** which is recoverable under a maintenance agreement warranty or guarantee
- (3) **damage** caused by any condition which can be corrected by resetting calibrating realigning tightening adjusting or cleaning or by the performance of maintenance but if **damage** from an **accident** results **we** shall be liable for that resulting **damage**

Basis of settlement

We will pay up to the value of **covered equipment** at the time of the **damage** or at **our** option repair reinstate or replace the **covered equipment** in accordance with the following

Reinstatement

Subject to the following special conditions the basis upon which the amount payable in respect of **covered equipment** is to be calculated shall be the reinstatement of the **covered equipment** that is the subject of an **accident**

For this purpose 'reinstatement' means

- (a) the replacement of **covered equipment** that is the subject of an **accident** which provided **our** liability is not increased may be carried out
 - (i) in any manner suitable to **your** requirements
 - (ii) upon another site

(b) the repair or restoration of **covered equipment** that is the subject of an **accident**

In the case of (a) or (b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special conditions applicable to this basis of settlement

- 1 **Our** liability for the repair or restoration of **covered equipment** that is the subject of an **accident** shall not exceed the amount payable for replacement of the **covered equipment**
- 2 No payment beyond the amount which would have been payable in the absence of this basis of settlement shall be made
 - (a) unless reinstatement commences and proceeds without unreasonable delay
 - (b) until the cost of reinstatement shall have been actually incurred
- 3 **We** shall not be bound to reinstate exactly or completely any property that is the subject of a claim but only as circumstances permit and in reasonably sufficient manner
We shall not pay out in respect of any one of the items insured more than the sum insured
- 4 All the terms and conditions of the policy shall apply
 - (a) in respect of any claim payable under this basis of settlement except in so far as they are varied hereby
 - (b) where claims are payable as if this basis of settlement had not been incorporated

Limit of liability

Our liability in any one period of insurance shall not exceed the sum insured under the appropriate Property damage section provided by this policy for each item of **covered equipment** nor in all the total Property damage sum insured subject to the following maximum limits

The total amount **we** will pay in respect of this section shall not exceed £5,000,000 for any one period of insurance

Within this amount **our** liability shall not exceed

- £500,000 for any one **accident** to **computer equipment** whilst at the **premises**
- £5,000 for any one **accident** to **portable computer equipment** anywhere in the world

All **accidents** that are the result of the same event will be considered one **accident**

Extensions

The insurance provided by this section is extended to include the following

These extensions do not increase the maximum liability of £5,000,000 for any one period of insurance

1 Reinstatement of data and Computer Increased Costs of Working

(A) **We** will pay the costs **you** incur in reinstating data that is lost or damaged as a consequence of an **accident** to or **derangement** of **computer equipment**

Providing that

- (i) **our** liability is limited solely to the cost of reinstating data onto **media**
- (ii) **we** shall not be liable for loss or damage to software

Limit

£50,000 any one **accident**

(B) In addition **we** will pay costs necessarily and reasonably incurred by **you** for the sole purpose of avoiding or diminishing the resulting interruption or interference to **your** computer operations

Limit

£50,000 any one **accident**

2 Business interruption

If the Business interruption section of this policy is operative **we** will pay to **you** in respect of each item in the business interruption schedule the loss occurring during the indemnity period (as defined in the Business interruption section) following an **accident** to **covered equipment** that results in the **business** being interrupted or interfered with

Our liability shall not exceed the sum insured for each item nor in all the total sum insured and in any event **our** maximum liability shall not exceed £100,000 any one period of insurance

Excluding any loss resulting from the Damage to own surrounding property extension

3 Hazardous substances

Following an **accident** **we** will also pay the additional cost to repair or replace **covered equipment** which has been contaminated by a **hazardous substance**

This includes any additional expenses incurred to clean up or dispose of such property

Limit

£10,000 any one **accident**

4 Expediting expenses

Reasonable costs necessarily incurred by **you** to make temporary repairs and expedite permanent repairs or permanent replacement of damaged **covered equipment**

Limit

£20,000 any one **accident**

5 European Union and Public Authorities

(Including undamaged portions)

If in force the European Union and Public Authorities extension of the Property damage section of this policy applies to **covered equipment** damaged as a result of an **accident**

6 Damage to own surrounding property

We shall be liable for **damage** to property at the **premises** belonging to **you** or in **your** custody and control and for which **you** are responsible directly resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure

Limit

£1,000,000 any one **accident**

7 Hire of substitute item

If **covered equipment** is damaged as a result of an **accident we** shall be liable for the cost of hire charges actually incurred by **you** during the period of insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged

Limit

£10,000 any one **accident**

8 Storage tanks and loss of contents

Damage caused by an **accident** to oil storage tanks or water tanks including connected pipework belonging to **you** or for which **you** are responsible at the **premises**

In addition this extension covers loss of the contents of oil storage tanks caused by

- a) escape of contents - leakage discharge or overflow from the oil storage tanks caused by or resulting from an **accident**
- b) contamination - contamination of the contents of oil storage tanks caused by or resulting from an **accident** including cleaning costs incurred as a result of such loss

Limit

£10,000 any one **accident**

9 Debris removal

Following an **accident** to **covered equipment we** will pay the costs necessarily incurred for

- a) the removal of debris and
- b) the protection of the **covered equipment**

Limit

£25,000 any one **accident**

10 Repair costs investigation

We will pay the costs incurred with **our** prior written consent relating to repair investigations and tests by consulting engineers for **damage** to **covered equipment** following an **accident**

We shall not be liable for costs incurred in preparing a claim under this section

Limit

£25,000 any one **accident**

Special condition applicable to this section – Back-up records

It is a **condition precedent to liability** that **you** shall maintain a minimum of 2 generations of **verified** back-up computer records taken at intervals no less frequently than 48 hours and take all reasonable precautions to store and maintain records in accordance with the makers recommendations

3 Business interruption

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Adjusted

means adjusted as necessary to provide for the trend of the **business** and any other circumstances affecting the **business** either before or after the **damage** or which would have affected the **business** had the **damage** not occurred so that the adjusted figures represent as near as possible the results which would have been obtained during the relative period after the **damage** had the **damage** not occurred

Annual rent receivable or **annual revenue** or **annual turnover**

means the **rent receivable** or **revenue** or **turnover** during the 12 months immediately before the date of the **damage adjusted**

Computer equipment

means equipment that is electronic computer or other data processing equipment including all forms of electronic magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment software and peripherals used in conjunction with such equipment belonging to **you** or for which **you** are responsible

Damage

means unless stated otherwise in the schedule destruction or damage by any cause not specifically excluded under the Property damage section

For the purpose of this section the definition of **damage** shall also include explosion of any boiler or economiser on the **premises**

Estimated gross profit or **estimated revenue** or **estimated rent receivable**

means **your** estimate of **gross profit** or **revenue** or **rent receivable** which **you** anticipate the **business** will earn during the financial year most closely corresponding with the period of insurance (proportionately increased if the maximum indemnity period exceeds 12 months)

Gross profit

means

- (a) the sum of the **turnover** the closing stock and work in progress less
- (b) the sum of the opening stock work in progress **purchases** and related discounts bad debts and any other expenses specified in the schedule (as defined in **your** books and accounts)

The amounts of the opening and closing stocks and work in progress will be calculated in accordance with **your** normal accountancy methods with provision being made for depreciation

Indemnity period

means the period beginning with the occurrence of the **damage** and ending not later than the expiry of the maximum indemnity period during which the results of the **business** are affected as a result of the **damage**

Purchases

means purchases of stock raw materials and components (and/or consumables)

Rate of gross profit

means the rate of **gross profit** earned on the **turnover** during the financial year immediately before the date of the **damage adjusted**

Rent receivable

means the amount of the rent and service charges received or receivable from the letting of the **premises**

Revenue

means the money paid or payable to **you** for services rendered in the course of the **business** at the **premises** less any expenses shown as excluded on the schedule

Standard rent receivable or standard revenue or standard turnover

means the **rent receivable** or **revenue** or **turnover** during the period corresponding with the **indemnity period** in the 12 months immediately before the date of the **damage** proportionately increased where the maximum indemnity period exceeds 12 months **adjusted**

Suppliers

means suppliers to **you** of goods or services other than electricity gas water or telecommunications services

Turnover

means the money paid or payable to **you** for services rendered and for goods sold and delivered in the course of the **business** at the **premises**

Cover

If any property used by **you** at the **premises** suffers **damage** during the period of insurance and as a result the **business** at the **premises** is interrupted or interfered with **we** will pay to **you** for each item in the schedule the amount of loss as a result of the interruption or interference in accordance with the Basis of settlement

Provided that at the time of the **damage** there is insurance in force covering **your** interest in the property at the **premises** against **damage** and payment shall have been made or liability admitted under that insurance (but this proviso shall not apply if no payment is made solely due to an **excess**)

Exclusions

We shall not be liable in respect of any loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** as a result of anything which is excluded under the Property damage section other than exclusion (14) consequential loss of any kind

Basis of settlement**Gross profit Revenue or Rent receivable items**

The amount payable is limited to

- (a) loss of **gross profit** due to a reduction in **turnover** or loss of **revenue** or loss of **rent receivable**
- (b) additional expenditure

occurring during the **indemnity period** and the amount payable as indemnity shall be

- (i) for loss of **gross profit** the reduction in **turnover** being the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** shall as a result of the **damage** fall short of the **standard turnover**

- (ii) for loss of **revenue** or **rent receivable** the amount by which the **revenue** or **rent receivable** during the **indemnity period** shall as a result of the **damage** fall short of the **standard revenue** or **standard rent receivable**
- (iii) additional expenditure necessarily and reasonably incurred by **you** with **our** consent in consequence of the **damage** for the sole purpose of
 - (a) avoiding or diminishing any reduction in
 - (i) **gross profit** (cover in respect of **gross profit** losses shall be subject to the uninsured expenses clause) or
 - (ii) **revenue** or
 - (iii) **rent receivable**
 - (b) maintaining or resuming normal business operations which but for that expenditure would have taken place during the **indemnity period**

less any sum saved during the **indemnity period** for such expenses of the **business** payable out of **gross profit revenue** or **rent receivable** which cease or are reduced as a result of the **damage**

Provided that the amount payable shall be proportionately reduced if the sum insured by the relevant item is less than the appropriate

- (a) sum produced by applying the **rate of gross profit** to the **annual turnover** or
- (b) **annual revenue** or
- (c) **annual rent receivable**

or a proportionately increased multiple of the above where the maximum indemnity period exceeds 12 months

If the sums insured are declaration-linked the above provision does not apply and **our** liability for any **estimated gross profit** or **estimated revenue** or **estimated rent receivable** shall not exceed 133 $\frac{1}{3}$ % of the estimated figure shown in the schedule

In the absence of written notice by **you** or **us** to the contrary **our** liability shall not be reduced by the amount of any loss provided that **you** pay the appropriate additional premium for such automatic reinstatement of cover

Additional cost of working items

The amount payable is limited to additional cost of working occurring during the **indemnity period** and the amount payable as indemnity shall be the additional expenditure necessarily and reasonably incurred in order to minimise any interruption or interference with the **business** during the **indemnity period**

Limit of liability

Our liability shall not exceed the sum insured for each item or any other limit of liability stated in this section and in total **our** liability shall not exceed the total sum insured for all items unless expressly varied in this section

Memoranda

1 Alternative trading clause

If during the **indemnity period** services are provided goods are sold or the **business** is conducted elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf the money paid or payable for such services sales or rent will be taken into account in arriving at the **turnover revenue** or **rent receivable** during the **indemnity period**

2 Uninsured expenses clause

Any uninsured expenses specified by **you** and noted in the schedule that are deducted when calculating **gross profit** are not insured and the amount of additional expenditure recoverable under paragraph (iii) of Basis of settlement (Gross profit Revenue or Rent receivable items) will be in the proportion of **gross profit** to **gross profit** and uninsured expenses

3 Professional accountants' charges

Any details contained in **your** business books which are requested by **us** for the purpose of dealing with **your** claim can be produced by **your** professional accountants and their report shall be accepted as evidence of these details

We will pay to **you** the reasonable charges payable by **you** to **your** professional accountants for producing these details or any other information requested by **us**

The sum of amount payable under this clause and the amount otherwise payable under this section shall not exceed the sum insured

4 Payments on account

Payments on account will be made during the **indemnity period**

5 Current cost accounting

Any adjustments implemented in current cost accounting shall be disregarded

6 Value Added Tax

To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of such tax

7 Refund of fees

In the event of **you** having to refund fees in consequence of the **damage** such refund shall be taken into account in arriving at the loss of **revenue** for the purposes of this section

Extensions

The insurance cover provided by this section is extended to cover loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** as a result of the following

Unless specifically stated otherwise these extensions do not increase **our** liability as stated in the Limit of liability paragraph to this section

1 Prevention of access - Damage

Access to or use of the **premises** being prevented or hindered by **damage** to neighbouring property

Excluding

- (i) any loss covered under the Utilities extension
- (ii) any period when access to the **premises** was not prevented or hindered

2 Prevention of access – Non-damage

Access to or use of the **premises** being prevented or hindered by

- (a) any action of government police or a local authority due to an emergency which could endanger human life or neighbouring property
- (b) any bomb scare at or in the vicinity of the **premises**

Excluding

- (i) any restriction of use of less than 4 hours
- (ii) any period when access to the **premises** was not prevented or hindered
- (iii) closure or restriction in the use of the **premises** due to the order or advice of the competent local authority as a result of an occurrence of an infectious disease (or the discovery of an organism resulting in or likely to result in the occurrence of an infectious disease) food poisoning defective drains or other sanitary arrangements
- (iv) closure or restriction in the use of the **premises** due to **vermin**

Limit

£20,000 any one period of insurance

Special conditions applicable to this extension

- (1) For the purpose of part (b) of this extension the General exclusion Terrorism does not apply
- (2) The maximum indemnity period under this extension will not exceed 3 months

3 Utilities

Damage at any

- (a) generating station or sub-station of **your** electricity supplier
- (b) land-based premises of **your** gas supplier or any directly linked natural gas producer
- (c) water works or pumping station of **your** water supplier
- (d) land-based premises of **your** telecommunications services provider

4 Suppliers' extension

Damage at the site of the following all within the **geographical limits**

- (a) Any **supplier** specified in the schedule up to the limit shown against their name
If the limit is expressed as a percentage this is a percentage of the relevant sum insured or a percentage of 133⅓% of the relevant estimate but not exceeding £100,000 any one incident
- (b) Unspecified **suppliers**

Limit

£50,000 any one incident

5 Failure of supply

Failure of the supply to **your premises** of electricity gas or water

Excluding

- (i) the deliberate act of the supplier in withholding or restricting supply
- (ii) any restriction caused by strikes or labour disputes
- (iii) any restriction of use of less than 4 hours
- (iv) drought
- (v) other atmospheric and weather conditions unless failure is due to **damage** caused by such conditions

Limit

£5,000 any one incident

6 Failure of telecommunication services

Failure of the telecommunication services at the **premises** following **damage** of or to telecommunications property anywhere in the **geographical limits**

Excluding

- (i) any restriction of use of less than 4 hours
- (ii) the failure of any telecommunication services received via satellite
- (iii) any restriction caused by strikes or labour disputes

Limit

£5,000 any one incident

7 Reinstatement of Data

Unless more specifically insured **we** will pay costs necessarily and reasonably incurred by **you** in reinstating data that is lost or damaged as a consequence of **damage** to **computer equipment** at **your premises**

Providing that

- (a) **our** liability is limited solely to the cost of reinstating data to any form of electronic magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment
- (b) **we** shall not be liable for any losses discovered later than 180 days after the loss occurred
- (c) **we** shall not be liable for loss or damage to software
- (d) **we** shall not be liable under this extension for costs more specifically described under Computers - Increased Cost of Working extension

Limit

£25,000 any one period of insurance

Special condition applicable to this extension – Back-up records

It is a **condition precedent to liability** that **you** shall maintain a minimum of 2 generations of verified back-up computer records taken at intervals no less frequently than 48 hours one copy as a minimum being held off-site and take all reasonable precautions to store and maintain records in accordance with the maker's recommendations

8 Computers - Increased Cost of Working

Unless more specifically insured **we** will pay costs necessarily and reasonably incurred by **you** for the sole purpose of avoiding or diminishing interruption or interference to **your** computer operations as a consequence of **damage** to **computer equipment** at **your premises**

Limit

£25,000 any one period of insurance

9 Exhibition and other venues

Damage

- (a) occurring at any premises not in **your** occupation within the **geographical limits** where **you** are holding or participating in an event or exhibition
- (b) to **your** property for use in connection with the event or exhibition whilst anywhere within the **geographical limits** including whilst in transit by road rail or inland waterway

Limit

£10,000 any one incident

10 Book debts

If following **damage** to **your** records at the **premises you** are unable to trace outstanding debit balances owed to **you we** will indemnify **you** for such loss as follows

- (a) **we** will pay the difference between the total outstanding debit balances and the total of the amounts received or traced for such balances
- (b) **we** will pay additional expenditure incurred with **our** previous consent in tracing and establishing customers' debit balances after the **damage**
- (c) **we** will pay for reasonable professional accountants' charges necessarily incurred in providing any evidence required by **us** in support of a claim

Excluding loss arising from misfiling erasure distortion deliberate falsification of business records abnormal conditions of trade or from bad debts

Limit

£50,000 (plus any additional book debts sum insured shown in the schedule) any one claim

Special condition applicable to this extension

It is a **condition precedent to liability** under this extension that **you** keep a record of the total amount outstanding in customers' accounts as at the end of each month and within 30 days of the end of each month deposit this record in a building other than that in which the original records are kept

11 Suspension costs

The cost of wages paid to temporary employees hired solely to replace members of staff who have been suspended in accordance with OFSTED regulations (or the regulations of any other registered authority) as a direct consequence of an accusation of child abuse

Limit

£25,000 any one period of insurance

12 Specified disease murder food poisoning defective sanitation vermin

Definition specific to this extension

Specified disease

means

Acute encephalitis

Acute poliomyelitis

Anthrax

Cholera

Diphtheria

Dysentery

Legionellosis

Legionnaires' disease

Leprosy

Leptospirosis

Malaria

Measles

Meningitis

Meningococcal septicaemia
(without meningitis)

Mumps

Ophthalmia neonatorum

Paratyphoid fever

Plague

Rabies

Relapsing fever

Rubella

Scarlet fever

Smallpox

Tetanus

Tuberculosis

Typhoid fever

Typhus fever

Viral haemorrhagic fever

Viral hepatitis

Whooping cough

Yellow fever

- (a) any occurrence of a **specified disease** being contracted by a person at the **premises** or within a radius of 25 miles of the **premises**
- (b) any discovery of an organism at the **premises** likely to result in the occurrence of a **specified disease** being contracted by a person at the **premises**
- (c) any injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided at the **premises**
- (d) any accident causing defects in drains or other sanitary arrangements at the **premises** which causes restrictions in the use of the **premises** on the order or advice of the competent local authority
- (e) any discovery of **vermin** at the **premises**
- (f) murder rape or suicide at the **premises**

Special conditions applicable to this extension

- (i) **We** shall not be liable under this extension for any costs incurred in the cleaning repair replacement recall or checking of property
- (ii) **We** shall only be liable for the loss arising at those **premises** which are directly affected by the occurrence discovery or accident
In the event that the policy includes an extension which deems **damage** at other locations to be **damage** at the **premises** such extension shall not apply to this extension
- (iii) **Indemnity period** shall mean the period during which the results of the **business** shall be affected in consequence of the occurrence discovery or accident beginning with the date from which the restrictions on the **premises** are applied (or in the case of (f) above with the date of occurrence) and ending not later than six months thereafter
- (iv) **Our** liability under this extension in respect of any one occurrence discovery or accident shall not exceed the lesser of £250,000 or 25% of a) the sum insured by the items or b) the limit of **our** liability by the items if the declaration-linked basis applies
- (v) In respect of (e) **you** must obtain **our** consent before **you** restrict the use of the **premises**

Special conditions

1 Renewal clause - Declaration-linked basis

You shall prior to each renewal supply **us** with the **estimated gross profit** or **estimated revenue** or **estimated rent receivable** for the financial year most closely corresponding with the ensuing year of insurance

4 Loss of registration

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type or capital letters in the schedule they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Cancel/cancelled/cancellation

means cancel/cancelled/cancellation or suspension under the provisions of any legislation governing ***registration*** and if relevant refusal to renew

Indemnity period

means the period beginning with the date of the ***cancellation*** of the ***registration*** and ending not later than 12 months thereafter during which the results of the ***business*** shall be affected as a result of the ***cancellation*** of the ***registration***

Registration(s)

means statutory registration to provide education and/or care

Revenue

means the money paid or payable to ***you*** for services rendered in the course of the ***business*** at the ***premises***

Cover

If during the period of insurance and from any cause outside ***your*** direct control ***your registration*** which enables ***you*** to carry on the ***business*** as stated at the ***premises*** is ***cancelled***

We will pay or make good to ***you your*** loss for

- (a) the amount which the ***revenue*** during the ***indemnity period*** is less than the ***revenue*** during the equivalent period immediately prior to the ***cancellation*** of the ***registration***
- (b) any reasonable additional expenses incurred to maintain ***revenue*** during the ***indemnity period*** but not more than the loss avoided under (a) above

less any amount saved during the ***indemnity period*** for expenses of the ***business*** payable out of ***revenue*** which cease or are reduced as a result of the ***cancellation*** of the ***registration***

If the ***premises*** are sold within the ***indemnity period*** ***we*** will also pay for the depreciation in the value of ***your*** interest in the ***premises*** covered by the ***registration*** less any sum already paid under (a) and (b) above

Limit of liability

The most **we** will pay in any one period of insurance in total is the limit of liability as stated in the schedule

Exclusions

We shall not be liable in respect of

- 1) any claim under this section if **you** are entitled to receive compensation under the provisions of any Act of Parliament or legislation for the **cancellation of registration**
- 2) any **cancellation of registration** which arises directly or indirectly from
 - a) any town or country planning improvement redevelopment or compulsory purchase order
 - b) surrender reduction or redistribution of **registrations** in connection with such order
- 3) any **cancellation of registration** which results from any alteration in the law
- 4) **premises** which are
 - a) altered without the approval of the Registration or other authority
 - b) closed for any period not required by law
 - c) not maintained in good sanitary and general repair
- 5) any direction or requirements of the Registration authority or any other relevant authority which are not complied with
- 6) **your** bankruptcy or insolvency

Claims conditions

In the event of the **registration** being **cancelled** or **you** receiving notice of a proposal to **cancel** the **registration** or **you** becoming aware of any complaint or circumstance that may give rise to such **cancellation** it is a **condition precedent to liability** that **you** shall

- (a) give notice to **us** within 24 hours of receiving such knowledge stating the grounds upon which the **registration** may be **cancelled**
- (b) apply at **your** own expense if required by **us** for the grant of such new **registration** for the same or alternative premises to enable **you** to continue the **business** in a similar or alternative form
- (c) if requested by **us** within 30 days provide at **your** expense a statement of **your** loss and all relevant documents required by **us** to verify **your** loss and give **us** free access to the **premises** and **your** books and accounts as may be necessary for ascertaining the amount of **your** claim under this section
- (d) take at **your** expense all practicable steps to minimise a claim
- (e) at **our** request and at **our** expense do or allow to be done everything reasonably required by **us** for the purpose of making any recoveries from other parties (whom **we** would be entitled to pursue upon settlement of **your** claim) whether such action is necessary before or after **we** pay **your** claim under this section

5 Money with assault extension

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Bodily injury

means bodily injury resulting directly and independently of any other cause within 24 calendar months in disablement or death

Business hours

means any time when anyone with responsibility for ***money*** is in attendance at the ***premises*** for the purpose of ***your business***

Deferment period

means the initial period specified in the schedule following ***bodily injury*** during which the ***temporary partial disablement*** or the ***temporary total disablement*** benefit is not payable

Insured person

means any employee of the ***Insured***

Loss of eye(s)

means permanent total and irrecoverable loss of sight

- (i) in both eyes resulting in the ***insured person's*** name being added to the Register of Blind Persons or
- (ii) in one eye which is assessed at 3/60 or less on the Snellen scale after correction with spectacles or contact lenses

Loss of limb(s)

means loss by permanent physical severance at or above the ankle or of the four fingers at or above the metacarpophalangeal joints or permanent total and irrecoverable loss of use of a complete leg foot arm or hand

Medical expenses

means the cost of medical surgical dental or other remedial attention treatment or appliances given or prescribed by a qualified medical practitioner and all hospital nursing home and ambulance charges necessarily incurred in the treatment of the ***insured person***

Money

means current notes and coins cheques (other than pre-signed blank cheques whether crossed or uncrossed) postal orders money orders securities for money crossed banker's drafts unused postage stamps travellers' cheques National Savings stamps and certificates Premium Bonds National Insurance stamps and stamped National Insurance cards credit and debit card sales vouchers giro payment orders Value Added Tax purchase vouchers luncheon vouchers gift tokens and unused credit on postal franking machines belonging to ***you*** or for which ***you*** are responsible and pertaining to the ***business***

Money in transit

means ***money*** other than ***non-negotiable money*** in transit whilst in ***personal custody*** or in a bank night safe until the bank accepts responsibility

Non-negotiable money

means crossed cheques (other than pre-signed blank cheques) crossed postal orders crossed money orders crossed bankers drafts National Savings certificates Premium Bonds stamped National Insurance cards credit and debit card sales vouchers Value Added Tax purchase vouchers and unused credit on postal franking machines

Other money

means **money** other than **non-negotiable money**

Permanent total disablement

means permanent total and absolute disablement (other than by **loss of limb(s)** or **loss of eye(s)**) from engaging in their usual profession trade business or occupation for which they are suited by knowledge training and experience which shall have lasted for 104 weeks and which in all probability will last for the remainder of life

Personal custody

means within the immediate personal control of **you** or any other responsible person authorised by **you**

Temporary partial disablement

means disablement from engaging in or giving attention to at least 50% of their usual profession trade business or occupation for which they are suited by knowledge training and experience for a period not exceeding 104 weeks in all from the commencement of such disablement

Temporary total disablement

means total disablement from engaging in or giving attention to their usual profession trade business or occupation for which they are suited by knowledge training and experience for a period not exceeding 104 weeks in all from the commencement of such disablement

Cover A – Money

We will indemnify **you** in respect of **damage** to **money** happening during the period of insurance anywhere in the **geographical limits**

Our liability in respect of any one loss shall not exceed the amount stated in the schedule

Extensions

The insurance provided by Cover A is extended to include the following

1 Damage to safes

We will indemnify **you** against **damage** to any safe strongroom or cash carrying bag belonging to **you** or for which **you** are responsible arising in connection with theft or attempted theft of insured **money**

2 Damage to clothing and personal effects

We will indemnify **you** against **damage** to clothing and personal effects belonging to **you** or any of **your** directors **governors** partners trustees employees or representatives arising in connection with theft or attempted theft of insured **money**

3 Dishonesty of employee

We will indemnify **you** against **damage** to **money** due to the dishonesty of any director **governor** trustee or employee of the **Insured**

Provided that

- (i) such loss is not more specifically insured
- (ii) the loss is discovered within 28 days of the occurrence
- (iii) **our** liability for such loss shall not exceed £2,000 per person nor £5,000 in total in any one period of insurance

4 Fraud and identity theft

We will indemnify **you** for

- (a) loss resulting from the fraudulent use of any credit or debit card ordinarily used in connection with the **business**

Excluding

- (i) loss due to the use of any card where the terms under which it has been issued have not been fully complied with
- (ii) losses covered by a bank or card issuer
- (iii) fraudulent use by **you** or **your** directors **governors** trustees or partners

Limit

£1,000 per card any one period of insurance

- (b) the reasonable and necessary costs incurred with **our** consent in protecting the interests of **your business** following the fraudulent use of the identity of the **business** or of **your** directors **governors** trustees partners or employees by a third party for the purposes of obtaining credit

Limit

£1,000 any one period of insurance

Exclusions

We shall not be liable in respect of loss

- (1) due to dishonesty of any director **governor** trustee partner employee or volunteer of the **Insured** other than as provided for by the extensions for Dishonesty of employee or Fraud and identity theft above
- (2) whilst the **money** is in the custody or control of a professional carrier
- (3) during transit by unregistered post
- (4) from an unattended vehicle
- (5) from any gaming or vending machine in excess of £250 unless otherwise stated in the schedule
- (6) due to clerical or accounting errors depreciation in value unexplained shortage dishonoured cheques or to the use of counterfeit money
- (7) in excess of the "in any other circumstances" limit shown in the schedule of **other money** from any room left unattended and unlocked unless this occurs during **business hours** and such **other money** is contained in a locked safe cupboard or desk with the key held in **personal custody**
- (8) of completed credit or debit card sales vouchers unless a copy of each voucher is at all times kept in a secure place separate from its counterpart

Special conditions

1 Safe keys

It is a **condition precedent to liability** in respect of loss of **money** from locked safes or locked strongrooms that all keys (except those deposited with a bank) and codes of combination locks for safes and strongrooms containing **money** must be held in **personal custody**

2 Cash escort

It is a **condition precedent to liability** in respect of cash in transit that the amounts shown below are escorted by at least the stated number of responsible adults or professional security firm as indicated until deposited in a secure area of **your premises** or at the bank

£3,000 to £5,000

2 persons

Over £5,000 but less than £10,000

3 persons

£10,000 or over

a professional security firm

Cover B - Assault extension

If during the period of insurance an **insured person** sustains **bodily injury** in the course of their employment by **you** as a direct result of robbery or hold-up or attempted robbery or hold-up **we** will pay the appropriate benefit

Scale of benefits

- 1 Death
£10,000
- 2 **Loss of limb(s) or loss of eye(s)**
£10,000
- 3 **Permanent total disablement**
£10,000
- 4 **Temporary total disablement**
£100 per week
- 5 **Temporary partial disablement**
£50 per week

Extension

The insurance provided by Cover B is extended to include the following

Hospital benefit and Medical expenses

If during the period of insurance an **insured person** sustains **bodily injury** in the course of their employment by **you** as a direct result of robbery or hold-up or attempted robbery or hold-up **we** will pay

- (a) **medical expenses** incurred by the **insured person**
Limit £500
- (b) £20 a day up to £200 if as a result of the **bodily injury** the **insured person** goes into hospital for in-patient treatment

Exclusions

We shall not be liable for **bodily injury**

- (1) arising from wilful exposure to needless peril (except in an attempt to save human life)
- (2) sustained by any person before that person attains the age of 16 years or after the expiry of the period of insurance in which that person attained the age of 70 years

Special conditions

- 1 Benefit shall not be payable in respect of any **insured person** for any later accident after an accident giving rise to a claim other than for **temporary total disablement** or **temporary partial disablement**
- 2 Benefit for **permanent total disablement** may be payable following benefit for **temporary total disablement** or **temporary partial disablement**
- 3 Other than 2 above one benefit only shall be payable in respect of any one **insured person** in connection with the same accident
- 4 A receipt given by **you** or by **your** legal personal representatives shall be a valid discharge of **our** liability under this section
- 5 No compensation shall become payable until the total amount shall have been ascertained and agreed except that periodic payments on account of **temporary total disablement** or **temporary partial disablement** may be made by **us**

6 Personal accident

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Accidental bodily injury

means bodily injury resulting directly and independently of any other cause within 24 calendar months in disablement or death

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological ethnic or similar purposes or reasons including the intention to influence any government and/or to put the public or any section of the public in fear

Authorised volunteers

means voluntary workers normally resident in the ***geographical limits*** acting under ***your*** authority whilst engaged in ***your business***

Deferment period

means the initial period specified in the schedule following ***accidental bodily injury*** during which the ***temporary partial disablement*** or the ***temporary total disablement*** benefit is not payable

Employee(s)

means any person under a contract of service or apprenticeship with ***you***

Insured person

means as specified in the schedule

Loss of eye(s)

means permanent total and irrecoverable loss of sight

- (i) in both eyes resulting in the ***insured person's*** name being added to the Register of Blind Persons or
- (ii) in one eye which is assessed at 3/60 or less on the Snellen scale after correction with spectacles or contact lenses

Loss of hearing

means total and irrecoverable loss of hearing in one or both ears

Loss of limb(s)

means loss by permanent physical severance at or above the ankle or of the four fingers at or above the metacarpophalangeal joints or permanent total and irrecoverable loss of use of a complete leg foot arm or hand

Medical expenses

means the cost of medical surgical dental or other remedial attention treatment or appliances given or prescribed by a qualified medical practitioner and all hospital nursing home and ambulance charges necessarily incurred in the treatment of the ***insured person***

Permanent total disablement

- a) In respect of an **insured person** who is an **employee** means permanent total and absolute disablement (other than by **loss of limb(s)** or **loss of eye(s)** or **loss of hearing**) from engaging in their usual profession trade business or occupation for which they are suited by knowledge training and experience which shall have lasted for 104 weeks and which in all probability will last for the remainder of life
- b) In respect of an **insured person** who is an **authorised volunteer** means permanent total and absolute disablement (other than by **loss of limb(s)** or **loss of eye(s)** or **loss of hearing**) from gainful employment of any and every kind which shall have lasted for 104 weeks and which in all probability will last for the remainder of life
- c) In respect of an **insured person** who is a **governor** means permanent total and absolute disablement (other than by **loss of limb(s)** or **loss of eye(s)** or **loss of hearing**) from engaging in the main profession trade business or occupation for which they are suited by knowledge training and experience which shall have lasted for 104 weeks and which in all probability will last for the remainder of life

Temporary partial disablement

- a) In respect of an **insured person** who is an **employee** means disablement from engaging in or giving attention to at least 50% of their usual profession trade business or occupation for which they are suited by knowledge training and experience for a period not exceeding 104 weeks in all from the commencement of such disablement
- b) In respect of an **insured person** who is an **authorised volunteer** means disablement from engaging in or giving attention to any occupation for a period not exceeding 104 weeks in all from the commencement of such disablement
- c) In respect of an **insured person** who is a **governor** means disablement from engaging in or giving attention to at least 50% of the main profession trade business or occupation for which they are suited by knowledge training and experience for a period not exceeding 104 weeks in all from the commencement of such disablement

Temporary total disablement

- a) In respect of an **insured person** who is an **employee** means total disablement from engaging in or giving attention to their usual profession trade business or occupation for which they are suited by knowledge training and experience for a period not exceeding 104 weeks in all from the commencement of such disablement
- b) In respect of an **insured person** who is an **authorised volunteer** means total disablement from engaging in or giving attention to any occupation for a period not exceeding 104 weeks in all from the commencement of such disablement
- c) In respect of an **insured person** who is a **governor** means total disablement from engaging in the main profession trade business or occupation for which they are suited by knowledge training and experience for a period not exceeding 104 weeks in all from the commencement of such disablement

Cover

If during the period of insurance an **insured person** sustains **accidental bodily injury** arising out of and in the course of their employment by **you we** will pay the appropriate benefit

Scale of benefits

The level of benefits are shown in the schedule

If the benefits are expressed in units one unit provides the following

- 1 Death
£5,000
- 2 **Loss of limb(s)** or **loss of eye(s)** or **loss of hearing**
£5,000
- 3 **Permanent total disablement**
£5,000
- 4 **Temporary total disablement**
£50 per week
- 5 **Temporary partial disablement**
£25 per week

Exclusions

We shall not be liable for **accidental bodily injury**

- (1) arising from
 - (a) any consequence of suicide or deliberate self-injury intoxication sexually transmitted infections insanity pregnancy childbirth the influence of drugs unless such drugs are taken as prescribed and directed by a qualified registered medical practitioner but not for the treatment of drug addiction
 - (b) any health problem which **you** or the **insured person** know of or should have known about at the start of the insurance or when it was renewed and which has not been accepted by **us** in writing
 - (c) wilful exposure to needless peril (except in an attempt to save human life)
 - (d) any **insured person** taking part in practising or training for any of the following excluded activities
 - Aqualung diving
 - Flying (except as a fare-paying passenger) hang-gliding or parachuting
 - Hunting on horseback polo showjumping or steeple chasing
 - Driving riding or sailing in any kind of race
 - Riding motor cycles or motor scooters as a driver or passenger
 - Winter sports other than curling or ice-skating
 - Mountaineering cliff or rock climbing abseiling subterranean or elastic rope sports or activities
 - Playing in any sport professionally
 - Service in the armed forces
- (2) sustained by any person under the age of 16 years or to any person after the expiry of the period of insurance in which that person attained the age of 80 years
- (3) directly or indirectly caused or contributed to by an **act of terrorism** involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent regardless of any contributory cause
If **we** allege that by reason of this exclusion any **accidental bodily injury** is not covered by this policy the burden of proving the contrary shall be upon **you**

- (4) travel to a destination to which the Foreign and Commonwealth Office (FCO) has advised against all or all but essential travel before the journey commences

Limit of liability

The maximum amount **we** will pay in respect of all benefits under this policy in respect of all **insured person's** involved in the same accident shall not exceed £1,000,000 unless otherwise noted in the schedule

In the event that the amount of all benefits payable exceeds the maximum accumulation limit **our** liability in respect of each **insured person** shall be proportionately reduced until the total does not exceed that limit

Extensions

The insurance provided by this section is extended to include the following

1 Hospital benefit and Medical expenses

If **we** accept a claim for **accidental bodily injury** under this section **we** will pay

- (a) **medical expenses** incurred by the **insured person**

Limit

£2,500

- (b) £20 a day up to £200 if as a result of the **accidental bodily injury** the **insured person** goes into hospital for in-patient treatment

2 Clothing and personal effects

If **we** accept a claim for **accidental bodily injury** under this section **we** will pay for the **insured person's** clothing and personal effects damaged at the same time up to an amount of £500 per person

This amount is in addition to any amount recoverable under any other section of this policy

3 Disappearance

If during the period of insurance an **insured person** disappears and his or her body is not found within 12 months and sufficient evidence is produced that leads **us** to the conclusion that the **insured person** sustained **accidental bodily injury** likely to have caused death **we** shall pay the death benefit under this insurance

If the **insured person** is subsequently found to be alive any amount already paid will be refunded by **you** to **us**

4 Exposure

If during the period of insurance an **insured person** sustains **accidental bodily injury** as a result of exposure to the elements **we** will pay **you** in accordance with the death and disablement benefits stated in the schedule

The following extension is optional and the schedule will show if it applies

5 Permanent partial disablement

If during the period of insurance an **insured person** sustains permanent partial disablement **we** will pay a percentage of the sum insured under the following benefit items

Loss of limbs item

The total loss or permanent and total loss of use of one of the following at or above a joint

i) one thumb	20%
ii) one index finger	15%
iii) one other finger	10%
iv) one big toe	10%
v) one other toe	5%

Permanent total disablement item

i) Permanent total deafness in both ears	50%
ii) Permanent total deafness in one ear	20%
iii) Permanent total loss of speech	50%
iv) Permanent and total loss of use of one	
a. shoulder or elbow	20%
b. wrist	15%
c. hip or knee or ankle	20%

Special Conditions

- Benefit shall not be payable in respect of any **insured person** for any later accident after an accident giving rise to a claim other than for **temporary total disablement** or **temporary partial disablement**
- Benefit for **permanent total disablement** may be payable following benefit for **temporary total disablement** or **temporary partial disablement**
- Other than 2 above one benefit only shall be payable in respect of any one **insured person** in connection with the same accident
- A receipt given by **you** or by **your** legal personal representatives shall be a valid discharge of **our** liability under this section
- No compensation shall become payable until the total amount shall have been ascertained and agreed save that periodic payments on account of **temporary total disablement** or **temporary partial disablement** may be made by **us**
- The total amount payable under the permanent partial disablement extension in respect of any one **insured person** in connection with the same accident shall not exceed 100% of the benefit for **loss of limb(s)** or **permanent total disablement**

7 Liabilities

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) 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

Bodily injury

means bodily injury death disease or illness

Business

means that which has been described in the schedule and which is conducted solely from premises in the ***geographical limits*** including

- (a) the provision by ***you*** at the ***premises*** of pre-school childcare facilities out of school clubs and holiday schemes
- (b) the ownership repair and maintenance of ***your premises***
- (c) the provision of school clubs and societies catering social sports and welfare facilities for ***nursery children employed persons*** and visitors and first aid medical and ambulance services
- (d) the provision of fire and security services maintained only for the protection of premises owned or occupied by ***you***
- (e) private work undertaken by an ***employed person*** with ***your*** prior consent for a director ***governor*** trustee officer committee member or ***employee of yours***
- (f) participation in trade shows or exhibitions within the European Union

but this does not include any work undertaken ***offshore***

Data

means information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Employed person(s)

means

- (a) any ***employee***
- (b) any person supplied to or hired or borrowed by ***you*** or on ***your*** behalf or any work experience student or youth training scheme participant while under ***your*** direct control and supervision

Employee(s)

means any person under a contract of service or apprenticeship with ***you*** and ***authorised volunteers***

Event(s)

means one occurrence or series of occurrences arising from or attributable to one source or original cause

Injury

means ***bodily injury*** wrongful arrest or false imprisonment

Legal costs

means

- (a) claimant's costs and expenses recoverable from **you** in respect of any claim which is the subject matter of indemnity under this section of the policy
- (b) (i) the costs of legal representation at
 - (1) any coroner's inquest or inquiry in respect of any death
 - (2) proceedings in any court arising out of any alleged breach of statutory duty which may be the subject of indemnity under this section of the policy
- (ii) all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under this section of the policy

incurred with **our** prior written consent

Offshore

means embarkation onto a vessel or aircraft for conveyance to an offshore rig platform or service or accommodation vessel until disembarkation from the conveyance onto land upon return from such offshore rig platform or service or accommodation vessel

Period of insurance

means the period of insurance stated in the schedule

Pollution or contamination

means **injury** or **damage** directly or indirectly caused by or arising out of pollution or contamination of buildings or other structures or of water land or the atmosphere

Principal

means any party (other than a director **governor** trustee officer committee member or **employee** of **yours**) on whose behalf **you** are undertaking work (excluding the sale or supply of **products**) in connection with the **business**

Products

means goods (including containers and packaging) not in **your** custody or control sold supplied installed erected serviced repaired altered or treated by **you** in connection with the **business**

Any error in the sale supply or presentation of such goods is included in this definition

Property

means material property but this does not include **data**

You/your/yours

means the **Insured** named in the schedule

Unless **we** specifically state otherwise **we** will also indemnify

- (a) **your** personal representatives in respect of legal liability incurred by **you**
- (b) at **your** request
 - (i) any **principal**
 - (ii) any director **governor** trustee officer committee member or **employed person** of **yours** in respect of liability for which **you** would have been entitled to indemnity had the claim been made against **you**
 - (iii) any **employee** but not medical or dental practitioners in respect of treatment administered or the failure to administer treatment or professional negligence or malpractice of any nature whatsoever (the nurse or matron is not deemed a medical or dental practitioner)
 - (iv) any of **your nursery children** or their legal personal representatives
- (c) any officer or member of **your** canteen social sports and welfare facilities and fire first aid ambulance and security services in their individual capacities as such

- (d) any director trustee partner or **employee** of **yours** in respect of private work carried out with **your** prior consent by an **employed person** for such director trustee partner or **employee**
- (e) **your** Parent Teacher Association and Friends

We will not provide an indemnity to any medical or dental practitioner in respect of medical services provided

Cover 1 – Employers' liability

Cover

We will indemnify **you** against **your** legal liability to pay damages and **legal costs** in respect of **bodily injury** to an **employed person** caused during the **period of insurance** and arising out of and in the course of their employment with **you**

- (a) within the **geographical limits**
or
- (b) while temporarily outside these territories
in connection with the **business**

This insurance complies with the provisions of any law enacted in the **geographical limits** relating to the compulsory insurance of liability to employees

You will repay any sums paid by **us** which **we** would not have been obliged to pay but for the provisions of such law

Employers' liability exclusion

No indemnity will be provided in respect of any liability in respect of **bodily injury** for which **you** are required to arrange motor insurance or security in accordance with any road traffic legislation within the European Union

Limit of liability

This insurance is provided on a 'Costs Inclusive' basis

This means that **legal costs** are included within the limit of indemnity specified below

The total amount **we** will pay in respect of

- (a) any one **event** which is directly or indirectly caused by results from or is in connection with an **act of terrorism** shall not exceed £5,000,000

If **we** allege the **bodily injury** has resulted from an **act of terrorism** the burden of proving the contrary shall be upon **you**

- (b) any other **event** shall not exceed the limit of indemnity shown in the schedule

Employers' liability extension

The following is subject to the terms of the policy

Unsatisfied court judgements

Where a judgement for damages has been obtained

- (a) by one of **your employees** or their personal representatives in respect of **bodily injury** caused during any period of insurance and which arises out of and in the course of their employment with **you**

- (b) in any court situated within the **geographical limits**
- (c) against any company or individual operating from premises within the **geographical limits**
- (d) which remains unsatisfied in whole or in part six months after the date of the judgement

We will at **your** request pay to the **employee** or their personal representatives the amount of damages and any awarded costs which remain unsatisfied subject to there being no appeal outstanding

Any payment under this extension is conditional upon the judgement being assigned to **us** by the **employee** or their personal representatives

Cover 2 – Public & products liability

Cover

We will indemnify **you** against **your** legal liability to pay damages arising out of

- (a) accidental **injury** of any person
- (b) accidental **damage** to **property**
- (c) nuisance trespass to land trespass to goods or interference with any easement right of air light water or way
We will not provide indemnity in respect of any liability which arises from any deliberate act or omission by **you** which could reasonably have been expected having regard to the nature and circumstances of such act or omission or which is a natural consequence of the ordinary conduct of **your business**

happening during the **period of insurance** and caused either in connection with the **business** or by **products**

We will in addition indemnify **you** against **legal costs** other than in respect of any claim which is brought within the legal jurisdiction of the United States of America or Canada in which circumstances **legal costs** shall be included within the limit of indemnity

Public & products liability exclusions

No indemnity will be provided in respect of

- (1) any liability connected with any error or omission in the provision of professional services other than
 - (a) the provision of nursery care
 - (b) the supply of prescribed medicines or drugs
 - (c) the supply of non - prescribed medicine or drugs by a qualified nursery nurse
- (2) any liability in respect of **bodily injury** to any **employed person** arising out of and in the course of their employment with **you** in connection with the **business**
- (3) any liability arising from **damage** to **property** which is owned or held in trust by **you** or which is in **your** custody or control

Exclusion (3) will not apply in respect of

- (a) personal effects including vehicles and their contents belonging to **governors employees** directors trustees officers or committee members or visitors
- (b) premises and their contents not owned by leased or rented by **you** at which **you** are undertaking work in connection with the **business**
- (c) premises including fixtures and fittings hired by or leased rented or borrowed by **you** but **we** shall not be liable for
 - (i) the first £250 of any **damage** other than caused by fire or explosion
 - (ii) any liability arising solely under the terms of any contract or agreement
 - (iii) any liability which arises from an agreement to maintain in force insurance against loss of or damage to the premises and their fixtures and fittings

- (4) any liability arising from ownership possession or use by **you** or on **your** behalf of
 - (a) any mechanically propelled vehicle but (except where indemnity is provided by any motor insurance policy or in circumstances where insurance or security is required under any road traffic legislation) this exclusion will not apply in respect of
 - (i) the use of plant as a tool of trade on site
 - (ii) the use of plant at **your** premises
 - (iii) the loading or unloading of any vehicle
 - (iv) the movement of any vehicle not belonging to **you** which is interfering with the execution of the **business**
 - (b) any craft designed to travel in on or through water air or space but this exclusion shall not apply to any non-mechanically propelled waterborne craft of less than 9 metres in length whilst operated on inland waterways or within 3 miles of the coast
- (5) any liability arising directly or indirectly from **pollution or contamination** unless the **pollution or contamination** is caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place during the **period of insurance**
For the purposes of this exclusion all **pollution or contamination** which arises out of one incident shall be deemed to have occurred at the time such incident takes place
- (6) any liability arising from advice design or specification provided for a fee or for which a fee would normally be charged
- (7) **damage** to or the costs of recall removal repair alteration replacement or reinstatement of any **product** supplied or contract work executed by **you** which is caused by
 - (a) a defect
 - (b) its unsuitability for its intended purpose
- (8) any liability arising from any contract in respect of **products** supplied or contract work executed by **you** unless liability would have attached in the absence of that contract
- (9)
 - (a) fines or penalties
 - (b) liquidated damages
 - (c) any compensation awarded by a court of criminal jurisdiction
 - (d) multiplied aggravated exemplary or punitive damages
- (10) any liability arising from
 - (a) the ownership or use by **you** or on **your** behalf of any premises situated in the United States of America or Canada
 - (b) **products** sold or supplied on **your** behalf from any premises situated in the United States of America or Canada
 - (c) **products** exported by **you** or on **your** behalf to the United States of America or Canada
- (11) any liability arising from
 - (a) **products** incorporated in any craft designed to travel through air or space
 - (b) **products** incorporated in any waterborne craft which could affect its safety navigation or propulsion
 - (c) **products** incorporated in mechanically propelled vehicles which could affect their safety
 - (d) **products** incorporated in gas chemical petrochemical or power generation plant which is directly connected to manufacture processing storage or power generation and which have been specifically supplied by **you** for that purpose
- (12) any liability arising from the supervision or execution of any manual work or contract undertaken outside of the European Union
- (13) any actual or alleged liability whatsoever directly or indirectly arising out of resulting from or in consequence of or in any way involving or connected with **asbestos** or any materials containing **asbestos** in whatever form or quantity
- (14) any liability arising directly or indirectly from fears of the consequences of exposure to or inhalation of **asbestos**

- (15) any liability arising from damage to property where there is a requirement to arrange cover under clause 6.5 of the 2007 JCT conditions or any similar contract clause
- (16) any loss damage cost or expense
- (a) directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (b) of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any **act of terrorism**
- If **we** allege that by reason of this exclusion any loss damage cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**

Limit of liability

This insurance is provided on a 'Costs in Addition' basis

This means that (with the exception of claims which are brought within the legal jurisdiction of the United States of America or Canada) **legal costs** are payable in addition to the limit of indemnity specified below

The total amount **we** will pay in respect of damages for

- (a) any one **event**
- (b) all **events** happening during any period of insurance caused by **products**
- (c) all **events** arising from **pollution or contamination** which **we** deem to have occurred during any period of insurance

shall not exceed the limit of indemnity shown in the schedule

Where **we** are liable to indemnify more than one person the total amount of indemnity to all parties including **you** in respect of damages arising from one **event** shall not exceed the limit of indemnity shown in the schedule

Public & products liability extensions

Each of the following is subject otherwise to the terms of this policy

1 Cross liabilities

If **you** consist of more than one party (and in the case of partnerships this shall mean each individual partner) **we** will indemnify each party in the terms of this policy against liability incurred to the other in the same manner and to the same extent as if a separate policy had been issued to each subject to the maximum amount payable in respect of damages arising out of one **event** not exceeding the limit of indemnity

2 Contingent motor liability

Notwithstanding exclusion (4) regarding vehicles **we** will indemnify **you** alone in respect of legal liability for **injury** or **damage** arising out of the use by any **employee** in the course of the **business** of any mechanically propelled vehicle which is neither owned by nor provided by **you**

We will not provide an indemnity in respect of

- (a) **damage** to such vehicle or any **property** contained or being transported within it
- (b) **injury** or **damage** arising while the vehicle is being driven by **you** or any person who to **your** knowledge does not hold a licence to drive such a vehicle (unless they have held and are not disqualified for holding or obtaining such a licence)

- (c) circumstances where **you** are entitled to indemnity under any other insurance
- (d) **injury** or **damage** arising outside the **geographical limits**

3 Data Protection

Definition specific to this extension

Data protection legislation

means the Data Protection Act 2018 or any subsequent legislation that specifically replaces this act

We will indemnify **you** against **your**

- (a) legal liability to pay damages and **legal costs** for material and non-material damage
- (b) defence costs and prosecution costs awarded against **you**

resulting from any breach or alleged breach of **data protection legislation** happening during the **period of insurance** arising out of the conduct of **your business**

We will not provide any indemnity in respect of

- (i) the payment of fines penalties punitive or exemplary damages
- (ii) the costs of replacing reinstating rectifying erasing blocking or destroying any personal data
- (iii) liability arising from or caused by a deliberate or intentional act or omission by **you**
- (iv) liability arising out of circumstances which may give rise to a claim or prosecution which have been notified to or ought to have been notified to previous insurers or which were known to **you** at the inception of this extension
- (v) legal liability where indemnity is provided by any other insurance

In the event that any policy of insurance in force immediately prior to this extension expressly provided cover for **data protection legislation** on the basis of an indemnity for claims made during the period of insurance and in the event that a claim is first made against **you** in the **period of insurance** in respect of **data protection legislation** then the indemnity provided by this extension is extended to indemnify **you** provided that **we** shall not be liable for

- (1) claims not insured by this extension
- (2) any claim or notice notified later than twenty-eight days after receipt of such claim or notice

The total amount **we** will pay in respect of

- (a) shall not exceed the limit of indemnity shown on the schedule
- (b) shall not exceed £100,000 any one claim and in the aggregate any one period of insurance

4 Defective Premises Act

We will indemnify **you** against legal liability incurred by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of **injury** or **damage** in connection with premises or land disposed of by **you**

No indemnity will be provided

- (a) if **you** are entitled to indemnity under any other insurance
- (b) in respect of the cost of remedying any defect or alleged defect in the premises disposed of

5 Overseas personal liability

We will indemnify **governors** and **employed persons** for personal liability for **injury** or **damage** arising other than in connection with the **business** or any business of the person claiming indemnity while such persons are temporarily outside the **geographical limits** in connection with the **business**

No indemnity will be provided by this extension

- (i) for any liability which attaches solely because of a contract
- (ii) arising out of the ownership or occupation of land or buildings
- (iii) where indemnity is provided by any other insurance
- (iv) arising from any craft designed to travel in on or through water air or space but this exclusion shall not apply to any watercraft hired or borrowed and which are less than 5 metres in length and with a maximum speed of less than 15 knots while operated on inland waterways or within 3 miles of the coast
- (v) arising from any electrically or mechanically powered vehicle other than a battery powered wheelchair or mobility scooter or a vehicle used only as domestic gardening equipment or a golf cart trolley or buggy controlled by someone on foot

The total amount **we** will pay for damages for any one **event** is the limit of indemnity as stated in the schedule or £5,000,000 whichever is the less

6 Additional clean up costs

Definitions applying to this extension

Environmental legislation

means any legislation enacted within the United Kingdom governing the

- (i) prevention and control of pollution and contamination
- (ii) protection of the environment

Regulatory authority

means any statutory authority regulator or legal body which has authority under **environmental legislation** to legally require or order **remediation** or to conduct **remediation** itself and to recover the costs of doing so from others

Remediation

means the minimum level of works or operations necessarily conducted under the provisions of the **environmental legislation** to investigate treat remove dispose of curtail or minimise pollution but this will not include any works or operations

- (i) to reinstate reintroduce or restore flora or fauna
- (ii) to restore natural habitats or species protected by **environmental legislation** or the services that those natural habitats or species perform
- (iii) which improve the state or condition of land or water in comparison with its state or condition immediately prior to the incident that caused the **pollution or contamination**

We will indemnify **you** against **your** legal liability in respect of the cost of

- (a) **remediation** which **you** are legally required or ordered to conduct by a **regulatory authority**
- (b) reimbursing a **regulatory authority** where **remediation** has been conducted by or on behalf of the **regulatory authority**

arising from **pollution or contamination** caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific point in time and place during the **period of insurance** and in connection with the **business**

All **pollution or contamination** which arises out of one incident shall be deemed to have occurred at the time such incident takes place

You shall be liable for 10% of the cost of any claim giving rise to indemnity under this extension subject to a minimum contribution of £2,500

The maximum amount payable under this extension shall not exceed £1,000,000 in the aggregate in respect of all incidents occurring during the **period of insurance**

Exclusion

No indemnity will be provided in respect of the removal or disposal of any waste deposited by or on **your** behalf

7 Libel and slander

This insurance covers only those losses which arise from claims made against **you** during the **period of insurance**
We will indemnify **you** against **your** legal liability to pay damages and **legal costs** arising out of or caused by

- (i) the publication or utterance by **you** or on **your** behalf of a libel or slander
- (ii) infringement of trademark registered design copyright or patent right

Provided that a claim is first made against **you** during the **period of insurance**

The most **we** will pay under this extension is £100,000 any one event

All claims arising from a single libel slander or infringement will be deemed to have been made during the period in which the first claim was accepted by **us**

We will not provide any indemnity in respect of

- (a) liability where indemnity is provided by any other insurance
- (b) liability assumed by agreement unless liability would have attached without such agreement
- (c) the consequences of any circumstances known to **you** at the commencement of this cover which may give rise to a claim
- (d) criminal or intentional libel slander or infringement
- (e) any damages, costs or expenses brought about by the personal spite or ill will of **you** towards a claimant
- (f) publication or utterances made at the direction of any party entitled to indemnity by this section with the knowledge of the libellous or slanderous effect thereof
- (g) any legal actions in a court of law outside the **geographical limits**

8 Trustee and management liability

This insurance covers only those losses which arise from claims made and notified to **us** during the **period of insurance**

- (a) **We** will indemnify
 - (i) the **trustee** against all sums which the **trustee** becomes legally liable to pay as damages and all other costs and expenses as a result of the **wrongful act** which gives rise to a claim made against the **trustee** and notified to **us** during the period of insurance
 - (ii) the **Insured** against all sums which the **Insured** is required or permitted by law to pay to or on behalf of the **trustee** for the **trustee's** legal liability for damages and all other costs and expenses as a result of the **wrongful act** which gives rise to a claim made against the **trustee** and notified to **us** during the period of insurance
- (b) **We** will indemnify the **Insured** or **trustee** against all sums which the **Insured** or **trustee** becomes legally liable to pay as damages and all other costs and expenses including reasonable costs incurred for restoration as a result of a document relating to the **business** being subject to **damage** which is discovered during the period of insurance and notified to **us** within 30 days

Personal cover

1. **We** will treat
 - (a) the application for this insurance as a separate application for cover by each **trustee**
 - (b) each claim made against any **trustee** and each loss suffered by any **trustee** as personal to that **trustee**
 - (c) each claim for indemnity by any **trustee** as personal to that **trustee** and the right of each **trustee** to indemnity shall not be affected by the situation or conduct of anyone else
2. If the legal liability of the **trustee** is imputed or transferred to the lawful spouse of the **trustee** or any person deriving similar status in law **we** will provide to that person the personal indemnity to which the **trustee** would be otherwise entitled under this extension
3. If the **trustee** should die become insolvent or mentally incapacitated **we** will provide to the estate heirs legal representatives or assigns of the **trustee** the personal indemnity to which the **trustee** is entitled under this extension
4. If the lawful spouse of the **trustee** or any person deriving similar status in law is entitled to any indemnity under 2 above and dies becomes insolvent or mentally incapacitated **we** will provide that person's estate heirs legal representatives or assigns the personal indemnity to which that person is so entitled

We will not provide any indemnity in respect of

- (i) anything for which indemnity is provided under any other section of or extension to this policy or by any other source
- (ii) anything which was done when known to be a **wrongful act** or ignoring that possibility
- (iii) the consequences of any circumstances known by the **Insured** or **trustee** at the commencement of this cover which may give rise to a claim
- (iv) liability arising from **bodily injury** to any person **damage** to property (other than as provided under paragraph (b) of this extension) or infringement of intellectual property rights
- (v) liability arising from the rendering of any counselling advice or other service
- (vi) anything done in the capacity of **trustee** or administrator of any pension fund or scheme
- (vii) any person committing or condoning any criminal dishonest or fraudulent act or omission
- (viii) liability assumed by agreement unless liability would have attached without such agreement
- (ix) liability arising from any failure to arrange or maintain insurance
- (x) any legal action brought in a court of law outside the **geographical limits**
- (xi) liability arising from any allegation of unfair or wrongful dismissal and any other employment dispute
- (xii) liability arising from anything manufactured sold or supplied by or on behalf of the **Insured**
- (xiii) liability arising from any **wrongful act** subsequent to the effective date of takeover or merger of the **Insured** by or with any other entity
- (xiv) liability arising from any
 - (a) personal guarantee or assurance given by the **trustee** to anyone (other than the **trustee** giving assurance that the **trustee** has the authority to do something) or
 - (b) agreement that the **trustee** shall pay any penalty or fixed sum of money to anyone unless the **trustee** would still be legally liable even if that guarantee assurance or agreement did not exist
- (xv) the first £250 of each and every claim made under this extension

The most **we** will pay under this extension in the period of insurance in respect of paragraph (b) is £50,000 and for all other claims £100,000

All claims resulting from a single **wrongful act** will be deemed to have been made during the period in which the first claim was accepted by **us**

Definitions specific to this extension

Trustee

means anyone who is at any time a

- (i) trustee
 - (ii) director
 - (iii) officer
 - (iv) member of the management committee
- of the **Insured**

Wrongful act

means any actual or alleged act which is wrongfully committed or attempted by the **trustee** when carrying out his or her duties as **trustee**

Special condition specific to this extension

The **Insured** shall submit annual reports and accounts to their appropriate regulatory authority in accordance with prescribed timescales

In the event of **your** auditor or independent examiner qualifying their opinion or expressing concerns about **your** accounts accounting procedures or financial position in any of **your** Report and Accounts notification of such qualification and subsequent action taken by **you** and **your** regulatory authority is to be notified to **us** as soon as reasonably possible

The cover provided by this extension is only in force if **you** have the authority to acquire this type of cover and **you** have fulfilled any requirements of **your** Charity Regulator

Liability section extensions

If in force the covers of this section are extended for the following and are subject to the terms conditions and exclusions of the relevant cover

1 Compensation for court attendance

If **we** request any of the following categories of people to attend court as a witness in connection with a claim under this section of the policy **we** will provide **you** with the following rates of compensation for each day on which attendance is required

Any of **your** directors **governors** trustees or partners £500

Any **employee** £250

2 Corporate manslaughter defence costs

We will indemnify **you** in respect of legal costs and expenses incurred with **our** prior written consent in connection with the defence of any criminal proceedings or an appeal against conviction which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007 committed or alleged to have been committed during the **period of insurance** in the course of the **business**

Provided that

- (a) **our** liability under this extension shall not exceed £1,000,000 in any one period of insurance
This limit will form part of and not be in addition to the limit of indemnity stated in the schedule
- (b) if this policy provides Commercial legal protection insurance this extension shall only operate in respect of any excess beyond the amount payable under the Commercial legal protection section
- (c) where **we** have already provided an indemnity in respect of any legal costs incurred in the defence of any criminal proceedings arising out of the same **event** which has given rise to the proceedings in respect of corporate manslaughter or corporate homicide any amount already paid by **us** will be taken into account in calculating **our** liability under this extension
- (d) **we** must consent in writing to the appointment of any solicitor or counsel who is to act for and on **your** behalf
- (e) any appeal can only commence if counsel has advised that it is more likely for an appeal to be successful than not

No indemnity will be provided

- (i) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this extension indemnity would have been provided by such other source or insurance
However this exclusion shall not apply in the circumstances outlined in proviso (b)
- (ii) in respect of any proceedings which result from **your** deliberate act or omission or deliberate act or omission of any trustees managerial employees partners directors of **yours** while acting in their corporate capacity and which could reasonably have been expected having regard to the nature and circumstances of such act or omission
- (iii) in respect of fines or penalties of any kind including the costs of remedial or publicity orders or the steps required to be taken by such orders

3 Prosecution defence costs

We will subject to the limit of indemnity indemnify **you** in respect of

- (a) legal costs and expenses incurred with **our** written consent
- (b) costs awarded against **you**

in connection with the defence of any criminal proceedings or an appeal against a conviction arising from such proceedings brought for a breach of

- (i) the Health & Safety at Work etc. Act 1974
- (ii) Part II of the Consumer Protection Act 1987
- (iii) the Food Safety Act 1990

alleged to have been committed during the **period of insurance** in connection with the **business**

We will not provide any indemnity

- (a) where indemnity is provided by any other insurance
- (b) in circumstances where **injury** or **damage** has occurred which may be the subject of a claim under either the employers' liability or public liability covers of this section
- (c) in respect of fines or penalties of any kind
- (d) in respect of any costs expenses or reimbursements resulting from an order made under Section 9 or resulting from any Regulation in respect of charges under Section 45 of the Food Safety Act 1990
- (e) where the proceedings have resulted from any deliberate act or omission by
 - (i) **you** or any director **governor** trustee or partner of **yours**
 - (ii) any **employee** of **yours** who has specific responsibility for compliance with the above legislation

which could reasonably have been expected to constitute a breach of the above legislation

The total amount **we** will pay in respect of any one claim shall not exceed £500,000

Memorandum

Adjustment of premium

If any part of the premium has been calculated on estimates **you** shall within 30 days from the expiry of each **period of insurance** supply to **us** such information as **we** may require

The premium for such period will be adjusted and the difference paid by or allowed to **you** subject to any minimum premium

8 Professional indemnity

The schedule will show if this section applies and the cover in force

Note (not forming part of the policy)

Cover is on a 'claims made' basis, which means it covers claims made against you – and notified to us – during the period of insurance. It is therefore most important that as soon as you become aware of any claim being made against you, or any circumstances that might reasonably be expected to bring about a claim, you notify us in writing.

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) whether acting alone or on behalf of or in connection with any organisation(s) or government(s) 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

Business

means the professional services performed or the advice given by ***you*** in relation to those activities declared to and agreed by ***us***

Claim

means

- (a) any demand made of or assertion of a right against ***you*** which is communicated to ***you*** in writing
- (b) costs under Cover 2(a)

Clinical trials

means systematic studies in humans in order to discover and/or verify the effects and/or reactions of substances including but not limited to medical pharmaceutical or similar products drugs and the like

Document

means all and any records arising from ***your business*** whether kept in paper (excluding ***money***) magnetic or electronic form for which ***you*** are legally responsible whilst in ***your*** custody or in the custody of any person other than the owner to or with whom they have been entrusted lodged or deposited by ***you*** in the ordinary course of ***your business***

Employee

means any person other than a partner principal director or member of ***yours*** who has been is or shall be under a contract of service or apprenticeship supplied to hired or borrowed by ***you*** or under any work experience or similar scheme or any ***authorised volunteers*** whilst employed or engaged by ***you*** and under ***your*** control in connection with ***your business***

Insureds/you/your/yours

means the Insured named in the schedule including

- (a) its principals partners directors or members
- (b) any former partner director or member
- (c) the legal representatives estate or heirs of (a) in the event of their bankruptcy incapacity or death
- (d) ***subsidiary companies***

We will also indemnify at ***your*** request any ***employee*** in respect of liability for which ***you*** would have been entitled to indemnity had the claim been made against ***you***

Money

means stamps currency bank notes and instruments cheques travellers cheques postal orders money orders securities and the like

Notified

means that notice is sent in writing by **you** (or **your** insurance agent) to and received by **us**

Notice is not valid if given by any third party (other than **your** insurance agent)

Period of insurance

means the period stated in the schedule

Retroactive date

means the commencement of the **period of insurance** unless otherwise stated in the schedule

Subsidiary companies

means any company or companies that is **your** subsidiary as defined by the Companies Act 2006

Wrongful act

means any negligent act negligent error negligent omission or negligent breach of duty

Cover**Cover 1 - Legal liability**

We shall indemnify **you** in respect of any settlement damages interest and claimant's costs arising from any **claim** first made against **you** and **notified** during the **period of insurance** and which arises out of the conduct of **your business** by reason of

- (a) a **wrongful act** committed by
 - (i) **you**
 - (ii) any **employee**
 - (iii) any other person firm or company directly appointed by **you** and acting for or on **your** behalf
- (b) any dishonest or fraudulent act or omission on the part of any **employee**
- (c) libel or slander committed unintentionally by
 - (i) **you**
 - (ii) any **employee**
- (d) any unintentional breach of confidentiality committed by
 - (i) **you**
 - (ii) any **employee**
 - (iii) any other person firm or company directly appointed by **you** and acting for or on **your** behalf
- (e) any other civil liability unless otherwise excluded

Cover 2 - Loss of documents

We shall indemnify **you** for

- (a) reasonable and necessary costs incurred with **our** prior written consent of repair replacement or reconstitution of
- (b) any settlement damages interest and claimant's costs arising from a **wrongful act** involving

any **document** which has been unintentionally destroyed damaged lost or mislaid during the **period of insurance** (and which after diligent search cannot be found) the occurrence of which has been **notified** during the **period of insurance**

Cover 3 - Defence costs and expenses

We shall indemnify **you** for all defence costs and expenses in

- (a) the defence investigation or settlement of any **claim** which falls to be dealt with under Cover 1 or Cover 2(b)
- (b) the investigation of any circumstance **notified to us** under condition (1) which may give rise to a **claim**

incurred by or on behalf of **you** with **our** prior written and continuing consent (such consent not to be unreasonably withheld) but not including **your** own costs and expenses or any value attributable to the time spent by **you** or any **employee** in dealing with a **claim** or a circumstance

Limit of indemnity

Unless otherwise stated the limit of indemnity as shown in the schedule for this section of the policy is the maximum amount **we** shall pay irrespective of the number of **claims** claimants or losses

In respect of Cover 2(a) an aggregate sub-limit of indemnity of £100,000 shall apply

Where **we** are liable to indemnify more than one person the total amount of indemnity to all parties including **you** shall not exceed the limit of indemnity

Defence costs and expenses under Cover 3 are included in the limit of indemnity and are subject to the **excess**

All payments made by **us** in respect of Cover 1 and Cover 2 or any endorsement or otherwise shall erode the limit of indemnity for all **claims** in the aggregate under this section of the policy

All **claims** (including costs sought under Cover 2(a)) whether made against **you** or sought by one or more **Insureds** wholly or substantially arising from or having any connection with or relation to

- (a) the same event occurrence act error omission or breach of duty or having the same originating or underlying cause
- (b) a series of events occurrences acts errors omissions or breaches of duty having the same originating or underlying cause
- (c) the acts errors omissions or breaches of a single person or persons acting together or in which such person or persons is or are concerned or implicated

shall be deemed to be one **claim** or single application for costs under Cover 2(a) for the purposes of deciding the applicable limit of indemnity and the application of the **excess** under this section of the policy

We shall be the sole judge as to whether these provisions shall operate in relation to any **claim** or application for costs

Extensions

The following extensions are subject to the terms of the policy

1 Compensation for court attendance

If **we** request any of the following categories of people to attend court as a witness in connection with a **claim** under this section of the policy **we** will provide **you** with the following rates of compensation for each day on which attendance is required

Any principal partner director or member
£500 per day

Any **employee**
£250 per day

2 Public relations crisis management

In the event of any incident occurring during the **period of insurance** which results or could result in adverse publicity **we** will pay the reasonable costs necessarily incurred by **you** with **our** prior consent of employing a marketing and/or public relations firm to help minimise the risk of damage to **your** reputation

Provided that

- (a) the incident in **our** opinion could result in a claim under this section of the policy
- (b) **you** take all reasonable measures to avoid or mitigate adverse publicity

Limit

The maximum amount **we** will pay under this extension is £25,000 any one incident and in the aggregate in any one period of insurance

3 Representation costs

We will indemnify **you** in respect of reasonable costs and expenses incurred by **you** for representation at properly constituted hearings tribunals or proceedings provided that

- (a) such costs and expenses are incurred with **our** prior written consent and
- (b) the subject of the hearing tribunal or proceeding may become a **claim** under this section of the policy

Limit

The maximum amount **we** will pay under this extension is £15,000 in the aggregate in any one period of insurance

Exclusions

We shall not have any liability under this section of the policy for or directly or indirectly arising out of or in anyway connected with

- (1) any **claim** or circumstance which may give rise to a **claim** which was or ought to have been known to **you** prior to the **period of insurance**
- (2) (a) bodily injury sickness disease emotional distress (other than emotional distress arising from any libel or slander) mental anguish mental stress or the death of any person unless caused directly by a **wrongful act**
 - (b) bodily injury sickness disease emotional distress mental anguish mental stress or the death of any person receiving medical advice diagnosis or treatment

- (3) any actual or alleged physical abuse sexual harassment or sexual molestation
- (4) any damage to or destruction or loss of any property (except as provided by Cover 1(b) and Cover 2(a)) including loss of use unless directly caused by a **wrongful act**
- (5) any trading losses or trading liabilities incurred by **you** or any business managed by or carried on by or on behalf of **you**
- (6) any regulatory or disciplinary investigations or proceedings or any fines penalties or penal punitive exemplary restitutionary non-compensatory or aggravated damages or the additional award of damages consequent upon or by reason of any multiplication of compensatory damages
- (7) any **claim** or circumstance arising from or connected with the dishonest or fraudulent act or omission of any former or present partner principal director member consultant or sub-contractor of **yours**
 - (a) in respect of any person committing or condoning such dishonest or fraudulent act or omission
 - (b) in the amounts recoverable from the dishonest or fraudulent person or persons or their estates or legal representatives
 - (c) arising after the discovery of reasonable cause for suspicion of dishonesty or fraud by the dishonest or fraudulent person or persons
 - (d) in the amount equivalent to
 - (i) any monies owed by **you** to any person committing condoning or contributing to the dishonest or fraudulent act or omission and
 - (ii) any monies held by **you** and belonging to such person
 - (iii) any monies recovered in accordance with Condition 3 of this section of the policy
- (8) any liability of **yours** as a director officer **governor** and/or trustee in **your** respective capacities as a director officer **governor** and/or trustee
- (9) any liability under any contract where the liability under the contract exceeds the liability **you** would have at law without the contract
- (10) the work of any **employee** supplied by **you** unless **you** have breached a duty of care in supplying them
- (11) any actual or alleged liability whatsoever directly or indirectly arising out of resulting from or in consequence of or in any way involving or connected with **asbestos** or any materials containing **asbestos** in whatever form or quantity
- (12) the ownership possession or use of any aircraft watercraft hovercraft motor vehicle trailer or other means of transport or any buildings structures premises or land or any property (mobile or immobile)
- (13) any
 - (a) legal proceedings brought in a court of law outside the European Union Channel Islands or Isle of Man or brought in a court of law within those territories to enforce a judgement or order made in any court of law outside those territories
 - (b) liability arising from **your business** undertaken outside the **geographical limits**
- (14) any performance warranty guarantee penalty clause liquidated damages clause or similar provision unless **your** liability would have existed to the same extent in the absence of such warranty guarantee or clause or similar provision
- (15) any circumstance concerning or **claim** brought by **you** or on **your** behalf or any parent or subsidiary company of **yours** or any person having a financial executive or controlling interest in **you** (unless the financial interest is less than 5%) or by or on behalf of any entity controlled or managed by **you** or where **you** have greater than a 5% financial interest or where **you** have accepted a financial interest irrespective of the amount in any entity in exchange for fees incurred
- (16) any breach of any obligation owed by **you** as an employer to any **employee** or former **employee** or applicant for employment

- (17) any contract for the provision of goods or services to **you** or any goods or products sold supplied made constructed installed maintained repaired altered or treated by **you** or on **your** behalf unless such **claim** or circumstance is a direct result of the negligent design and/or negligent specification of **yours** or any **employee** or any other person firm or company directly appointed by **you** and acting for **you** or on **your** behalf
- (18) any passing-off or infringement of copyright design right registered design trademark or patent
- (19) any act error or omission committed or any loss suffered or costs incurred or any liability arising prior to the **retroactive date**
- (20) **your** insolvency or bankruptcy
- (21) (a) the failure of any computer or other electronic processing device (except as provided under Cover 2) or of any program instruction or data for use in any computer or other electronic processing device equipment or system to function in the way expected or intended
- (b) the transmission or receipt of any virus program or code that causes loss or damage to any computer system and/or prevents or impairs its proper function or performance
- (22) any depreciation or loss of investment when such depreciation or loss arises from fluctuations in any financial stock or commodity or other markets and any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments or in connection with any investment advice given or services performed which have not been authorised where such authorisation is required under any statutory regulation by an appropriate statutory authority
- (23) any repair replacement or reconstitution cost of any **document** directly or indirectly occasioned by any government or public or local authority action or order or resulting from wear or tear the action of **vermin** gradual deterioration or magnetic flux or loss of magnetism (except where caused by lightning)
- (24) **clinical trials** and/or the administration of drugs and/or medicines
- (25) any claim where **you** would be entitled to indemnity under the Public and products liability section of this policy
- (26) any matter in respect of which indemnity is provided by any other insurance
- (27) any loss damage cost or expense
- (a) directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- (b) of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any **act of terrorism**
- If **we** allege that by reason of this exclusion any loss damage cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**

Conditions

- (1) As a **condition precedent to liability** under this section of the policy **we** must be **notified** in writing as soon as practicable during the **period of insurance**
- (a) of any **claim**
- (b) regardless of any previous notice of receipt of any Claim Form Particulars of Claim Arbitration Notice or any other formal document commencing legal proceedings copies of all such documents being provided with such notification
- (c) of any circumstance of which **you** shall become aware which may give rise to a **claim**
- (d) of any circumstance of which **you** shall become aware which may give rise to an entitlement to be indemnified under this policy

In the event that **we** are **notified** during the **period of insurance** of any circumstance which in **our** reasonable opinion may give rise to a **claim** then any subsequent **claim** which arises directly from the circumstance so **notified** shall be deemed to have been made during the **period of insurance**

- (2) As a **condition precedent to liability** under this section of the policy
- (a) **you** must promptly provide to **us** full details concerning any **claim** and any circumstance which may give rise to a **claim** and any circumstance where **you** have requested to be indemnified under this section of the policy and provide such co-operation and assistance as **we** and **our** representatives legal advisers or agents may reasonably require
 - (b) **you** and any **employee** (or any person firm or company acting for **you** or on **your** behalf) shall ensure that all documents relevant to any **claim** and any circumstance which may give rise to a **claim** shall not be destroyed or otherwise disposed of
 - (c) **you** (or any **employee** or any person firm or company acting for **you** or on **your** behalf) shall not without **our** prior written approval admit liability for compromise settle or make any offer or payment in respect of any **claim** or any circumstance likely to give rise to a **claim** or any circumstance where **you** have requested to be indemnified under this section of the policy
 - (d) **you** shall pay any **excess** applying
- (3) Where a **claim** or circumstance against **you** involves the dishonest or fraudulent act or omission of any **employee**
- (a) **you** shall at **our** request and expense take all reasonable steps to obtain reimbursement from such person
 - (b) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from **you** or any monies of such persons held by **you** shall not be repaid
 - (c) nothing in this policy shall preclude **us** from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission
 - (d) no indemnity will be provided to any person committing or condoning such dishonest or fraudulent act or omission
 - (e) no payment shall be made by **us** under this section of the policy until after the final ascertainment of the amount of any recovery from the dishonest or fraudulent person or persons or their estates or legal representatives
- (4) **We** shall be entitled but not obliged to take over the investigation defence and settlement of any **claim** and any circumstance likely to give rise to a **claim** and any circumstance where **you** have requested to be indemnified under this section of the policy
- We** shall have full discretion in the handling thereof (notwithstanding that a dispute may have arisen between **us** and **you**) provided always that **you** shall not be obliged to defend any legal proceedings unless a Queen's Counsel (to be mutually decided upon by **us** and **you**) shall advise that such proceedings can be contested with a reasonable prospect of success
- (5) Upon operation of this policy in relation to any **claim** or circumstance **we** shall be subrogated to all **your** rights of recovery against any third party provided always that **we** shall not exercise any such rights against any **employee** or former **employee** unless the loss in respect of which indemnity is provided under this section of the policy was caused or contributed to by a fraudulent dishonest or malicious act or omission by the **employee** or former **employee**
- You** shall without charge provide such assistance as **we** may reasonably require in any subrogation and shall at all times protect and preserve any rights of recovery to which **we** would become subrogated under this section of the policy
- You** agree that at **our** option **we** may have the conduct of any proceedings to recover monies paid or payable by **us** whether or not **you** have an interest in such proceedings by reason of any uninsured losses

9 Directors' and officers' liability

The schedule will show if this section applies and the cover in force

Note (not forming part of the policy)

Cover is on a 'claims made' basis, which means it covers claims made against you – and notified to us – during the period of insurance. It is therefore most important that as soon as you become aware of any claim being made against you, or any circumstances that might reasonably be expected to bring about a claim, you notify us in writing.

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) 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

Claim(s)

means any demand made of or allegation of a right against the ***Insured*** which is communicated to the ***Insured***

All claims related or connected in any way by reference to any common contributory factor or characteristic shall be treated as a single claim first made on the date the first such claim was ***notified***

Criminal defence costs and expenses

means in relation to any ***claim*** for bodily injury sickness disease emotional distress (other than emotional distress arising from any libel or slander) mental anguish mental stress or the death of any person ***defence costs and expenses*** in any criminal proceedings or investigation under Health and Safety at Work legislation including corporate manslaughter or the equivalent in any jurisdiction

Defence costs and expenses

means legal costs and expenses incurred by or on behalf of the ***insured*** with ***our*** prior written and continuing consent (such consent not to be unreasonably withheld)

This does not include the ***Insured's*** or the ***Insured Company's*** own costs and expenses (including salaries) or any value attributable to the time spent by the ***Insured*** the ***Insured Company*** or any ***employee*** in dealing with a ***claim***

Discovery period

means any period of up to twelve months by which in respect of ***wrongful acts*** committed prior to the expiry of the ***period of insurance we*** extend cover

The limit of indemnity for the ***period of insurance*** and ***discovery period*** combined shall not exceed the sum stated in the schedule

Employee/employment

means any person other than a director or officer of the ***Insured Company*** who is under a contract of service or apprenticeship supplied to hired or borrowed by the ***Insured Company*** or under any work experience or similar scheme or any ***authorised volunteers*** whilst employed or engaged by and under the control of the ***Insured Company***

Insured(s)

means

- (a) any natural person except an external auditor who is a past present or future director or officer of the **Insured Company** or holds any equivalent position in any jurisdiction
- (b) any past present or future **employee** of the **Insured Company**
 - (i) acting in any managerial or supervisory capacity or
 - (ii) named as co-defendant with any director or officer
- (c) any director's or officer's lawful spouse where in receipt of a **claim** because of the **wrongful act** of the director or officer
- (d) the director's or officer's estate heirs legal representatives or assigns

For the avoidance of doubt all references to directors and officers apply equally to non-executive and executive directors and to shadow directors

Insured company/companies

means the company or organisation named as the Insured in the schedule and any of their **subsidiaries**

Investigation

means any formal investigation enquiry or request for information of or attendance by the **Insured** initiated by any body other than the **Insured Company** authorised so to compel the **Insured** during the **period of insurance** for the purpose of evaluating the conduct of the **Insured** in such insured capacity including but not limited to proceedings under the Proceeds of Crime Act 2002 and Money Laundering Regulations 2003 or by reference to the Financial Services and Markets Act 2000

Investigation costs and expenses

means **defence costs and expenses** incurred in the context of an **investigation**

Loss

means any damages judgement settlement award **defence costs and expenses** and/or third party legal costs of or awarded by or in relation to any proceedings before any court arbitral or administrative tribunal or any duly authorised regulatory or statutory body which an **Insured** becomes liable to pay as a result of a **claim**
This does not include

- (a) employee remuneration benefits stock or share options or severance payments
- (b) fines penalties and/or punitive aggravated or exemplary damages unless insurable at law

Notified

means that notice is sent in writing by or on behalf of the **Insured** and/or the **Insured Company** and received by **us**

Outside director

means any **Insured** acting in the capacity of a director formally appointed on the written authority and request of the **Insured Company** to the board or equivalent position in any not-for-profit entity other than

- (a) the **Insured Company**
- (b) any entity
 - (i) having its securities listed or traded on any US exchange or
 - (ii) possessing any tangible or intangible asset located within the USA

Period of insurance

means the period stated in the schedule

Pollution and contamination defence costs and expenses

means **defence costs and expenses** incurred in relation to any **wrongful act** involving any pollution seepage discharge dispersal release or escape of any solid liquid gaseous or thermal irritant or contaminant including but not limited to smoke vapours soot dust fibres fungi mould fumes acids alkalis chemicals and waste (including but not limited to material to be recycled reconditioned or reclaimed) or contamination of any kind

Retroactive date

means the retroactive date stated in the schedule

Subsidiary/subsidiaries

means a company in which the **Insured Company**

- (a) owned or owns directly or through one or more of its **subsidiaries** more than 50% of the voting rights or more than 50% of the share capital issued in such entity or
- (b) had or has the right to appoint or remove the majority of such entity's board of directors or
- (c) controlled or controls alone pursuant to a written agreement with other shareholders or members the majority of the voting rights in such entity provided that the **Insured Company** is also a shareholder in it but only in respect of **wrongful acts** committed in relation to the **subsidiary** while a **subsidiary** of the **Insured Company**

Total gross assets

means the total gross assets of the **Insured Company** and its **subsidiaries** as shown in its audited consolidated group accounts most recently preceding the **period of insurance**

Wrongful act

means any actual or alleged act error omission misstatement misleading statement negligent act negligent error negligent omission or negligent breach of duty committed or attempted by an **Insured** acting in their capacity as a director or officer of the **Insured Company** or any allegation made against the **Insured** by reason of their capacity as a director or officer of the **Insured Company**

Cover**Cover 1 – Legal liability**

We will pay on behalf of

- (a) the **Insured** all **loss** that the **Insured** is legally liable to pay
- (b) the **Insured Company** any such **loss** that the **Insured Company** is legally required or permitted to pay the **Insured** as advancement or indemnity under any applicable company law or agreement

for a **claim** against the **Insured** for a **wrongful act** provided that the **claim** is first made against the **Insured** during the **period of insurance** or **discovery period** if applicable

Cover 2 – Costs and expenses

We will pay on behalf of the **Insured**

- (a) **defence costs and expenses** in the defence investigation or settlement of any **claim** which falls to be dealt with under the above Cover 1 paragraph (a)
- (b) **defence costs and expenses** in the investigation of any circumstance(s) **notified to us** under Condition 2 which is (or are) likely to give rise to a **claim**
- (c) **investigation costs and expenses** up to an aggregate inner limit of £100,000 or if less the limit of indemnity
- (d) **criminal defence costs and expenses** up to an aggregate inner limit of £100,000 or if less the limit of indemnity

- (e) ***pollution and contamination defence costs and expenses*** up to an aggregate inner limit of £50,000 or if less the limit of indemnity

Limit of indemnity

Unless otherwise stated the limit of indemnity as shown in the schedule for this section of the policy is the maximum amount payable by **us** for the ***period of insurance*** (including any ***discovery period*** and run-off period under Extensions 3 and 4) irrespective of the number of ***claims*** and/or the number of claimants and/or the number of ***Insureds*** or ***Insured Companies***

All inner limits form part of and where paid erode the limit of indemnity shown in the schedule and are in all respects subject to the terms conditions limits exclusions and other provisions of this section of the policy

Extensions

The insurance by this section is extended to include the following

1 Automatic acquisition cover

Automatic cover is provided for ***loss*** arising out of any newly created or acquired ***subsidiary*** including by merger provided that

- (a) the ***total gross assets*** of the ***Insured Company*** at the commencement of the ***period of insurance*** combined with any applicable ***discovery period*** are not increased by the acquisition or creation of such ***subsidiary*** or ***subsidiaries*** by more than 20% and
- (b) any ***wrongful act*** for which cover is sought takes place while the ***subsidiary*** is a ***subsidiary*** of the ***Insured Company***

This extension shall not apply to any new ***subsidiary***

- (i) having its securities listed or traded on any US exchange or
- (ii) possessing any tangible or intangible asset located within the USA

2 Non-executive directors

We will deem the limit of indemnity to be increased by a further 10% in respect of ***defence costs and expenses*** incurred by any ***Insured*** in their capacity as a non-executive director of the ***Insured Company*** provided that the limit of indemnity under this section of the policy and under any other applicable insurance are exhausted

3 Discovery period

In the event that **we** cancel this section of the policy for any reason other than non-payment of premium or refuse to offer renewal terms (changes in the limit of indemnity premium or any other terms and conditions do not constitute a refusal to offer renewal terms for the purpose of this clause) or **you** elect not to renew with **us we** will (**your** request to be received within no more than fourteen days after expiry) offer as an extension of the ***period of insurance*** a ***discovery period*** of

- (i) thirty days or
- (ii) up to twelve months at 100% additional premium

for this section for ***wrongful acts*** committed prior to expiry of the ***period of insurance***

The limit of indemnity for the ***period of insurance*** including the ***discovery period*** shall remain as set out in the policy and schedule

This **discovery period** shall terminate immediately upon **you** purchasing any other Directors' and Officers' policy cover (irrespective of whether it is equivalent to this policy in scope) and any unearned premium shall be returned as soon as possible

4 Retirement run-off

In the event that this section of the policy is not renewed on expiry with **us** and provided that there is no available indemnity under any other Directors' and Officers' policy this section shall extend to cover any **Insured** who had retired or resigned from the **Insured Company** prior to the date of such expiry in respect of **claims** made against that **Insured** for a further six years immediately following such date

However this extension shall apply only

- (a) in respect of **wrongful acts** committed during the **period of insurance** and
- (b) in respect of **wrongful acts** committed during any previous period of insurance in which **we** insured the **Insured** linked by continuous renewal to this **period of insurance** and
- (c) up to an aggregate inner limit of £50,000 in respect of each director or officer in the **period of insurance** combined with any **discovery period**

5 Outside boards

This cover shall extend to any **wrongful act** committed in the capacity of **outside director** but only in excess of the aggregate of any other potentially applicable cover whether or not it actually responds

6 Emergency costs and expenses

In the event any **Insured** is unable to contact **us** to obtain consent to authorise **defence costs and expenses** following a **claim we** agree to reimburse the **Insured** for emergency **defence costs and expenses** incurred up to an aggregate inner limit of 10% of the limit of indemnity

7 Public relations crisis management

In the event of any incident occurring during the **period of insurance** which results or could result in adverse publicity **we** will pay the reasonable costs necessarily incurred by **you** with **our** prior consent of employing a marketing and/or public relations firm to help minimise the risk of damage to **your** reputation

Provided that

- (a) the incident in **our** opinion could result in a **claim** under this section of the policy
- (b) **you** take all reasonable measures to avoid or mitigate adverse publicity

Limit

The maximum amount **we** will pay under this extension is £10,000 any one incident and in any one **period of insurance**

Exclusions

We shall not have any liability under this section of the policy for or directly or indirectly arising out of or in any way connected with

1. any **claim** or circumstance(s) which may give rise to a liability under this section of the policy and which **claim** or circumstance(s) was (or were) known to the **Insured** or the **Insured Company** prior to the **period of insurance**
2. any fact circumstance situation transaction event or **wrongful act** underlying or alleged in any prior and pending litigation commenced prior to the **retroactive date**

3. any purchase exchange or sale of offer to purchase or sell securities of any description by means of a prospectus or private placement on or after the commencement of the **period of insurance**
4. bodily injury sickness disease emotional distress (other than emotional distress arising from any libel or slander) mental anguish mental stress or the death of any person except
 - (a) where indirectly caused by a **wrongful act**
 - (b) in respect of any **wrongful act** related to **employment**
 - (c) in respect of **criminal defence costs and expenses** in any criminal proceedings or investigation under Health and Safety legislation including corporate manslaughter or the equivalent in any jurisdiction up to the limit stated
5. any damage to or destruction or loss of any property including loss of use except where indirectly caused by a **wrongful act**
6. any dishonest fraudulent or criminal act or omission or any wilful breach of any statute rule or law by the **Insured**
 For the purpose of this exclusion no individual **Insured** shall be denied cover unless possessed of actual knowledge of the relevant act or omission at the commencement of the **period of insurance**
 This exclusion shall only apply where there has been a final adjudication by any court tribunal or other similar body or admission by the **Insured** of such conduct
7. any personal profit remuneration or advantage gained by the **Insured** to which the **Insured** was not legally entitled according to the judgement of a court a court-approved settlement or by some other final determination
 For the purpose of this exclusion no individual **Insured** shall be denied cover unless possessed of actual knowledge of the relevant act or omission at the commencement of the **period of insurance**
 This exclusion shall only apply where there has been a final adjudication or admission by the **Insured** of such conduct
8. any pollution seepage discharge dispersal release or escape of any solid liquid gaseous or thermal irritant or contaminant including but not limited to smoke vapours soot dust fibres fungi mould fumes acids alkalis chemicals and waste (including but not limited to material to be recycled reconditioned or reclaimed) or contamination of any kind
 However this exclusion shall not apply to
 - (a) **defence costs and expenses** in relation to any **wrongful act** concerning such matters
 - (b) any **claim** against the **Insured** instigated by one or more shareholders of the **Insured Company** in the name of the **Insured Company** without the willing assistance or involvement of the **Insured**
9. any **claim** brought by or on behalf of the **Insured Company** or any **Insured** in any jurisdiction within the United States of America or Canada or which directly or indirectly arises out of or is connected with any event occurrence or activity within the United States of America or Canada except that this exclusion shall not apply to
 - (a) any **claim** in respect of a wrongful dismissal or employment discrimination brought by an **Insured**
 - (b) any **claim** brought or maintained by an **Insured** for contribution or indemnity if the **claim** directly results from another **claim** which would otherwise have been covered by this policy
 - (c) any shareholder derivative action brought in the name of the **Insured Company** without the solicitation assistance participation or intervention of any **Insured** or the **Insured Company**
 - (d) any **claim** by a legally authorised individual or entity other than the **Insured Company** itself brought in the name of the **Insured Company** without the solicitation assistance participation or intervention of any **Insured** or the **Insured Company**
 - (e) any **claim** by a former **Insured**
 - (f) any **claim** by the **Insured Company** against the **Insured** where prior to making any such **claim** the **Insured Company** has provided to **us** a written opinion from a Queen's Counsel or Foreign Lawyer of equivalent standing in the applicable jurisdiction where appropriate confirming a prospect of success of the **claim** of not less than sixty-five percent

The choice of Queen's Counsel or Foreign Lawyer must first be approved by **us** and he or she is to be jointly instructed on behalf of both the **Insured Company** and **us** but at the **Insured Company's** sole expense

The instructions are to be prepared by the **Insured Company's** solicitors and approved by **us** prior to delivery to Counsel such approval to be given promptly and not to be unreasonably withheld

10. any retirement pension profit-sharing health welfare or any other **employee** benefit fund trust scheme or plan or related legislation or regulations anywhere in the world
11. any matter in respect of which indemnity is provided by any other insurance
12. any loss damage cost or expense
 - (a) directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (b) of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any **act of terrorism**

If **we** allege that by reason of this exclusion any loss damage cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**

Conditions

1. **Your** application shall operate severally in relation to each **Insured** and no statement information or knowledge on the part of any **Insured** shall be imputed to any other **Insured** for the purposes of determining whether cover is available to that other **Insured**
2. As a **condition precedent to liability** under this section of the policy **we** must be **notified** during the **period of insurance** in writing to **our** Head Office address within thirty days
 - (a) of any **claim**
 - (b) regardless of any previous notice of receipt of any claim form particulars of claim arbitration notice or any other formal document commencing legal proceedings copies of all such documents being provided with such notification
 - (c) of any circumstance(s) of which the **Insured** or **Insured Company** shall become aware which is or are likely to give rise to a **claim**
 - (d) of any circumstance(s) of which the **Insured** or **Insured Company** shall become aware which is (or are) likely to give rise to an entitlement to be indemnified under this section of the policy
In the event that **we** are **notified** during the **period of insurance** of any circumstance(s) which in **our** reasonable opinion is (or are) likely to give rise to a **claim** then any subsequent **claim** which arises directly from the circumstance(s) so **notified** shall be deemed to have been made during the **period of insurance**
3. As a **condition precedent to liability** under this section of the policy
 - (a) the **Insured** and/or the **Insured Company** shall not without **our** prior written approval admit liability for compromise settle or make any offer or payment in respect of any **claim** or any circumstance(s) likely to give rise to a **claim** or any circumstance(s) where the **Insured** and/or the **Insured Company** has requested indemnity under this section of the policy
 - (b) the **Insured** and/or the **Insured Company** must provide such co-operation and assistance as **we** and **our** representatives legal advisors and agents may reasonably require
 - (c) the **Insured** and/or the **Insured Company** or anyone acting on their behalf shall ensure that all documents relevant to any **claim** or any circumstances likely to give rise to a **claim** shall not be intentionally destroyed or otherwise intentionally disposed of

4. **We** shall be entitled but not obliged to take over the investigation defence and settlement of any **claim** and any circumstance(s) likely to give rise to a **claim** and any circumstance(s) where the **Insured** has requested indemnity under this section of the policy including as to the choice and appointment of legal representation **We** shall have full discretion in handling thereof (notwithstanding that a dispute may have arisen between **us** the **Insured** and/or the **Insured Company**) provided always that the **Insured** and/or the **Insured Company** shall not be obliged to defend any legal proceedings unless a Queen's Counsel (to be mutually agreed upon between the **Insured** and/or the **Insured Company** and **us**) shall advise that such proceedings can be contested with a reasonable prospect of success
5. **We** shall not exercise any rights of subrogation against any **employee** or former **employee** of the **Insured Company** unless the **loss** in respect of which payment is made under this section of the policy is caused or contributed to by a fraudulent dishonest or malicious act or omission by the **employee** or former **employee**
6. **We** shall pay **defence costs and expenses** incurred with **our** prior written consent such consent not to be unreasonably withheld
However in the event and to the extent that it is finally determined that the **Insured** is not entitled to such payments under this section of the policy the sums advanced shall be repaid to **us** upon demand or the limit of indemnity reduced by the amount of such uninsured advance payment
7. In the event of any **loss** being partially covered and/or any **claim** against an **Insured** being also made against the **Insured Company** and/or one or more persons who are not insured then **we** and the **Insured** and the **Insured Company** shall use our best endeavours fairly and reasonably to agree such an allocation of **loss** to the policy as may be appropriate and proportional to the aggregate of insured and uninsured loss damages and legal and other costs
8. If during the **period of insurance** the **Insured Company** merges with or consolidates into another entity or any person or entity acquires 50% or more of its issued share capital
 - (a) the **Insured Company** shall within thirty days give written notice to **us** of such merger consolidation or acquisition and
 - (b) cover shall thereafter apply only to **wrongful acts** committed prior to the effective date of such merger consolidation or acquisition
 - (c) the **Insured Company** may cancel the remainder of this section of the policy on behalf of the **Insured Company** and all **Insureds** by sending written notice to **us** stating the date from which the cancellation is to take effect

10 Fidelity

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Acting in collusion

means all circumstances where two or more ***employees*** are concerned or implicated together or materially assist each other in an act of ***theft***

Commencement date

means the operative date of insurance cover for a named ***employee*** or category of ***employees*** other than as provided in relation to any superseded fidelity insurance

Employee(s)

means any person normally resident within the ***geographical limits*** who is

- (1) under a contract of service or apprenticeship with ***you***
- (2) engaged as a work experience student or youth training scheme participant while under ***your*** direct control and supervision
- (3) a director of ***yours*** if such person
 - (i) is also employed by ***you*** under a contract of service and
 - (ii) controls no more than 5 per cent of the issued share capital of ***your*** company
- (4) a person retired from full-time employment with ***you*** who is working for ***you*** as a consultant under ***your*** control or direction

One claim

means all acts of ***theft*** during the periods of insurance which this section (and any substituted section or policy) shall remain in force committed by an individual ***employee*** or by ***employees acting in collusion***

Theft

means any act of fraud or dishonesty by any ***employee*** committed with the clear intent of obtaining an improper financial gain for themselves or for any other person or organisation intended by the ***employee*** to receive such gain other than salaries fees commission or other employee benefit earned in the normal course of employment

Cover

We will indemnify ***you*** against loss of money or goods belonging to or held in trust by ***you*** caused directly as a result of any act of ***theft*** by any ***employee*** described in the schedule relating to their employment with ***you*** in the ***business*** and committed during the currency of this section after the ***commencement date*** applicable to such ***employee***

Exclusions

We shall not be liable for

- (i) any **theft** committed by any **employee** subsequent to **your** discovery of actual or suspected **theft** by such **employee**
- (ii) any **excess**
- (iii) any loss of interest or consequential loss of any kind
- (iv) any unexplained shortages

Basis of settlement

We will pay up to the value of the money or goods at the time of the loss or at **our** option the replacement or reinstatement of such goods

Limit of indemnity

Our liability under this section

- (a) in respect of any **one claim**
 - (i) caused by one **employee** shall not exceed the limit of indemnity stated in the schedule applicable to that **employee**
 - (ii) caused by two or more **employees acting in collusion** shall not exceed whichever of the individual limits of indemnity applicable to the **employees** concerned is largest and in any event not exceed the aggregate limit of indemnity shown in the schedule
 - (iii) irrespective of the number of periods of insurance during which the insurance by this section (and any insurance issued in substitution therefor) shall remain in force shall not exceed the limit of indemnity stated in the schedule
- (b) in respect of any one period of insurance shall not exceed the aggregate limit of indemnity stated in the schedule

Special conditions

- 1 It is a **condition precedent to liability** that **you** shall operate the following Minimum standard of control

All **employees** with responsibility for money accounts goods computer operation or computer programming shall be instructed as to their duties and responsibilities in respect of the Minimum standard of control and be expected to comply with it

Minimum standard of control

- (i) All cheques or other bank instruments exceeding £10,000 shall require two manually applied signatures to be added after the amount has been inserted
You shall advise **your** bankers accordingly
No cheque or instrument shall be signed until one signatory has examined the supporting documentation
- (ii) At least quarterly and independently of persons responsible the payroll shall be checked to minimise the possibility that fictitious names and enhanced payments have been included
- (iii) **Employees** receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt or next banking day

- (iv) Statements of account for all amounts due will be issued at least monthly and direct to customers independently of **employees** receiving or collecting monies
Action by management shall be taken if an account becomes three months overdue
- (v) Independently of the responsible **employees** bank statements receipts counterfoils and supporting documents shall be checked at least monthly against the cash book entries and the balance tested with cash and unpresented cheques
- (vi) Cash in hand and petty cash shall be checked independently of the responsible **employees** at least monthly and additionally without warning every six months
- (vii) There will be a physical check on all stock and materials held against verified stock records independent of the responsible **employees** at intervals of not more than 12 months except where otherwise stated
- (viii) Different **employees** acting independently shall be responsible for the ordering of stock and materials the recording of receipt of such and the authorising of payment for them
- (ix) Security checks will be built into all computer functions with reconciliations made as necessary
- (x) Responsibilities for
 - (a) authorisation of transaction
 - (b) processing of transactions and
 - (c) handling of output
 shall be exercised by different **employees**
- (xi) **Your** accounts including the account of any subsidiary companies shall be examined by external auditors every 12 months
All recommendations or alternatives acceptable to the auditors shall be implemented without unreasonable delay
- (xii) Every **employee** who is responsible for money goods accounts computer operations or programming must take an uninterrupted break of at least two weeks in each calendar year during which
 - (a) they carry out no duties on **your** behalf and
 - (b) other than electronic mail they have no means of external access to **your** computer systems and
 - (c) they stay away from any of **your** premises
- (xiii) All supplier/creditor accounts received for payment should be carefully and independently (of those **employees** placing orders or settling such accounts) checked and validated directly with the supplier/creditor before payment is authorised
No instructions or requests to change any supplier's/creditor's settlement account details shall be accepted or implemented without
 - (a) the supplier or creditor in question being contacted independently and directly to confirm the change
 - (b) written confirmation of the change being obtained from a suitably authorised and recognised contact at the supplier/creditor
 - (c) written confirmation of the change being received independently and directly from the supplier's/creditor's bank

- 2 **You** shall obtain satisfactory references to confirm the honesty of all **employees** who are
- (a) responsible for money goods accounts computer operations or computer programming and
 - (b) engaged after the commencement of this section
 - (c) subject to an indemnity of greater than £5,000

Such references shall be obtained directly from former employers for the three years immediately preceding engagement and before the **employee** is entrusted without supervision

Reference need not be obtained in respect of **employees** who have satisfactorily and continuously served **you** for at least one year in another capacity before being entrusted with the duties referred to above

In respect of **employees** joining directly from school or Government sponsored youth training schemes one character reference shall be obtained

The original of each written reference shall be retained by **you** and shall be made available for inspection by **us** on request

- 3 Any money of the **employee** held by **you** upon discovery of any loss and any money which but for the **employee's theft** would have been due to the **employee** from **you** shall be deducted from the amount of the loss before a claim is made under this insurance
- Any recoveries which are made by **you** less any costs incurred in recovery shall be applied in the following order
- (a) in the event that **your** claim has exceeded the limit of indemnity first to **your** benefit to reduce or extinguish the amount of **your** loss (but not in respect of the amount of the **excess**)
 - (b) thereafter to **our** benefit to the extent of the claim paid or payable
 - (c) finally to **your** benefit where an **excess** has been deducted from the claim
- 4 Upon the termination of service of any **employee you** shall take all reasonable precautions to prevent a loss as insured by this section including but not limited to
- (a) the changing of all alarm and other security codes or passwords the **employee** had or may have had knowledge of
 - (b) the deletion or invalidation of any access codes or passwords the **employee** has to access computer or other systems

Extensions

1 Auditors fees and rewriting of system records

As a direct result of loss of money or goods resulting in a valid claim under this section **we** will also pay for

- (a) auditors fees incurred with **our** written consent solely to substantiate the amount of the claim
- (b) the reasonable cost incurred with **our** written consent of rewriting or amending the software programs or systems where such rewriting or amending is necessary to correct the programs or amend the security codes following the fraudulent use of computer hardware or software programs or computer systems which are the subject of a claim for which liability is admitted under this section

Provided that **our** total liability including any amount payable under the provisions of this extension shall not exceed the limit of indemnity

2 Previous insurance

If this insurance immediately supersedes a fidelity insurance effected by **you** (the 'superseded insurance') **we** will indemnify **you** in respect of any loss discovered during the continuation of this insurance but committed during the continuation of the superseded insurance if the loss is not recoverable under the superseded insurance solely because the period allowed for such discovery has expired

Provided that

- (a) such insurance had been continuously in force from the time of the loss until commencement of this section
- (b) the loss would have been insured by this insurance had it been in force at the time of the loss
- (c) **our** liability shall not exceed
 - (i) the amount recoverable under the insurance in force at the time of the loss or
 - (ii) the limit of indemnity under this insurance
 whichever is the less

In any event **our** total liability in respect of any **one claim** continuing through both the term of the superseded insurance and the continuation of this insurance shall not exceed the limit of indemnity applicable under this section

3 Pension fund trustees

At **your** request **we** will indemnify the Trustees of any pension fund or other **employee** benefit scheme set up to provide benefit to **your employees** in respect of any loss of money or goods which the Trust may incur as a result of any act of **theft** as otherwise insured by this section committed by an **employee** of **yours**

4 Temporary agency staff

The term **employee** shall include any person provided by a staff or employment agency who by arrangement with such agency is working for **you** on a temporary or part-time basis in connection with the **business** to perform the function and duties of an **employee** under **your** control or direction but excluding persons employed

- (a) as drivers
 - (b) in connection with warehouse duties
 - (c) with computer operations or computer programming
- unless specifically stated as insured in the schedule

Provided that

- (i) **we** shall not be liable for any loss caused by any such person if such loss is also covered for **your** benefit by any insurance or guarantee held by the staff or employment agency providing the person concerned
- (ii) the amount of wages and salaries declared shall include the total amount of fees paid to staff and employment agencies in respect of temporary agency staff described above
- (iii) special condition 2 (references) shall not apply to the temporary agency staff described above

11 Terrorism

The schedule will show if this section applies

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Act of terrorism

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

Business interruption

means loss arising from interruption or interference with the ***business*** carried on by ***you*** at the ***premises*** as a result of damage to or destruction of ***property insured*** used by ***you*** at the ***premises*** for the purpose of the ***business***

Computer systems

means a computer or other equipment or component or system or item which processes stores transmits or receives ***data***

Data

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

Denial of service attack

means any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability or performance of networks network services network connectivity or ***computer systems***

Denial of service attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other ***computer systems***

Event

means all individual losses arising in respect of a continuous period of 72 hours of which the proximate cause is the same ***act of terrorism***

The date and time that any such period of 72 hours shall commence shall be set by ***us***

Hacking

means unauthorised access to any ***computer system*** whether ***your*** property or not

Losses

means all losses arising under any operative section or extension to this policy for material damage business interruption or book debts as a result of damage to or the destruction of ***property insured*** in the ***territorial limits*** the proximate cause of which is an ***act of terrorism***

Nuclear installation

means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for

1. the production or use of atomic energy
2. the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations
3. the storage processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the course of the production or use of nuclear fuel

Nuclear reactor

means any plant (including any machinery equipment or appliance whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons

Phishing

means any access or attempted access to **data** made by means of misrepresentation or deception

Property

means all property whatsoever but excluding

1. any property which is occupied as a private residence and which is
 - a. a private dwelling house or
 - b. self-contained unit insured as part of a block of units i.e. a block of flatsunless such property
 - i. is not insured in the name of a private individual
 - ii. is insured in the name of a **sole trader** or a trustee or an executor of a will and is not occupied by such persons or by any beneficiary of the trust or will in question
 - iii. is of mixed residential and commercial usage and the commercially occupied portion of the property exceeds 20% (as defined by **us**) of the whole of such building
2. property including fine art collections which are the subject of
 - a. a trust of any kind or
 - b. an executorship of a willand where the use or benefit of the property is for private domestic purposes only and enjoyed by a beneficiary or a trustee of the trust or a beneficiary or an executor of the will
3. any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**

The noting of the interest of any lender (by including as joint insured or otherwise) shall not prejudice the definition of property as defined above

Property insured

means **property** which is insured under other sections of this policy

Sole trader

means

1. a self-employed individual registered as a sole trader with HM Revenue & Customs or
2. a private individual or individuals operating as a landlord and taxed as a business or
3. a private individual or individuals who have made an active decision to become a landlord and receive or intend to receive an income from **property insured**

Territorial limits

means England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987

Virus or similar mechanism

means program code programming instruction or any set of instructions constructed with the purpose and ability or purposely used to damage interfere with adversely affect infiltrate or monitor computer programs **computer systems data** or operations whether involving self-replication or not

This includes but is not limited to trojan horses worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage interfere with adversely affect infiltrate or monitor as above

Cover

We will pay **you** for

1. damage to or the destruction of **property**
2. **business interruption** or book debts
3. loss caused by cancellation abandonment postponement interruption curtailment or relocation of an event as a result of damage to or destruction of **property**

as insured by any other section of this policy occasioned by or happening through or in consequence of an **act of terrorism** within the **territorial limits**

Provided always that the insurance by this section is

1. not subject to
 - a. any of the General exclusions of this policy
 - b. any long term agreement or undertaking which may otherwise apply
 - c. any terms in this policy which provide for adjustments of premium
2. subject
 - a. otherwise to all the terms provisions definitions and conditions of this policy except where expressly varied within this section
 - b. to a maximum period of insurance of 12 months from the inception or renewal date of this policy
Any subsequent period of cover provided by this section whether for 12 months or less is deemed to constitute a new period of insurance provided that
 - i. no subsequent period of insurance by this section shall extend beyond the next renewal date of this policy
 - ii. the renewal premium due in respect of this section has been received by **us**

Basis of settlement

As described in the relevant section of this policy in respect of damage to or destruction of the **property insured** or **business interruption** or book debts or loss caused by cancellation abandonment postponement interruption curtailment or relocation of an event

The most **we** will pay for any one **event** is the lesser of

1. the total sum insured or
2. for each item its individual sum insured or
3. any other limit of liability

as stated in the relevant section of this policy less the **excess**

The **excess** applicable to losses under this Terrorism section shall be equal to the **excess** applied in respect of the risk of fire and/or explosion under the other sections of this policy

Exclusions

We will not be liable for any losses whatsoever

1. occasioned by riot civil commotion war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
2. arising under
 - a. marine aviation and transit policies
 - b. motor insurance policies
 - c. bankers blanket bond
3. directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from
 - a. damage to or the destruction of any **computer system** or
 - b. any alteration modification distortion erasure or corruption of **data**
 whether **your** property or not where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **virus or similar mechanism** or **hacking** or **phishing** or **denial of service attack**

Extension for act of terrorism triggered by remote digital interference

Definitions specific to this extension

Property/Property insured

means as defined in this section but also excludes for the purposes of this extension

- a. any money (including money as defined in any Money (or Money with assault) section of this policy) currency electronic cryptographic or virtual currency including Bitcoin or any similar negotiable or non-negotiable instruments financial securities or any other financial instrument of any sort whatever and
- b. any **data**

Specific events

means fire explosion flood escape of water from any tank apparatus or pipe (including any sprinkler system) impact of aircraft or any aerial devices or articles dropped from them impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle destruction of damage to or movement of buildings or structures plant or machinery other than any **computer system**

Exclusion 3. will not apply to **losses** provided that such **losses**

1. result directly (or solely as regards 3. c. below indirectly) from **specific events** and
2. are not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by acting on behalf of or part of any de jure or de facto government of any nation country or state and
3. comprises
 - a. the cost of reinstatement replacement or repair in respect of damage to or destruction of **property insured** or
 - b. the amount of **business interruption** or book debts suffered directly by **you** by way of loss of or reduction in profits revenue or turnover or increased cost of working as a direct result of either damage to or destruction of **property insured** or as a direct result of denial prevention or hindrance of access to or use of the **property insured** by reason of an **act of terrorism** causing damage to or destruction of other **property** within one mile of the **property insured** to which access is affected or

- c. the amount of loss caused by the cancellation abandonment postponement interruption curtailment or relocation of an event as a result of damage to or destruction of **property** and any additional costs or charges reasonably and necessarily paid by **you** to avoid or diminish such loss

Notwithstanding the exclusion of **data** from **property** and **property insured** to the extent that damage to or destruction of **property** and **property insured** within the meaning of sub-paragraph 1. above indirectly results from any alteration modification distortion erasure or corruption of **data** because the occurrence of one or more **specific events** results directly or indirectly from any alteration modification distortion erasure or corruption of **data** that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** and **property insured** and otherwise falling within sub-paragraphs 1. and 3. above from being recoverable under this policy

In no other circumstances than the previous sentence however will any loss(es) directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from any alteration modification distortion erasure or corruption of **data** be recoverable under this Terrorism section

Condition

If **we** allege that any other loss is not covered by this section the burden of proving that such loss is covered shall be upon **you**

Notwithstanding the above the burden of proof shall be upon **us** to prove or establish all the matters referred to in sub-paragraph 2. of the Extension for act of terrorism triggered by remote digital interference

12 Cyber

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) 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

Business income

means

- (a) the amount of net income (profit or loss before taxes) which ***you*** would have earned if the ***cyber event*** had not happened
- (b) normal operating expenses that continue including ordinary payroll

Computer system

means ***hardware data*** computer networks websites intranet and extranet sites

Computer virus

means malware program code or programming instruction designed to have a damaging effect on a ***computer system***

Cyber event

means

- (a) loss corruption accidental or malicious deletion of or change to unauthorised access to or theft of ***data***
- (b) ***damage*** to websites intranet or extranet sites
- (c) ***damage*** or disruption caused by ***computer virus hacking*** or ***denial of service attack*** or
- (d) failure of or variation in the supply of electricity or telecommunications affecting ***your computer system*** the ***computer system*** of a ***service provider*** or customer of ***yours***

Damage(d)

means total or partial loss damage destruction breakdown or corruption

Damages

means

- (a) financial compensation ***you*** have to pay except for fines penalties liquidated damages (agreed damages or penalties ***you*** have to pay under a contract) punitive or exemplary damages (extra damages to punish ***you***) or aggravated damages (more severe damages to reflect the seriousness of an offence) or
- (b) third parties' costs and expenses ***you*** have to pay as a result of a claim being brought against ***you***

Data

means facts concepts information ideas text recordings and images which are converted to a form which can be processed by ***hardware*** but not including software and programs

Data privacy obligations

means legal obligations relating to securing managing and preventing unauthorised access or use of data and arising under

- (a) relevant data-protection regulations anywhere in the world associated with the confidentiality of access to control of and use of **personal data** which are in force at the time **you** discover **you** have failed to keep **your** data privacy obligations
- (b) guidance from the Information Commissioner's Office or similar organisations worldwide
- (c) the Payment Card Industry Data Security Standard or other contractual obligations relating to handling credit card and debit card information
- (d) privacy statements and confidentiality agreements

Defence costs

means costs and expenses **we** agree in writing for investigating settling or defending a claim against **you**

Denial of service attack

means malicious and unauthorised attack which overloads any **computer system**

Directors and officers

means directors officers principals partners or members while they are employed by **you** and under **your** control in connection with the **business**

Employee(s)

means any

- (a) person employed borrowed or hired by **you** including apprentices
- (b) labour master or labour-only subcontractor (or a person supplied by any of them)
- (c) self-employed person
- (d) person taking part in any government or otherwise authorised work experience training study exchange or similar scheme
- (e) **authorised volunteer** or
- (f) person supplied to **you** under a contract or agreement which states that they are in **your** employment when they are working for you in connection with **your business** but not including **your directors and officers**

Hacking

means unauthorised or malicious access to any **computer system** by electronic means

Hardware

means any

- (a) computers and associated equipment telecommunications equipment and software and programs used to process **data** but not including
 - (i) equipment controlling manufacturing processes or forming part of machinery or
 - (ii) equipment held as stock or which **you** have manufactured and is intended for sale or repair in the course of **your business**
- (b) laptops palmtops notebooks and tablet computers removable satellite-navigation systems digital cameras and smartphones and associated software and programs
- (c) photocopiers fax machines shredders addressing machines franking machines televisions and associated equipment DVD and CD recorders and players video and audio conferencing and projection equipment and associated software and programs

Indemnity period

means the period during which **you** suffer a loss of **business income** or have to pay extra costs starting on the date of the **cyber event** and ending no later than the last day of the **indemnity period** shown in the schedule

Personal data

means information which could identify a person or allow identity theft or other fraud to take place

Service provider

means a business that **you** hire under a written contract to perform services on **your** behalf in connection with **your business**

Time excess

means the time period as shown in the schedule **we** will not pay any loss of **business income** for

Cover

For the purposes of **1 Cyber liability** the definition of **you** shall also include any of **your employees** or **directors and officers**

1 Cyber liability

We will pay **damages** and **defence costs** arising from a claim first made against **you** and notified to **us** during the period of insurance stated in the schedule and which arises out of conduct of **your business** as the result of

- (a) **you** or **your service provider** failing to secure or prevent unauthorised access to publication of or use of **data** (including any interference with any right to privacy or publicity breach of confidence or **your data privacy obligations**)
- (b) **you** unintentionally transmitting or failing to prevent or restrict the transmission of a **computer virus hacking** attack or **denial of service attack** from **your computer system** to a third party or
- (c) loss of reputation (including that of a product) or intellectual property rights being breached as a result of
 - (i) the content of any emails distributed by **your computer system**
 - (ii) the content of **your** website
 - (iii) online promotional marketing material or
 - (iv) other **data** processed or distributed by **your computer system**

2 Data-breach expense

We will pay the following if during the course of **your business** it is discovered that **you** have failed to keep to **your data privacy obligations**

- (a) The cost of hiring professional legal and forensic information-technology services to investigate and tell **you** how **you** should respond
- (b) The cost of informing affected parties the data privacy regulator and other relevant third parties or organisations worldwide
- (c) The cost of providing the following support services to affected parties as the result of **you** failing to keep to **your data privacy obligations**
 - (i) Credit file monitoring identity theft assistance and helping the affected parties to correct their credit records and take back control of their personal identity
 - (ii) Providing a helpline to respond to enquiries after informing affected parties

These services will only be provided for 12 months and only if

 - (1) the **data privacy obligations you** have failed to keep to relate to **personal data** or
 - (2) **you** must provide the relevant service under **your data privacy obligations**

- (d) Public relations and crisis management expenses if **we** have given **our** written permission for communicating with the media **your** customers and the public to minimise damage to brands and business operations and any damage to **your** reputation

3 Computer system damage data extra cost and business income

We will pay for the following arising as a result of a **cyber event you** discover and notify to **us** during the period of insurance stated in the schedule

- (a) The cost of investigating reconfiguring and rectifying any **damage to your computer system** or the **computer system** of a **service provider** and restoring and recreating **data**
This does not include the value of **data to you** even if the **data** cannot be restored or recreated
- (b) Extra costs to prevent or reduce the disruption to the functions carried out by **your computer system** during the **indemnity period**
- (c) **Your** loss of **business income** during the **indemnity period**
The amount of loss of **business income we** pay will be
- (i) based on **your business income** during the 12 months before the **cyber event** as recorded in **your** accounts
 - (ii) adjusted to reflect trends and circumstances which may affect the **business income** or which would have affected the **business income** had the **cyber event** not occurred

The following cover is optional and the schedule will show if it applies

4 Cyber crime

We will pay for the following circumstances which arise and are notified to **us** during the period of insurance stated in the schedule

- (a) **Your** financial loss as the result of a fraudulent input destruction or modification of **data in your computer system** or the **computer system** of **your service provider** which results in
- (i) money being taken from any account
 - (ii) goods services property or financial benefit being transferred or
 - (iii) any credit arrangement being made
- as long as **you** have not received any benefit in return and **you** cannot recover the loss from a financial institution or other third party
We will also pay the cost of proving that transactions are fraudulent and that contracts or agreements were entered into fraudulently
- (b) **Your** liability to make any payment to **your** telephone service provider as the result of **hacking** into **your computer system**
- (c) The cost of employing specialist support to verify that a threat is genuine and to help **you** to respond if anyone threatens to
- (i) cause **damage** to or disrupt **your computer system** by introducing a **computer virus** or to initiate a **hacking** attack or **denial of service attack** against **you**
 - (ii) release publish corrupt delete or alter **data** from **your computer system** if this would cause **you** commercial or financial harm or damage **your** reputation or
 - (iii) fraudulently or maliciously use **your computer system** to cause a loss to **you** or a third party as long as **you** can demonstrate that **you** have good reason to believe that the threat is not a hoax and **you** have reported it to the police

Exclusions

We will not pay for any **damages** liability expense or **defence costs** arising from

- (1) loss of **business income** during the **time excess**
- (2) any claim brought against **you** by
 - (a) another person named as **insured** in the schedule
 - (b) any of **your** parent or subsidiary companies or
 - (c) any company which **you** are a director officer partner or employee of and have a financial interest in
This exclusion does not apply to **personal data** relating to **employees** or **directors and officers** as long as any benefit they receive is no more than any third party would receive
- (3) defamatory or disparaging statements or publications made deliberately or recklessly if it could be anticipated by a reasonable person that the statements could result in a claim against **you**
- (4) **you** failing to keep to any obligation **you** have to your **employees** or **directors and officers** unless this is specifically insured by this section after **your data privacy obligations** have not been met
- (5) any mistakes in financial statements or representations concerning **your business**
- (6) **you** actually or allegedly breaking any taxation competition restraint of trade competition or anti-trust law or regulation
- (7) infringement of any patent without the patent holder's permission
- (8) goods products or software sold supplied manufactured constructed installed maintained repaired altered or treated by **you**
- (9) inadequate or incorrect advice or services **you** have provided
- (10) the cost of correcting any failings in procedures systems or security
- (11) loss of **business income** or any other cost resulting from a deliberate act or decision of a gas or electricity supplier grid operator or telecommunications operator except where that act or decision was necessary to protect life or prevent damage to property
- (12) (a) circumstances which existed before any cover provided by **your** policy started and which **you** knew about
(b) claims or circumstances which **you** have already reported or which **you** should have reported to a previous insurer before the period of insurance stated in the schedule
- (13) **your** property being confiscated or **damaged** by or under the order of any government public or police authority other than
 - (a) to protect life or prevent damage to property or
 - (b) as the result of a regulatory investigation after **you** have failed or allegedly failed to keep to **your data privacy obligations**
- (14) any extortion blackmail or ransom payments or demands other than in connection with cover provided under Cover section **4 Cyber crime**
- (15) (a) fines or penalties
(b) punitive aggravated exemplary or multiplied damages
- (16) penalties **you** have to pay under a contract for any delay or in connection with guarantees of performance or efficiency
- (17) any deliberate act or failure to act by **you** or **your directors and officers** unless the act or failure to act is a measure to prevent or minimise injury **damage** to **your hardware** loss of **business income** or a claim for **damages**
- (18) the cost of normal **computer system** maintenance
- (19) atmospheric or environmental conditions causing temporary interference with any satellite signal
- (20) **your** commercial decision to stop trading or the decision of a **service provider** customer or supplier of **yours** to stop or reduce trade with **you** or restrict services

(21) losses due to

- (a) wear and tear gradual deterioration or rust
- (b) scratching or chipping of painted or polished surfaces
- (c) erosion or corrosion or
- (d) gradual reduction in performance

However **we** will pay for loss resulting from the causes above which **we** would otherwise have paid under this section

(22) **your** insolvency or bankruptcy

(23) the failure or interruption of any electrical power supply network or telecommunication network not owned and operated by **you**

This exclusion shall not apply to any cost or loss caused by or resulting from physical damage if otherwise insured by this section to the electrical power supply network telecommunication network or other property Telecommunications networks include but are not limited to the internet internet service providers Domain Name System service providers cable and wireless providers internet exchange providers search engine providers internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure

This exclusion applies to cover **3 Computer system damage data extra cost and business income only**

(24) any loss damage cost or expense

- (a) directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- (b) of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any **act of terrorism**

If **we** allege that by reason of this exclusion any loss damage cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**

Computer virus hacking or **denial of service attack** will not be regarded as an **act of terrorism**

(25) any financial loss resulting from actual or alleged fraudulent use of credit or debit card

This exclusion applies to cover section **4 Cyber crime**

What we will pay

Limit of liability

The most **we** will pay for all claims **we** accept under this section in total for the period of insurance stated in the schedule is the limit of indemnity noted in the schedule

The limits shown below under Extensions are in addition to the limit of indemnity

Defence costs

Any **defence costs we** pay will be within not on top of the limit of indemnity

Paying out the limit of indemnity

For any and all claims arising for the period of insurance stated in the schedule **we** may pay the full limit of indemnity that applies

When **we** have paid the full limit of indemnity **we** will not pay any further amounts for any claims or for associated **defence costs** arising after **we** pay the full limit of indemnity

For any claim the total amount **we** will pay will not be more than the limit of indemnity regardless of the number of people or organisations insured by the policy

Any claim **we** pay will not include Value Added Tax (VAT) unless **you** cannot recover part or all of the VAT **you** have paid

Extensions

1 Avoiding corruption

We will pay

- (a) the cost of locating and removing a **computer virus** from **your computer system** which has not necessarily caused any **damage** or disruption and
- (b) the cost of hiring professional consultants to make recommendations on how to prevent **your computer system** from being infected by **computer virus** or to prevent **hacking** when a **computer virus** or **hacking** attack has affected **your computer system** during the period of insurance stated in the schedule with **our** prior written consent

The most **we** will pay for all claims in total for the period of insurance stated in the schedule is £15,000

2 Security audit

We will pay the cost of a professional consultant to carry out an audit of **your computer system** to assess security weaknesses and advise **you** on how to make improvements if **your** failure to keep to **data privacy obligations** insured by this section resulted from security weaknesses in **your computer system**

The most **we** will pay for all claims in total for the period of insurance stated in the schedule is £15,000

3 Investigation cost

We will pay the cost of investigating possible repair replacement or restoration with **our** prior written consent provided **we** accept a claim for **damage** or other loss

The most **we** will pay for all claims in total for the period of insurance stated in the schedule is £15,000

4 Loss-prevention measures

We will pay the cost of preventing or minimising actual or expected **damage** or other loss covered by this section provided that

- (a) **damage** or other loss would be expected if the measures were not taken
- (b) **we** are satisfied that the **damage** or other loss has been prevented or minimised by these measures and
- (c) the cost is limited to the cost of **damage** or other loss which would have been caused

The most **we** will pay for all claims in total for the period of insurance stated in the schedule is £15,000

5 Temporary and fast-tracked repair

We will pay the cost of making temporary repairs and fast-tracking a permanent repair replacement or restoration provided **we** have accepted a claim for **damage** or other loss

The most **we** will pay for all claims in total for the period of insurance stated in the schedule is £15,000

6 Accountants' fees

We will pay the cost of

- (a) extra staffing costs and
- (b) extra fees charged by **your** usual auditors or accountants

incurred by **you** as a result of providing the information **we** need to work out the amount **we** should pay

The most **we** will pay for all claims in total for the period of insurance stated in the schedule is £15,000

7 Non-invalidation

The cover by this section shall not be invalidated by any act failure to act or change in circumstance which increases the risk of **damage** loss of **business income** a claim for **damages** or other loss covered by this section which **you** could not have known about or controlled

Provided that as soon as **you** (or anyone acting for **you**) become aware of any act failure to act or change in circumstance which may affect the policy **you**

- (a) tell **us** as soon as possible and
- (b) keep to any extra terms and conditions **we** set

This applies to any change of circumstance which arises whether before or during the period of insurance stated in the schedule including before **we** renew this section

Special conditions

You must keep to the following conditions

If **you** do not keep to any condition of this section and that condition is relevant to **your** claim **we** may refuse to pay part or all of **your** claim

1 Reporting a claim

As soon as **you** know about any incident or circumstance that may result in a claim **you** must

- (a) tell the person who arranged **your** policy (or **us**) providing full details within 14 days in the case of **you** knowing about an incident or circumstance that has resulted in or may result in **you** receiving
 - (i) a claim against **you**
 - (ii) a demand for **damages**
 - (iii) a notice of regulatory action against **you**
 - (iv) a notice of other arbitration process seeking **damages**
- (b) tell the person who arranged **your** policy (or **us**) providing full details within 7 days in the case of **damage** loss of **business income** or other loss covered by this section and caused by riot civil commotion strikers locked-out workers or people taking part in labour disturbances
- (c) keep any **damaged hardware** other property covered by this policy and other evidence and allow **us** to inspect it
- (d) give **us** details of any other insurances **you** have which may cover **damage** loss of **business income** **damages defence costs** or other loss covered by this section
- (e) tell **us** if **you** recover money from a third party (**you** may need to give the money to **us**)

You must not admit responsibility or liability or agree to pay any money or provide any services on **our** behalf without **our** written consent

2 Protecting data

You must make sure that the appropriate procedures are in place for disposing of and destroying **hardware** and hard copy files in order to protect **data**

3 Controlling defence

We can but do not have to take control of investigating settling or defending any claim made against **you**

We will take this action in **your** name

If necessary **we** will appoint an adjuster solicitor or any other appropriate person to deal with the claim

We may appoint **your** solicitor but only on a fee basis similar to that of **our** own solicitor and only for work done with **our** permission in writing

We will only defend claims if **we** think that there is a reasonable chance of being successful and after taking the costs of the defence into account

4 Salvage and recoveries

- (a) If **you** have made a claim and **you** later recover money from a third party **you** must tell **us** immediately
If **we** have paid the claim **you** may have to give the money to **us**
- (b) If **we** have paid a claim and **we** then recover money from a third party **we** will give **you** any proceeds above the amount **we** paid **you** in connection with the claim

Any amount due from **you** or **us** must be paid as soon as reasonably possible

5 Reasonable care

You must

- (a) make sure that **your hardware** is maintained inspected and tested as recommended by the manufacturer
- (b) keep a record of all maintenance and **data** back-up procedures and maintenance carried out and let **us** check those records
- (c) take all reasonable steps and precautions to prevent or reduce **damage** or other loss covered in this section and
- (d) not continue to use **hardware** after **damage** unless **we** have given **our** written permission

If **you** do not keep to this condition **we** may

- (i) refuse to pay part or all of **your** claim and
- (ii) cancel **your** policy in accordance with **our** rights under General condition Cancellation

6 Defence software

Your computer system must be protected by a

- (a) virus-protection software package which is
 - (i) licensed to **you**
 - (ii) paid for and not freely available and
 - (iii) updated at least every 7 days
- (b) firewall on all external gateways to the internet and that firewall must be maintained

7 Data backup

You must

- (a) back up original **data** at least every 7 days
- (b) take precautions to make sure that all **data** is stored safely
- (c) make sure that the terms of the contract between **you** and the **service provider** allow **data** to be backed up in line with this condition if a **service provider** processes or stores **data** for **you**

If **you** have failed to keep to this condition **we** may still pay a claim if **you** can show that formal procedures are in place to keep to this condition and that the failure was an accidental oversight or as a result of circumstances beyond **your** control

8 More than one insured

If more than one party is named as the **insured** in the schedule the first named **insured** will receive all notices and agree any changes to the policy and will be treated as acting for all the named **insureds**

We will not remove any named **insured** without their permission

9 Right to survey

At **our** request **you** must give **us** access to **your premises** at an agreed date and time to carry out a risk survey

If **you** do not keep to this condition **we** may cancel **your** policy in accordance with **our** rights under General condition Cancellation

13 Commercial legal protection

This section is evidence of the contract between **you** and the **insurer**.

This section is administered by ARAG plc under a binding authority agreement with Brit Syndicate 2987 at Lloyd's (BSL) (written under unique market reference B0356KA233D12A000 or replacement thereof). BSL's liability is several and they are liable for their proportion of liability in respect of this section only and have no liability for any other section of this policy.

Important information applicable to this section

Making a claim

- (1) If an **insured person** needs to make a claim, they must notify **us** as soon as possible.
- (2) If an **insured person** instructs their own solicitor or accountant without telling **us**, they will be liable for costs that are not covered by this section.

What happens once we receive the insured person's completed claim form?

- (1) **We** will send the **insured person** a written acknowledgment by the end of the next working day after receiving their claim form.
- (2) Within five working days of receiving all the information needed to assess the availability of cover under this section, **we** will write to the **insured person** either:
 - (a) confirming cover under the terms of this section and advising the **insured person** of the next steps to progress their claim; or
 - (b) if the claim is not covered, **we** will explain in full the reason why and advise whether **we** can assist in another way.
- (3) When a representative is appointed they will try to resolve the **insured person's** dispute without delay, arranging mediation whenever appropriate.
- (4) **We** will check on the progress of the **insured person's** claim with the **appointed advisor** from time to time. Sometimes matters cannot be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

Privacy statement

This is a summary of how **we** collect, use, share and store personal information. To view **our** full privacy statement, please see **our** website www.arag.co.uk

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. **We** will hold and process this information in accordance with relevant data protection regulations and legislation. Should **we** ask for personal or sensitive information, **we** undertake that it shall only be used in accordance with **our** privacy statement.

We may also collect information for other parties such as suppliers **we** appoint to process the handling of a claim.

Using personal or sensitive information

The reason **we** collect personal or sensitive information is to fulfil **our** contractual and regulatory obligations in providing this insurance, for example to process premium or handle a claim. To fulfil these obligations, **we** may need to share personal or sensitive information with other organisations.

We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to **our** full privacy statement for full details.

Keeping personal information

We shall not keep personal information for any longer than necessary.

Your rights

Any person insured by this section has a number of rights in relation to how **we** hold personal data including; the right to a copy of the personal data **we** hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.

For a full list of privacy rights and when **we** will not be able to delete personal data, please refer to **our** full privacy statement.

Definitions

Each time any of the following words or phrases appear in this section in bold italic type or capital letters in the schedule they will take the specific meaning shown below, otherwise the definitions shown on pages 8 and 9 of the policy shall apply.

Appointed advisor

means the

- (a) solicitor, accountant, or other advisor (who is not a mediator), appointed by **us** to act on behalf of the ***insured person***;
- (b) mediator appointed by **us** to provide impartial dispute resolution in relation to a claim accepted by **us**.

Collective conditional fee agreement

means an enforceable agreement entered into on a common basis between the ***appointed advisor*** and **us** to pay their professional fees on the basis of either legally

- (a) 100% "no-win no-fee" or
- (b) where discounted, that a discounted fee is payable.

Conditional fee agreement

means a legally enforceable agreement between **you** and the ***appointed advisor*** for paying their professional fees on the basis of either

- (a) 100% "no-win no-fee" or
- (b) where discounted, that a discounted fee is payable.

Insured person

means

- (a) **You, your** directors, partners, managers, officers, ***employees*** and ***authorised volunteers*** of ***your business***.
- (b) A person declared to **us**, who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as ***your employees*** and who performs work under ***your*** supervision.

Insurer

means Brit Syndicate 2987 at Lloyd's (written under unique market reference B0356KA233D12A000 or replacement thereof).

Legal costs & expenses

means

- (a) Reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.2.
- (b) In civil claims, other side's costs, fees and disbursements where the **insured person** has been ordered to pay them or pays them with **our** agreement.
- (c) Reasonable accountancy fees reasonably incurred under Cover 4 Tax disputes by the **appointed advisor** and agreed by **us** in advance.
- (d) Health and Safety Executive Fees for Intervention.
- (e) **Your employee's** basic wages or salary under Cover 9, Loss of earnings in the course of their employment with **you** while attending court or tribunal at the request of the **appointed advisor** or whilst on jury service where lost wages or salary cannot be claimed back from the court or tribunal.
- (f) The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under Cover 10 c) where the **insured person** has taken advice from **our** Identity Theft Advice and Resolution Service.
- (g) The professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual adverse or negative publicity or media attention under Cover 10 e) Executive suite and 12 Crisis communication.

Period of insurance

means the period shown in **your** policy schedule. (The **period of insurance** shall otherwise expire on earlier cancellation of this policy).

Reasonable prospects of success

- (a) Other than as set out in (b) and (c) below, a greater than 50% chance of the **insured person** successfully pursuing or defending the claim and, if the **insured person** is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained. Under Cover 11 Contract & debt recovery, there must be a greater than 50% chance of successfully defending the claim in its entirety.
- (b) In criminal prosecution claims where the **insured person** pleads
 - (i) guilty, a greater than 50% chance of reducing any sentence or fine or
 - (ii) not guilty, a greater than 50% chance of that plea being accepted by the court.
- (c) In all claims involving an appeal, a greater than 50% chance of the **insured person** being successful.

Where it has been determined that **reasonable prospects of success** do not exist, the **insured person** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

Geographical limits

For Covers 6 Legal defence and 12 Contract & debt recovery shall extend to Norway, Switzerland and countries in the European Union.

We/Us/Our

means ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**.

Insuring clause

For the Covers shown in this section the **insurer** will pay **legal costs & expenses** including the cost of appeals (and compensation awards under Cover 2 Employment compensation awards), up to

- (a) £250,000 for all claims related by time or originating cause;
- (b) an aggregate limit of £1,000,000 for compensation awards under Cover Employment compensation awards; subject to all of the following requirements being met:

- (1) The **insured person** keeps to the terms of this section and cooperates fully with **us**.
- (2) Unless otherwise stated in this section, the Cover arises in connection with **your business** and occurs within the **geographical limits**.
- (3) The claim
 - (a) always has **reasonable prospects of success** and
 - (b) is reported to **us**
 - (i) during the **period of insurance** and
 - (ii) as soon as the **insured person** first becomes aware of circumstances which could give rise to a claim.
- (4) Unless there is a conflict of interest, the **insured person** always agrees to use the **appointed advisor** chosen by **us**
 - (a) in any claim brought under Cover 1 Employment and/or
 - (b) before proceedings have been or need to be issued.
- (5) Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the **geographical limits**.

We consider that a claim has been reported to **us** when **we** have received the **insured person's** fully completed claim form.

Cover

1 Employment

A dispute between **you** and **your employee**, **ex-employee**, or a prospective **employee**, arising from a breach or an alleged breach of their

- (a) contract of service with **you**;
- (b) related legal rights.

You can claim as soon as internal procedures as set out in the

- (a) ACAS Code of Practice for Disciplinary and Grievance Procedures or
- (b) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland have been or ought to have been concluded.

Excluding

any claim arising from or relating to:

- (a) the pursuit of an action by **you** other than an appeal against the decision of a court or tribunal
- (b) actual or alleged redundancy that is notified to **employees** within 180 days of the start of this section, except where **you** have had equivalent cover in force up until the start of this section
- (c) costs **you** incur to prepare for an internal disciplinary hearing, grievance or appeal
- (d) a pension scheme where actions are brought by ten or more **employees** or **ex-employees**

2 Employment compensation awards

Following a claim **we** have accepted under Cover 1 Employment, the **insurer** will pay any

- (a) basic and compensatory award or
- (b) damages awarded by a court or
- (c) an amount agreed by **us** in settlement of a dispute

Provided that compensation is agreed through mediation, conciliation or under a settlement approved by us in advance or awarded by a tribunal or court judgment after full argument unless given by default.

Excluding

- (a) Money due to an **employee** under a contract or a statutory provision relating thereto.
- (b) Compensation awards or settlements relating to
 - (i) trade union membership, industrial or labour arbitration or collective bargaining agreements
 - (ii) civil claims or statutory rights relating to trustees of occupational pension schemes.

3 Employment restrictive covenants

- (a) A dispute with **your employee** or ex-**employee** which arises from their breach of a restrictive covenant where **you** are seeking financial remedy or damages.

Provided that the restrictive covenant

- (i) is designed to protect **your** legitimate business interests, for a period not exceeding 12 months and
- (ii) is evidenced in writing and signed by **your employee** or ex-**employee** and extends no further than is reasonably necessary to protect the **business** interests

- (b) A dispute with another party who alleges that **you** have breached their legal rights protected by a restrictive covenant

4 Tax disputes

- (a) A formally notified enquiry into **your business** tax.
- (b) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors.
- (c) A dispute with HMRC about Value Added Tax.

Provided that:

- (a) **you** keep proper records in accordance with legal requirements and
- (b) in respect of an appealable matter **you** have requested an Internal Review from HMRC where available.

Excluding

Any claim arising from or relating to:

- (a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
- (b) an investigation by the Fraud Investigation Service of HMRC
- (c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to **your** financial arrangements
- (d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
- (e) **your** failure to register for VAT.

5 Property

A dispute relating to material property which **you** own or is **your** responsibility

- (a) following an event which causes **damage** to **your** property
- (b) following a public or private nuisance or trespass
- (c) which **you** wish to recover or repossess from an **employee** or ex-**employee**.

Excluding

Any claim arising from or relating to:

- (a) a contract between **you** and a third party except for a claim under (5) (c)
- (b) goods lent or hired out
- (c) compulsory purchase, demolition, restrictions, controls or permissions placed on land or property by any government, local or public authority.

6 Legal defence

- (a) A criminal investigation and/or enquiry by:
 - (i) the police or
 - (ii) other body with the power to prosecute
 where it is suspected that an offence may have been committed that could lead to the **insured person** being prosecuted.
- (b) The charge for an offence or alleged offence which leads to the **insured person** being prosecuted in a court of criminal jurisdiction.

Excluding

- (a) Any claim relating to a parking offence.
- (b) **Legal costs & expenses** in excess £2,500 for representation at an interview under caution.

7 Compliance & regulation

- (a) Representing the insured **person** following a formal investigation visit or inspection by the Office for Standards in Education, Children's Services and Skills (Ofsted), the Care and Social Services Inspectorate Wales (CSSIW), the Care Inspectorate (Scotland) or other equivalent competent authority within the **geographical limits**.
- (b) Should the **insured person** require it, legal advice and/or mediation to resolve issues arising from the **insured person's** opposition to the terms of an improvement action notice or a welfare requirements notice by Ofsted, CSSIW or the Care Standards Inspectorate or other equivalent competent authority within the **geographical limits**, utilising their formal complaints procedure.
- (c) Representing the **insured person** where statutory enforcement action is taken by Ofsted, CSSIW, the Care Inspectorate or other equivalent competent authority within the **geographical limits**, provided that where the **insured person** is prosecuted for non-compliance they accept that they have not complied with the terms of the statutory notice, but have a reasonable defence.

Additional cover

Defending the **insured person** in a civil action alleging wrongful arrest arising from an allegation of theft.

Excluding

- (a) the pursuit of an action by **you** other than an appeal
- (b) a routine inspection by a regulatory authority.

8 Statutory licence and registration appeals

Appealing to the first tier tribunal (Health Education and Social Care Chamber) and Scotland and Northern Ireland equivalent competent authority, and the upper tribunal against a decision to cancel, vary, or suspend the terms of the **insured person's** registration.

9 Loss of earnings

The insured person's absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the **appointed advisor** or whilst on jury service which results in loss of earnings.

Excluding

Any sum which can be recovered from the court.

10 Personal injury

An event that causes bodily injury to, or death of, an **insured person**.

Excluding

Any claim arising from or relating to a condition, illness or disease which develops gradually over time.

11 Executive suite

This cover applies only to the principal, executive officers, directors and partners of **your business**.

- (a) An HMRC enquiry into the executive's personal tax affairs.
- (b) A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from **your business**.
- (c) A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive suite identity theft resolution helpline.
- (d) A dispute that arises from the terms of **your business** partnership agreement that is to be referred to mediation.
- (e) Crisis communication as described in Cover 12 below shall be available to the principal, executive officers, directors and partners of the **business** for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.

Excluding

- (a) Any claim arising from or relating to
 - (i) tax returns which are submitted late or for any other reason, resulting in HMRC imposing a penalty or which contain careless and/or deliberate misstatements or omissions
 - (ii) an investigation by the Fraud Investigation Service of HMRC
 - (iii) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements
 - (iv) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
 - (v) a parking offence
 - (vi) costs incurred in excess of £25,000 for a claim under 11 d) and 11 e).
- (b) Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

12 Contract & debt recovery

A breach or alleged breach of an agreement or alleged agreement which has been entered into by **you** or on **your** behalf to buy, sell, hire or lease goods or services or to rent **your premises**, provided that if **you** are claiming for an undisputed debt **you** have exhausted **your** normal credit control procedures.

Excluding

Any claim arising from or relating to:

- (a) an amount which is less than £200
- (b) a dispute with a tenant or leasee where **you** are the landlord or lessor
- (c) the sale or purchase of land or buildings
- (d) loans, mortgages, endowments, pensions or any other financial product
- (e) computer hardware, software, internet services or systems which have been supplied by **you** or have been tailored to **your** requirements
- (f) a breach or alleged breach of a professional duty by an **insured person**
- (g) the settlement payable under an insurance policy
- (h) a dispute relating to an **employee** or ex-**employee**
- (i) adjudication or arbitration.

13 Crisis communication

Following an event which causes significant adverse publicity or reputational damage which is likely to have a widespread financial impact on **your business, we** will:

- (a) liaise with **you** and **your** solicitor (whether the solicitor is an **appointed advisor** under this section, or acts on **your** behalf under another section of this policy, or any other policy) to draft a media statement or press release
 - (b) prepare communication for **employees**/customers/suppliers and/or a telephone or website script or social media messaging
 - (c) arrange, support and represent the **insured** at an event at which media will be reporting
 - (d) support the **insured** by taking phone calls/emails and managing interaction with media outlets
 - (e) support and prepare the **insured** for media interviews
- provided that **you** have sought and followed advice from **our** Crisis communication helpline.

Excluding

Any claim arising from or relating to

- (a) matters that should be dealt with through **your** normal complaints procedures
- (b) a matter that has not actually resulted in adverse publicity appearing on line, in print or broadcast
- (c) costs incurred in excess of £25,000.

Exclusions to this section

The **insured person** is not covered for any claim arising from or relating to:

- (1) costs or compensation awards incurred without **our** consent
- (2) any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this section, and which the **insured person** knew or ought reasonably to have known could lead to a claim
- (3) an allegation against the **insured person** involving:
 - (a) assault, violence, malicious falsehood or defamation
 - (b) indecent or obscene materials
 - (c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in or using illegal drugs
 - (d) illegal immigration
 - (e) money laundering or bribery offences, breaches of international sanctions, fraud, or any other financial crime activities except in relation to Cover 13 Crisis communication
- (4) defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Cover 1 Employment), or **damage** to property owned by the **insured person**
- (5) National Minimum Wage and/or National Living Wage Regulations
- (6) patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Cover 3 Employment restrictive covenants)
- (7) a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under Cover 11(d))
- (8)
 - (a) a franchise agreement
 - (b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
- (9) a judicial review
- (10) a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6
- (11) the payment of fines, penalties or compensation awarded against the **insured person** (except as covered under Cover 2 Employment compensation awards), or costs awarded against the **insured person** by a court of criminal jurisdiction.

Conditions

Where the **insurer's** risk is affected by the **insured person's** failure to keep to these conditions the **insurer** can refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **legal costs & expenses** from the **insured person** if this happens.

1 The insured person's responsibilities

An **insured person** must:

- (a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve the claim in the **insured person's** favour
- (b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim and not hinder them
- (c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**
- (d) allow the **insurer** at any time to take over and conduct in the **insured person's** name, any claim.

2 Freedom to choose an appointed advisor

- (a) In certain circumstances as set out in 2 (b) below the **insured person** may choose an **appointed advisor**. In all other cases, no such right exists and **we** shall choose the **appointed advisor**.
- (b) If a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured person** or there is a conflict of interest, the **insured person** may choose a qualified **appointed advisor** except, where the **insured person's** claim arises under Cover 1 Employment, **we** shall always choose the **appointed advisor**.
- (c) Where the **insured person** wishes to exercise the right to choose, the **insured person** must write to **us** with their preferred representative's contact details.
- (d) Where the **insured person** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel and will pay only the costs that the **insurer** would have been liable to pay. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them, including rates which may be lower than those available from other firms).
- (e) If the **insured person** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured person**, the **insurer's** liability in respect of that claim will end immediately.
- (f) In respect of pursuing a claim relating to Cover 12 Contract & debt recovery **you** must enter into a **conditional fee agreement** (unless the **appointed advisor** has entered into a **collective conditional fee agreement**) where legally permitted.

3 Consent

- (a) The **insured person** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured person's** claim. The **insured** is considered to have provided consent to **us** or **our** appointed agent to have sight of their file for auditing and quality and cost control purposes.
- (b) An **insured person** must have **your** agreement to claim under this section.

4 Settlement

- (a) The **insurer** can settle the claim by paying the reasonable value of the **insured person's** claim.
- (b) The **insured person** must not negotiate or settle the claim without **our** written agreement.
- (c) If the **insured person** refuses to settle the claim following advice to do so from the **appointed advisor** the **insurer** reserves the right to refuse to pay further costs.

5 Barrister's opinion

We may require the **insured person** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of their claim. If the opinion supports the **insured person**, then the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** will pay for a final opinion which shall be binding on the **insured person** and **us**. This does not affect the **insured person's** right under Condition 6 below.

6 Arbitration

If any dispute between the **insured person** and **us** arises from this section, the **insured person** can make a complaint to **us** as described at the end of this section and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured person's** concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured person** can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If **we** and the **insured** fail to agree on a suitable person to arbitrate the matter **we** will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

7 Multiple insurances

The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy or another section of this policy, or any claim that would have been covered by any other policy or other section of this policy if this section did not exist.

8 Fraudulent claims and claims tainted by dishonesty

- (a) If the **insured person** makes any claim which is fraudulent or false, the cover under this section shall immediately become void and all benefit under it will be lost.
- (b) An **insured person** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of any claim, it appears to the **appointed advisor** that the **insured person** has breached this condition and that the breach has:
 - (i) affected **our** assessment of **reasonable prospects of success**, and/or
 - (ii) prejudiced in any part the outcome of the **insured person's** claimthe **insurer** shall have no liability for **legal costs & expenses** incurred from the date of the **insured person's** breach.

9 Cancellation

- (a) If **you** cancel this policy the insurance provided by this section shall terminate from the date of cancellation and any return of premium available shall be determined by the same method as for the other sections of this policy.
- (b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the cover at any time by giving **you** at least 21 days written notice. The **insurer** will refund the premium for the time remaining of the **period of insurance**. **We** will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:
 - (i) where the party claiming under this section fails to cooperate with or provide information to **us** or the **appointed advisor** in a way that materially affects our ability to process a claim, or our ability to defend the **insurer's** interests;
 - (ii) where the **insured** uses threatening or abusive behaviour or language, or intimidates or bullies **our** staff or suppliers;
 - (iii) where **we** have evidence that the **insured** has committed a fraudulent act.
- (c) The **insurer** may also cancel the cover and refund the premium for the remaining **period of insurance** if at any time **you**:
 - (i) enter into a voluntary arrangement or a deed of arrangement or
 - (ii) become bankrupt, are placed into administration, receivership or liquidation or
 - (iii) have **your** affairs or property in the care or control of a receiver or administrator.

10 Acts of Parliament, statutory instruments, civil procedure rules & jurisdiction

All legal instruments, bodies and rules referred to within this section shall include the equivalent in Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement. This section will be governed by English law.


11 Contracts (Rights of Third Parties) Act 1999


A person who is not insured by this contract has no right to enforce the terms and conditions of this section under the Contracts (Rights of Third Parties) Act 1999.

How we handle complaints

Step 1

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department who will arrange to have it reviewed at the appropriate level. We can be reached in the following ways:


 0117 917 1561 (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays, for our mutual protection and training purposes, calls may be recorded).

 customerrelations@arag.co.uk

 ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN

Step 2

Should you remain dissatisfied you can pursue your complaint further with Lloyd's. They can be reached in the following ways:

 0207 327 5693, Fax: 0207 327 5225


 complaints@lloyds.com

 website: www.lloyds.com/complaints

 Lloyd's, One Lime Street, London EC3M 7HA

Step 3

If Lloyd's is not able to resolve the complaint to your satisfaction then you may refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. The FOS can normally deal with complaints from small businesses with an annual turnover of less than €2 million. They can be contacted at:

 0800 023 4567 or 0300 123 9123

 complaint.info@financial-ombudsman.org.uk

 Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find out more information on the Financial Ombudsman Service at www.financial-ombudsman.org.uk

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

You can read more about our complaints procedure on our website:

<https://www.arag.co.uk/contact/making-a-complaint>

This contract (other than the Commercial legal protection section) is underwritten by: Ecclesiastical Insurance Office plc.

Our FCA register number is 113848.
Our permitted business is general insurance.

The Commercial legal protection section is provided by ARAG plc (FCA register number 452369) and underwritten by Brit Syndicate 2987 at Lloyd's (FCA register number 204930).

**You can check this on the
FCA's register by visiting the
FCA's website**

www.fca.org.uk/register

**or by contacting the FCA on
0800 111 6768**

If you would like this booklet in large print, braille, on audio tape or computer disc please call us on

0345 777 3322

You can also tell us if you would like to always receive literature in another format.



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